



TRC CONSTRUCTION PLC

บริษัท ทีอาร์ซี คอนสตรัคชั่น จำกัด (มหาชน)

Annual Registration Statement

# ANNUAL REPORT

# 2022

( Form 56 - 1 One Report )



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### Message from the Chairman of the Board of Directors

As the COVID-19 epidemic has continued for a longer period of time causing the economic slowdown and as a result in 2022, the construction business has faced challenges from rising construction cost in both labor cost, due to shortage of foreign workers since the outbreak of the COVID-19 that has not yet been recovered, and also material cost soared in line with energy prices especially steel and cement as a result of the conflict between Russia and Ukraine impacting the expansion of construction business, the main revenue of the company.

Realizing such an abovementioned risk, the Company has therefore defined its strategy to search for new business opportunities by co-investment with expert business alliances; 1) investment in infrastructure businesses with government commissionaires and energy ones to provide infrastructure services for industrial plants, design service and maintenance service for machinery and equipment related to infrastructure works, and 2) aiming to innovative works; investment in Smart IoT Ecosystem business providing services for R & D of monitoring system, control, analysis, big data processing including production, distribution and information technology management services and platform development in order to expand the Company' s current business and enhance stable and sustainable growth.

Additionally, as the company has placed an importance on operating sustainable business, in 2022, participation in the assessment of Environment Social and Governance: ESG has been initiated with determination of guideline for sustainability under the good corporate governance practice together with strict regulatory compliance. Consequently, in 2022 the company' s corporate governance has been assessed and continuously ranked in the "Excellent" level for 6 years by Thai Institute of Directors. Various activities have been continually promoted for social and environmental benefits such as Hometown Project having been implemented since 2013 on the purpose of developing employees' hometown and Patient Quality of Life Promotion Project at Srithanya Hospital by creating jobs and careers for patients' income gain, willpower and self-esteem. Moreover, reduction of environmental impact has been also emphasized through worthy consumption of energy and resources for highest benefits including managing and controlling the Company' s operations to cause the least impact towards society and communities and emphasizing on safety-at-work for employees, concerned parties in each project and nearby communities.

Finally, on behalf of the Board of Directors, we would like to express our sincere gratitude to all shareholders and stakeholders for continuous reliance and support rendered to the Company and thank to the Board of Directors, executives and employees for devotion and endeavor amid troublesome situations during the past year. The Company' s commitment is to operate its business for achievement of vision, policy and goal to ensure stable and sustainable growth.

*-Paichit Rattananon-*

(Mrs. Paichit Rattananon)

Chairman of the Board of Directors

24 February 2023

## **PART 1 Business Operation and Operating Results**

## 1. Operation Structure of the Company Group

### 1.1 Business Policy and Overview

#### 1.1.1 Business Policy and Overview

TRC Construction Public Company Limited (“the Company”) was established on 20 November 1998. The Company operates a full range of construction services consisting of engineering design, procurement of machinery and equipment, and construction or EPC. The Company has experience and expertise in pipeline system (natural gas pipes, water pipes, petrochemical pipes) and construction in the petrochemical industry. In addition to providing construction services, the Company also has entered into project development and investment. The Company has a subsidiary namely Sahakarn Wisavakorn Company Limited which is a construction contractor specializing in civil and utility systems. The Company Group has continuously expanded its capital base and business operations. In 2018, the Company expanded into innovative business such as the construction of smart warehouses with Automated Storage and Retrieval System (AS/RS). Core clients of the Company are business operators in the energy and petrochemical sectors, as well as government agencies.

The Company was initially listed on the Market for Alternative Investment (MAI) under the trading name of "TRC" on 22 December 2005 and then later listed on the Stock Exchange of Thailand in the real estate and construction industry sector of the real estate development category on 23 April 2013 and since 2 January 2014, the Stock Exchange of Thailand placed the Company's securities in the construction services category.

#### Vision, Mission, Goals and Corporate Values

The Company has a policy to review its vision, mission and goals on yearly basis, and the 2/2023 Board of Directors' meeting on 24 January 2023 had its resolution to maintain the existing vision, mission, goals and values of the organization.

##### Vision

Determining to be the innovative turnkey EPC contractor for customers in the CLMVT\* region.  
(\*comprising Cambodia, Laos, Myanmar (Burma), Vietnam and Thailand).

##### Mission

1. To deliver sustainable returns through good governance.
2. To deliver excellent service with high quality, environmental and safety awareness to ensure our clients' success.
3. To conduct business with good corporate responsibility.
4. To create best working environment and become the best operational – excellence organization.

##### Corporate Values

- |                        |                                |
|------------------------|--------------------------------|
| 1. B = Be Innovative   | Innovation-Driven Organization |
| 2. E = Energetic       | Relentless Strive Forward      |
| 3. T = Target-Oriented | Results-Oriented               |



4. R = Respect & Trust                      Be Respectful, Have Confidence and Trust for Others
5. C = Commitment                              Commitment to quality, safety at all times, environmental preservation and social responsibility

#### 1.1.2 Significant changes and developments

The Company Group has developed its business expansion and has been subcontracting large projects continuously over the past 6 years as follows

##### Year 2017

- The Company and Sahakarn Wisavakorn Company Limited secured 14 construction projects worth a total of Baht 5,357.74 million. The followings were key projects:

##### TRC:

- EPC for RDCC Catalyst Cooler Project Part 2 - Back Pressure Steam and Utilities System awarded by IRPC Public Company Limited, total work value of Baht 492.00 million
- BV 4.19 PIG Launcher and Receiver Installation Project awarded by PTT Public Company Limited, total work value of Baht 229.28 million.
- The Revamp LPG Transfer Pump to Domestic BRP Project awarded by PTT Public Company Limited, total work value of Baht 208.50 million.

##### Sahakarn Wisavakorn Company Limited:

- Improvement of Pracharumjai Road – Mitmaitri Road Project awarded by the Bangkok Metropolitan Administration, the Metropolitan Electricity Authority, the Metropolitan Waterworks Authority, and TOT Public Company Limited, total work value of Baht 990.84 million.
  - The 7,602-km Kanlapaphruek Road Extension Project awarded by the Department of Highways (Ministry of Transport), the Metropolitan Electricity Authority, and the Metropolitan Waterworks Authority, total work value of Baht 849.72 million.
- The 2017 Annual General Meeting of Shareholders passed its resolutions in relation to the Company's registered capital as follows.
    - Approval of the reduction of registered capital from Baht 726,373,442.88 to Baht 641,998,220 consisting of 5,135,985,760 ordinary shares with par value of Baht 0.125.
    - Approval of , the increase of registered capital for Baht 91,714,031.25 equivalent to 733,712,250 ordinary shares, resulting in the Company's registered capital increasing from Baht 641,998,220 to Baht 733,712,251.25 or equivalent to 5,869,698,010 ordinary shares.
    - Approval of the allocation of 733,712,250 new ordinary shares to prepare for the Company's obligations arising from the issuance of stock dividends.
  - In May 2017, the Company executed transactions in connection with its ordinary shares as follows:
    - A decrease of registered capital to Baht 641,998,220

- An increase of registered capital to Baht 733,712,251.25
- Issuance of dividend stocks for 2016 operation results at the amount of 733,707,536 shares (7 existing shares for 1 new share)

At the end of 2017, the Company had registered capital of Baht 733,712,251.25 and paid-up capital of Baht 733,711,662.00.

- In June 2017, the Company established a subsidiary named TRC Utility Company Limited ("TRC-UT") with registered capital of Baht 1,000,000, whose business activities mainly involve with the investment in projects related to basic infrastructure. The first investment by this newly established entity was the Water Supply Concession Project of Tasit Subdistrict Administration Organization in Pluak Daeng District, Rayong Province with an investment value of Baht 46.50 million. The construction project was completed and operated commercially in March 2018.
- In July 2017, the Company issued debentures through private placement within the limit amount of Baht 100 million maturing in 1 year with interest rate of 4.50% per annum payable every 3 months.
- In October 2017, the Company was certified ISO9001:2015 quality management standard, ISO14001:2015 environmental management system standard, and OHSAS18001:2007 occupational health and safety management system standard from SGS (Thailand) Company Limited.
- In November 2017, Sahakarn Wisavakorn Company Limited, in partnership with Chinese strategic alliance Huayuan Innovative Development (Hong Kong) Company Limited, set up a subsidiary named "SH Crossings Company Limited" in which Sahakarn Wisavakorn holds 51% stake and the partner holds 49%. The purpose of this new subsidiary incorporated with Baht 40 million in registered capital was to operate its business in construction of underground electrical conduits including boring and pipe jacking work.
- The Company's stocks became qualified for the calculation of sSET Index – an index representing price movements of common stocks of public companies, apart from constituents in the SET50 Index and SET100 Index, which listed on the Stock Exchange of Thailand, have constant liquidity, and comply with requirements regarding the distribution of shares to minor shareholders. The Company was consistently included in the computation of the SET index in 2017 to 2018 and in the first half of 2019.
- The Company received "Excellent" rating from the Corporate Governance Report of Thai Listed Companies 2017 (CGR 2017) conducted by the Thai Institution of Directors (IOD), up from "very good" rating, and in 2018, the Company maintained its "Excellent" rating for 2 consecutive years.
- During 2017, ASEAN Potash Chaiphum Public Company Limited ("APOT"), one of the Company's affiliates had undertaken the following actions to make changes to its registered capital and paid-up capital:
  - In March 2017, APOT received Baht 80 million from the Ministry of Finance as payment for 1,174,860 newly issued ordinary shares at the price of Baht 68.43 per share. After the registration of change in paid-up capital from Baht 2,688,308,700 to Baht 2,805,797,300, TRC Group's

shareholding in APOT as of the end of 2017 was down to 25.13% (22.46% held by TRC Investment Limited and 2.67% held by TRC International Limited).

- In July 2017, a change in capital from Baht 2,805,797,300 to Baht 29,472,035,900 was registered in accordance with APOT's 2017 Annual General Meeting of Shareholders' resolution approving the capital increase.

#### Year 2018

- The Company and subsidiaries secured 10 construction projects with a total of work value of Baht 3,621.57 million.

**TRC:** 4 projects totaling Baht 924.88 million, the significant projects consisting of:

- Subcontracted work for the 5<sup>th</sup> Transmission Pipeline Project, Phase 1 of PTT Plc, provided by Sinopec International Petroleum Service Corporation which was the main construction contractor of the project. The project involved with engineering, procurement, and construction; commissioning and start-up stations (Block Valve & Facility) at 14 locations, with total work value of Baht 755.23 million and 33 months project period.

**Sahakarn Wisavakorn Company Limited:** 6 projects totaling Baht 2,696.69 million, the significant projects consisting of:

- Bridge construction project (over Ranong intersection), a clarifier pond, underground electrical cable work along Rama 3 road, bridge over Ranong intersection (a project of Bangkok Metropolitan Administration and the Metropolitan Electricity Authority), total work value of Baht 1.52 billion with 900 days project period.
- Design and construction project for PTT Oil and Retail Business Plc's lubrication products distribution center, total work value of Baht 600 million with 450 days project period.
- In March 2018, the Company issued 2-year debentures amounting Baht 180 million (4.80% interests per annum payable every 3 months) to specific individuals.
- In April 2018, significant resolutions of the 2018 Annual General Meeting of Shareholders pertaining to registered capital were as follows:
  - Approval of the reduction of the registered capital from Baht 733,712,251.25 to Baht 733,711,662, divided into 5,869,698,010 ordinary shares at par value of Baht 0.125
  - Approval of the increase of registered capital of Baht 36,685,583 divided into 293,484,664 ordinary shares from the registered capital of Baht 733,711,662 increased to Baht 770,397,245 divided into 6,163,177,960 ordinary shares
  - Approval of the allocation of 6,163,177,960 newly issued ordinary shares to support the issuance of dividend stocks.
- In May 2018, the Company proceeded with transactions in relation to ordinary shares as follows:
  - A decrease of registered capital to Baht 733,711,662
  - An increase of registered capital to Baht 770,397,245



- Issuance of 6,163,177,960 dividend stocks for 2017 operating results at the rate of 20 existing share for 1 new share.

By the end of 2018, the Company had registered capital of Baht 770,397,245 and paid-up capital of Baht 770,395,728.12.

- In May 2018, APOT submitted a notice to the Company, requesting suspension of all construction activities that the Company had undertaken. APOT also requested to terminate the Refurbishment of the Existing Decline project.
- Uncertainties relating to the current and future business operations of APOT, which TRC Group has 25.13% shareholding, may result the Company in not getting the overdue interim payment for the portion of work completed from APOT, including the expected return on investment. Hence, the Company had to set up reserves for investment, trade receivable and other receivable, including realization of expenses / obligations / others, related to the construction project for APOT which is now a part of the project cost in the financial statements for 2018. This is considered a significant impact to the Company's operations results which contributed to the Company's inability to maintain the financial ratio that had projected for the debentures holders earlier. In March 2018, the Company proceeded to redeem the Baht 180 million debentures ahead of the maturity date.

#### Year 2019

- In June 2019, significant resolutions of the 1/2019 Extraordinary General Meeting of Shareholders of pertaining to registered capital are as follows:
  - Approved the reduction of the registered capital from Baht 770,397,245 to Baht 770,395,728.12, divided into 6,163,165,825 ordinary shares with a par value of Baht 0.125 per share.
  - Approved the increase of the registered capital of Baht 427,997,626.63 divided into 3,423,981,013 ordinary shares, from the registered capital of Baht 770,395,728.12, increasing to Baht 1,198,393,354.75, divided into 9,587,146,838 ordinary shares.
  - Approved the allocation of 3,423,891,013 new shares at par value of Baht 0.125 per share to be offered to existing shareholders (Right Offering) at the ratio of 9 existing shares to 5 new shares at an offering price of Baht 0.125.
  - Approved to transfer the statutory reserve of Baht 73,371,224.63 and share premium of Baht 1,041,739,823 to offset the Company's retained deficits.
- In July 2019
  - The Company proceeded with transactions in relation to ordinary shares as follows:
    1. Reduced registered capital to Baht 770,395,728.12
    2. Increased registered capital to Baht 1,198,393,354.75

3. Allocated capital increase ordinary share of 3,423,981,013 shares to existing shareholders at the ratio of 9 existing shares to 5 new shares. At the end of 2019, the Company had Baht 1,198,393,354.75 issued and paid-up registered capital.
- The Company received full 100 marks in quality evaluation for the arrangement of 2019 Annual General Meeting of Shareholders from Thai Investors Association.
  - In August 2019, the Company signed Joint Venture Agreement with Asia Green Energy Company Limited (AGE) and Appliance Technology Supply Company Limited (APTECH) to set up a company to provide public utility supply and services to industrial factory. AT Energy Solution Company Limited was then established at the end of 2019 with registered capital of Baht 200 million and paid-up capital of Baht 50.75. Shareholding proportion between TRC, AGE and APTECH is 50:50:0 respectively.
  - In November 2019, the Company received “Excellent” rating from the Corporate Governance Report of Thai Listed Companies 2019 (CGR 2019) conducted by the Thai Institution of Directors (IOD) for 3 consecutive years.
  - In December 2019, the 10/2019 Board of Directors' Meeting resolved to approve the Company to enter into joint venture agreement with XSense Information Service Company Limited for research and development of control system through IoT and jointly established Olive Technology Company Limited ("OLIVE") to conduct research and development services for inspection, control and analyze system and manage big data analysis.
  - The Company and subsidiaries secured 9 construction projects worth a total of Baht 6,660.80 million.
    - TRC:** 2 projects totaling Baht 2,222.75 million, the significant projects consisting of:
      - Design, Supply, Construction and Commissioning of Refined Glycerin Plant Project from Bangchak Biofuel Company Limited, total project value of Baht 389.75 million with 480-day project period.
      - Raw Water Pipeline System Klong Luang Reservoir-Chonburi Project (Water Pipeline and Pump Station) from Eastern Water Resources Development and Management Public Company Limited, total project value of Baht 1,833 million with 24-month project period.
    - Sahakarn Wisavakorn Company Limited:** 7 projects totaling Baht 4,438.05 million, the significant projects consisting of:
      - Construction of Highway Route No. 3304, connecting between Highway Route No. 315 (Don Si Non) – Highway Route No. 331 (Plaeng Yao) Section 2 from Road Construction 2, the Department of Highways. The project's work value was Baht 558.88 million with 690-day construction period.
      - Conversion of Overhead Line to Underground System Project, Ratchadaphisek-Asoke Route from Metropolitan Electricity Authority, total project value of was Baht 2,205.42 million with 1,260-day project period.

- Ditch improvement Vibhavadi Rangsit Road Section 1 Phase km.5+500.000 – km.10+700.00 from the Bureau of Road Construction 1, the Department of Highways, total project value of Baht 633.01 million with 900-day project period.
- Ditch improvement Vibhavadi Rangsit Road Section 3 Phase km.28+030.000 – km.30+300.00 from the Bureau of Road Construction 1, the Department of Highways, total project value of Baht 293.69 million with 720-day project period.
- Conversion of Overhead Line to Underground System Project, Rama IV Route from Metropolitan Electricity Authority, total project value of Baht 517.76 million with 630-day project period.

#### Year 2020

- The Company and subsidiaries secured construction projects worth a total of Baht 3,445 million

**TRC:** Total value of Baht 1,081 million, the significant projects consisting of:

- Piping Spool Fabrication Works and Fabrication and Construction of New Storage Tanks project which involve producing of piping and 15 storage tanks for crude oil from joint venture among Petrofac South East Asia Pte. Ltd., Saipem Singapore Pte. Ltd. and Samsung Engineering (Thailand) Company Limited, total project value of Baht 720 million.
- Civil and Structural Work Package for CFP Concurrent Work Project from Thai Oil Public Company Limited, total project value of Baht 93 million.
- EPC Service HDPE Pipeline Package for New Bang Phra Rae Water Line from Thai Oil Public Company Limited, total project value of Baht 254 million.
- Other projects totaling Baht 14 million.

**Sahakarn Wisavakorn Company Limited:** Total value of Baht 2,364 million, the significant projects consisting of:

- Construction of multipurpose sport stadium from Thailand National Sport University, Udon Thani Campus, total project value of Baht 87.50 million.
- Construction of Infrastructure for Nihonbashi-Bangpakong project from Frasers Property (Thailand) Public Company Limited, total project value of Baht 63 million.
- Construction of patient treatment building, Thabo Crown Prince Hospital, NongKhai province, total project value of Baht 740 million.
- Reconstruction of Inter-Region Highway Network, Highway No. 14 Maisiab-Phattalung, from Depart of Highways, total project value of Baht 890 million.
- Construction of Motorway No.9, Bangkok Outer Ring (West) Phra Pradaeng—Bang Khae, from Depart of Highways, total project value of Baht 514 million.
- Other projects totaling Baht 69 million.

- In August 2020, the Board of Directors' Meeting resolved to approve Olive Technology Company Limited ("Olive"), the Company's subsidiary, to enter into joint venture agreement with Wiwitsarn Company Limited with 59.98% shares held by Olive and 0.02% by TRC's executive and established Mahat Company Limited with objective to provide service for information technology management and platform development.
- In October 2020, the Company changed its Occupational Health and Safety Management System (OHSAS 18001:2007) to ISO 45001:2018.
- In November 2020, the Company received "Excellent" rating from the Corporate Governance Report of Thai Listed Companies 2020 (CGR 2020) conducted by the Thai Institution of Directors (IOD) for 4 consecutive years.

#### Year 2021

- The Company and subsidiaries received construction work with a total value of over Baht 1,555 million. With the following major projects:

**TRC:** the significant projects consisting of:

- High Total Dissolved Solids Wastewater Treatment Plant Project from PTT Public Company Limited. The project work value is 169.97 million Baht with 510 days construction period.
- BAPT2 Combined Cycle Cogeneration Plant Project and BAPT3 Combined Cycle Cogeneration Plant Project from Bangchak Biofuel Co., Ltd, total project value of Baht 31.63 million and Baht 123.17 million with 639-day construction period.
- Construction of welding, assembly and installation of oil storage tanks, Phetchaburi depot from Pan Asia Storage and Terminal Co., Ltd, total work value of Baht 186.29 million with 1-year construction period.
- Construction of welding, assembly and installation of oil storage tanks, Bang Prakong depo from Pan Asia Storage and Terminal Co., Ltd, total work value of Baht 116.43 million with 1-year construction period.

**Sahakarn Wisavakorn Co., Ltd:** the significant projects consisting of:

- Construction of Highway No. 4, Tamnuk Road - Khok Kian Junction Phase 1 from the Department of Highways, total work value of Baht 653.23 million with 840-day construction period.
- Tourism designated area development projects in Pranburi and Sam Roi Yot districts, Prachuap Khiri Khan Province from Department of Public Works and Urban Planning, total work value of Baht 164.48 million with 840-day construction period.

- In August 2021, the 5/2021 Board of Directors' Meeting resolved as follows:

- Approval of TRC Utilities Company Limited ("TRC-UT"), subsidiary the Company holds 99.97%, to increase registered capital from Baht 1,000,000 (10,000 shares at par value of Baht 100 per share) to Baht 50,000,000 (500,000 shares at par value of Baht 100 per share)
- Approval of the Company' waiver on subscription of TRC-UT's newly issued ordinary shares amounting 249,851 shares or equivalent to 49.97% of TRC-UT's total newly issued ordinary shares, to Planet Utilities Company Limited ("Planet UT"), a subsidiary of Planet Communications Asia Public Company Limited, a new investor. After that, the Company will hold 49.97% stakes, resulting in TRC-U's status change from the Company's subsidiary to associates.
- In October 2021, Olive Technology Company Limited ("Olive"), subsidiary of 49.97% holding, increased registered capital from Baht 1,000,000 (10,000 shares at par value of Baht 100 per share) to Baht 10,000,000 (100,000 shares at par value of Baht 100 per share)
- In November 2021, the Company received "Excellent" rating of recognition from the Corporate Governance of Thai Listed Companies Survey conducted by Thai Institute of Directors Association for 5 consecutive years.

#### Year 2022

- The Company and subsidiaries received construction work with a total value of over Baht 333.69 million as per the following major projects:

**TRC:** the significant projects consisting of:

- The gas distribution system to customers in the Nava Nakorn Industrial Zone, Nakorn Ratchasima Province project of PTT Public Company Limited. The contract value was Baht 82.54 million with 450 days construction period.
- The new gas pipeline system for EGCO Cogeneration SPP replacement project of EGCO Cogeneration Company Limited. The contract value was Baht 132.00 million with 540 days construction period.

**Sahakarn Wisavakorn Co., Ltd:** the significant projects consisting of:

- Construction of Highway No. 4, Tamnuk Road - Khok Kian Junction Phase 1 from the Department of Highways, total work value of Baht 653.23 million with 840-day construction period.
- The community area development at Muang Pitsanulok District, Pitsanulok Province from the Department of Public Works and Town & Country Planning with the contract value of Baht 91.59 million. The construction period was 780 days.
- Tourism designated area development projects in Pranburi and Sam Roi Yot districts, Prachuap Khiri Khan Province from Department of Public Works and Urban Planning, total work value of Baht 164.48 million with 840-day construction period.
- The community area development at Tumbon Kumpang, La-ngoo District, Satun Province from Department of Public Works and Town & Country Planning, total work value of Baht 128.50 million (included VAT) with 720-day construction period.



- In January 2022, Olive Technology Company Limited (“OLIVE”), a subsidiary of the Company has established the Express World Tracking Joint Venture (EWT Joint Venture) signed contract between Turnkey Communication Services Public Company Limited (“TKC”) with 40% holding and United Telecom Sales and Services Company Limited (“UTEL”) with 30% holding and Olive Technology Company Limited with 30% holding.
- In March 2022, Olive Technology Company Limited (“Olive”) has established the Xsense-Olive Joint Venture signed between Xsense Information Services Company Limited (“Xsense”) with 60% holding, and Olive Technology Company Limited with 40% holding.
- In May 2022, the Essence-Olive Joint Venture signed contract to develop a transportation management platform and marketplace system for agriculturist and small entrepreneurs and the purchase of transportation vehicle tracking equipment with data receiving system with Thailand Post Distribution Company Limited with work value of Baht 138.90 million with 180 days.
- In June 2022, the Express World Tracking Joint Venture signed a contract to develop the core operating system of Thailand Post (THP Core System) with Thailand Post Company Limited with total work value of Baht 988.00 million with 24-months.
- In September 2022, Approval of the dissolution of TRC Middle East LLC and TRC Engineering LLC, subsidiaries in Sultanate of Oman, which TRC International Limited held 70% shareholding of such 2 companies. TRC Middle East LLC and TRC Engineering LLC was established to support the operation of Construction of Flow Lines Rima Satellites Small Fields Project from Petrogas Rima LLC. The project was completed and has already been delivered to the client. Due to oil price decreasing situation, the 2 aforementioned companies had no any project on hand since 2015. This caused a loss from the dissolution of Baht 36.85 million.
- In November 2022, the Company received "Excellent" rating of recognition from the Corporate Governance of Thai Listed Companies Survey conducted by Thai Institute of Directors Association for 6 consecutive years.

## 1.2 Nature of Business

### 1.2.1 Revenue Structure of the Company and its Subsidiaries

The Company Group's core revenue comes from 1. Construction services 2. Other services, and 3. Sales, detailed as follows:

Revenue structure	Operated By	% Shareholding	2020		2021		2022	
			Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Construction Services</b>								
Piping Work	TRC		911.65	28.52	1,309.42	33.68	618.37	18.33
	Hydrotek-Sahakarn Joint Venture <sup>(1)</sup>	49.00	-	-	260.16	6.69		
Total			911.65	28.52	1,569.58	40.37	618.37	18.33

Revenue structure	Operated By	% Shareholding	2020		2021		2022	
			Million Baht	%	Million Baht	%	Million Baht	%
Engineering Work	TRC		240.99	7.54	(27.39)	(0.70)	-	
	Sahakarn Wisavakorn Co., Ltd.	99.99	-	-	-	-	-	
Total			240.99	7.54	(27.39)	(0.70)	-	
Civil Work	TRC		74.38	2.33	309.90	7.97	113.84	3.38
	Sahakarn Wisavakorn Co., Ltd.	99.99	1,888.34	59.08	1,895.05	48.74	2,071.66	61.42
	Hydrotek-Sahakarn Joint Venture <sup>(1)</sup>	49.00	-	-	-	-	191.40	5.67
Total			1,962.72	61.41	2,204.95	56.71	2,376.90	70.47
Other Services	TRC		2.51	0.08	72.33	1.86	288.55	8.55
<b>Total construction services revenue</b>			<b>3,117.87</b>	<b>97.92</b>	<b>3,819.47</b>	<b>98.23</b>	<b>3,283.82</b>	<b>97.36</b>
Construction revenue from government jobs			1,667.73	53.49	2,225.70	58.27	2,198.30	65.17
Construction revenue from private sector jobs			1,450.14	46.51	1,593.77	41.73	1,085.52	32.18
<b>2. Other Services</b>	TRC Utilities Co., Ltd. <sup>(2)</sup>	99.97	17.10	0.53	11.67	0.30	-	
	Olive Technology Co., Ltd.	49.97	3.45	0.11	5.81	0.15	57.87	1.72
<b>Total revenue from other services</b>			<b>20.55</b>	<b>0.64</b>	<b>17.48</b>	<b>0.45</b>	<b>57.87</b>	<b>1.72</b>
<b>3. Sales</b>	Sahakarn Wisavakorn Co., Ltd.	99.99	7.51	0.24	8.40	0.22	1.60	0.05
Interest income			0.89	0.03	0.49	0.01	1.21	0.04
Other Income			49.22	1.54	42.42	1.09	28.52	0.85
<b>Total Revenue</b>			<b>3,196.04</b>	<b>100.00</b>	<b>3,888.26</b>	<b>100.00</b>	<b>3,373.02</b>	<b>100.00</b>

Note: (1) 49% of Hydrotek Sahakarn Joint Venture holds by Sahakarn Wisavakorn Company Limited.

(2) Income of TRC Utilities Co., Ltd from January 1, 2022 to August 15, 2022.

### 1.2.2 Business & Service

TRC Construction Public Company Limited (the Company or TRC) is a construction company providing contracted integrated construction services to fit the clients' needs. This consists of engineering design, supply of machinery and equipment, and construction services. The Company specializes in construction of pipeline system and construction of energy and petrochemical plants for both public and private sectors. In bidding for, and undertaking of projects, the Company serves as a main contractor, subcontractor or joint-venture partner or a member of a consortium both locally and internationally, in accordance with the requirements of the clients.

Apart from construction services, core business, the Company has sought opportunities and enhanced potential to ensure sustainable growth by creating consistent revenue recognition, minimized reliance on only the construction business. Therefore, the Company expands business opportunity for development and investment in infrastructure and Smart IoT Ecosystem in the projects that have long-term potential and satisfactory return.

In 2017, a subsidiary namely TRC Utility Company Limited (TRC-UT) was formed to invest in basic utility-related projects. The 1<sup>st</sup> project was tap water concession awarded by Tasit Subdistrict Administration Organization at Pluag-Daeng district, Rayong province. The construction was completed, and the commercial operation was started in March 2018. Later in August 2018, TRC-UT increased registered capital to Baht 50 million and the Company partially waived the subscription right of ordinary shares of TRC-UT to Planet Utility Co., Ltd (“Planet UT”), subsidiary of Planet Communications Asia Public Company Limited, after this transaction, the Company holds shares in TRC-UT in the proportion of 49.97%.

In 2017, Sahakarn Wisavakorn Company Limited (“SKW”), in partnership with Chinese strategic alliance Huayuan Innovative Development (Hong Kong) Company Limited, set up a subsidiary, SH Crossings Company Limited (“SHC”), with Baht 40 million registered capital. The purpose of this new subsidiary was to do business in construction of underground electrical conduits, including boring and pipe jacking work. At present, SH Crossings Company Limited receives subcontracting projects from SKW.

In 2019, the Company entered into an investment agreement with Asia Green Energy Public Company Limited and formed AT Energy Solution Company Limited (“AT”). The purpose of AT is to seek and provide infrastructure services to industrial factory and power plant business.

In 2020, the Company entered into an investment agreement with Xsense Information Service Company Limited to operate Smart IoT Ecosystem business to set up Olive Technology Company Limited (“Olive”). The purpose of Olive is to provide research and development services of control and analysis system as well as Big Data. Later, Olive set up a subsidiary namely Mahat Company Limited (“Mahat”) to support production and distribution of information technology management and platform development services.

In 2022, Olive Technology Company Limited (“OLIVE”), a subsidiary of the Company, has established the Express World Tracking Joint Venture (EWT Joint Venture) and signed contract between Turnkey Communication Services Public Company Limited (“TKC”) and the Xsense-Olive Joint Venture signed between Xsense Information Services Company Limited (“Xsense”) to develop a transportation management platform and marketplace system for agriculturist and small entrepreneurs and the purchase of transportation vehicle tracking equipment with data receiving system with Thailand Post Distribution Company Limited.

### 1.2.3 Nature of Products and Services

At present, TRC Group consists of subsidiaries, associates, and joint ventures, totaling 18 corporate entities as detailed in "Shareholding Structure of the Company Group", operating in 3 business categories as follows:

1. Construction Business
2. Utilities & Investments
3. Smart IoT Ecosystem Business

#### **Construction Business**

The Company Group provides various construction services as follows:

##### Construction and Engineering Design for Pipeline System

The Company provides services relating to construction/ installation of natural gas/ petrochemical pipeline system, construction of natural gas pressure regulating / measurement stations. The Company has teams of engineers with experience and expertise to lay large natural gas pipeline (with maximum diameter of 30 inches), including laying of provincial natural gas pipeline. In 2015, PTT Public Company Limited awarded the Company and subsidiaries the 1<sup>st</sup> Transmission Pipeline Life Extension Project, 28-inch Recoating Section (RC-400). The project involved the life extension of the natural gas pipeline system for the 1<sup>st</sup> transmission pipeline (28 - inch diameter in size) by removing the original pipe coating material and re-coating to extend the usage life with lower cost rather than new pipe installation.

##### Construction and Engineering Design of Energy and Petrochemical Industries

The Company provides integrated construction services consisting of engineering design, sourcing/ installation of machinery and equipment for energy and petrochemical Industries such as group of Bangchak Corporation Public Company Limited which includes Bangchak Biofuel Company Limited, group of PTT Public Company Limited which includes PTT Oil and Retail Business Public Company Limited, IRPC Public Company Limited, Trans Thai-Malaysia Company Limited, etc.

##### Construction of Basic Utilities and General Construction

Sahakarn Wisavakorn Company Limited (a subsidiary) ("SKW"), formerly known as United Engineering Company Limited, was established by Mr. Pratueng Kamprakob in 1954 with a registered capital of Baht 500,000 to provide construction service. Sahakarn Wisavakorn's business had been continually growing since its founding. However, in 1997, SKW started to have financial problem until entering into the rehabilitation program in 2000. After years of its effort to recover financial position in accordance with the rehabilitation program, SKW was eventually released, by the order of the Central Bankruptcy Court, from the enforcement of rehabilitation program in March 2004.

In April 2007, SKW's shareholders traded shares with TRC which turned SKW into a subsidiary of the Company since the 2<sup>nd</sup> quarter of 2007. Currently, SKW has a registered paid-up capital of Baht 500 million.

SKW has been a registered contractor by many public entities such as Bangkok Metropolitan Administration, Department of Highways, Department of Rural Roads, Ports Authority of Thailand, Department of Public Works and Town & Country Planning, Metropolitan Electricity Authority and Provincial Waterworks Authority etc. SKW is categorized by the public organizations to eligible to enter into project bidding of construction of building, road and special bridge with no limited credit.

SKW has experience and expertise in providing integrated construction services and civil works. Most projects involved with infrastructure construction such as roads, bridges, and buildings for state enterprises / agencies. Other projects consist of construction of energy and petrochemical plants, as well as installation of machinery and equipment. Some of SKW's past performance were Ethanol production plant for Bio Ethanol Company Limited valued of Baht 2,134 million, sourcing, installing, testing of machinery / equipment system (M-01/2) for producing cigarettes and expanding tobacco for the Tobacco Authority of Thailand under the supervision of the Ministry of Finance valued of Baht 834.14 million.

SKW strongly places importance on quality management and internal processing. From 2009, SKW was certified with ISO 9001:2008 for quality management standard and strived for continual efficiency in quality, environment, occupational health, and safety. Finally, in 2017, SKW was certified with ISO 9001:2015 for quality standard, ISO 14001: 2015 for environmental management and OHSAS 18001:2007 for occupational health and safety management system from SGS (Thailand) Company Limited.

#### **Utilities Business and Investment**

The Company aims to generate stable and sustainable income, thus requiring utility and investment businesses to reduce reliance on construction services revenue that are the main revenues of the business. The Company also sees the opportunity to provide construction services from utility or investment projects and will consider investing in businesses related to the Company's existing business, such as basic utilities business, industrial and energy businesses, etc. Currently, the Company has the following utility and investment business:

##### Utilities Business

The Company saw business opportunities in the government's policy that promoted investment in basic infrastructure, as well as the privileges to incentivize investors both inside and outside the country to expand their production base to Thailand. With the Eastern Economic Corridor (EEC) zone that received support in industrial sector continuously, employment and demand for basic utilities are increasing in the future. Therefore, the Company has invested in the production and distribution of water supply in Tasit Subdistrict, Pluak Daeng District, Rayong Province, by establishing a subsidiary namely TRC Utility Company Limited ("TRC-UT"), which started its commercial operation in March 2018.

In 2021, TRC-UT participated in an electronic tender for private water supply in the Provincial Waterworks Authority, Ban Chang Branch, in which TRC-UT won the bid. TRC-UT is currently awaiting the signing of the project contract.

##### Investment in Government Concessions Business.

The Company invested in a potash mining and processing plant project in Bamnet Narong municipality of Chaiyaphum Province by acquiring a 25.13% equity share in ASEAN Potash Chaiyaphum Public Company Limited ("APOT") through overseas subsidiaries. In February 2015, APOT obtained a 25-year underground mining concession from the Ministry of Industry. APOT's project aimed to produce 1.235 million



tons/year of potash for primary potassium fertilizer which would reduce the import of 700,000 to 800,000 tons/year. The excess amount can also be exported to bring in more revenue and worthwhile the investment.

#### Investment in Energy Business

The Company entered into joint venture agreement with Asia Green Energy Public Company Limited (“AGE”) and established a joint venture company namely AT Energy Solution Company Limited (“AT”) with registered capital of Baht 200 million where TRC and AGE hold 50:50 of share proportion to provide energy and utility procurement and services especially energy sector to industrial factory i.e., production and distribution of steam, electricity, and water for industrial use. With expertise and experiences in full construction circle, fuel acquisition, design and maintenance of machinery and equipment related to utility work, both parties will share greater effectiveness and wider range of customer base.

#### **Smart IoT Ecosystem Business**

Technology is one of the most important factors that drive business growth, security and social development in public, industrial and consumer sectors. At present, the advance of high-speed internet network that covers the whole country and the application of big data analysis have enhanced the capability to compete in speed, accurate and update information that is timely and increase work efficiency. Seeing the growing trend of opportunity in Smart IoT Ecosystem, in 2020, the Company entered into an investment agreement with XSense Information Service Company Limited and formed a joint venture company namely Olive Technology Company Limited (“Olive”) to provide research and development services of control and analysis system as well as Big Data. Later, Olive set up a subsidiary namely Mahat Company Limite (“Mahat”) to support production and distribution of information technology management and platform development services.

### **1.2.4 Marketing & Competition**

#### **1.2.4.1 Marketing**

Overall, the global economy in 2022 faces with the risk of rising costs, in terms of construction material prices and transportation costs as a result of the Russia-Ukraine war that has started since February 2022 whereas the supply of oil and building materials, especially steel, disappeared from the market. It also pushed up the prices of oil and major construction materials, especially steel and cement. which are one of the risks that affect construction operators. Additionally, there are other risks such as baht depreciation, labor shortage, increased financial costs including fragile consumer purchasing power, etc. The Russia-Ukraine war affects the main cost of construction work since Russia is the second largest oil exporter in the world (2020) whereas Russia and Ukraine are the world's steel exporters, together 12% of the world's total steel exports (approximately 47 million tons) . This affects the construction business in Thailand that has to face rising costs and bear the burden of increased costs of almost every category of materials especially iron and steel products and risk factors in all aspects of the construction business; for example, having to bear labor costs that are still at a high level due to the extended shortage of labor in terms of both quantity and skills especially foreign workers who are affected by the COVID-19 epidemic situation, a number of foreign construction workers returning to work in Thailand not yet been equal to or close to the number of them during the pre-COVID-19 epidemic and no return of some Thai

construction workers who travel to other provinces to the construction labor market, including raising of the minimum wage of skilled workers, etc.

For the aforementioned reasons of effect in the year 2022, contractors in the construction business face financial liquidity problems including limitations in cost management as the worse problem addition to the unresolved COVID-19 epidemic situation. As a result, the large construction projects both medium and small ones therefore postponed construction investment indefinitely including loss of the opportunity to obtain funding from financial institutions. As per the above factors, the construction industry's trend in 2022, the construction business has a recovery direction and the overall construction investment value is likely to expand by 5.0 - 6.5%, with the main driving factor coming from government construction investment from large construction projects linked to the Eastern Economic Corridors (EEC) that are likely to speed up operations to achieve the goals of the Transport Infrastructure Action Plan in the EEC Area, Phase 2 (2022 -2026) and the project to expand the transportation routes. Especially rail and road, such as electric trains, dual track trains, motorways and large-scale transportation networks. (Megaprojects) linked to the EEC area, other infrastructure projects, investment in private construction projects of both factory & industrial estate, residential and commercial real estate construction projects that tend to gradually recover in line with economic conditions.

#### 1.2.4.2 Competition

Large and medium-sized contractors tend to have advantages in winning government projects especially major infrastructure projects as they have more experiences, technical skills, financial capacity and continuous development in construction techniques and technologies whereas smaller ones will only obtain the opportunity of working in governmental projects as subcontractors. Projects from private sectors will consist of construction of residence, industrial factory, commercial ones, hotels, hospitals, etc. The private investment projects usually fluctuate based on investment confidence of various factors i.e., economy, political stability, basic infrastructure investment and economic campaign stimulated by the government.

##### A. Significant Marketing on Products and Services

- **Marketing Policy in 2022**

1. To select works and projects in line and suitable with vision and capability of employees.
2. To seek for alliances to strengthen readiness for bidding.
3. To continuously improve the Company's procurement system to enhance price competitiveness.
4. To strengthen relationship with current customers and seek for new customers.

- **Competitor Overview**

The major contractors appears to gain more income from their advantages in investment fund and connection throughout the supply chain including risk management and the usage of technology to reduce cost. As for medium and small-sized contractors, the recovery seems to be very limited because of the uncertainty of a number of construction and subcontractor jobs. The competitiveness is also very intense as

there are many medium and small-sized contractors across the country and most of them are conservative relying more on unskilled labor than machinery causing limited work capacity and cash flow.

Labor shortage problem in Thailand's construction industry may become more obvious during 2021-2022 when investment in governmental project is expanded, as well as in private sector, which may cause labor competition among talents especially those with expertise and skills. In addition, the enforcement of Foreign Works Act B.E. 2560 (2017) from the second half of 2018 will significantly decrease number of foreign workers in the next 3 years should the employer fails to complete with the registration of such workers. Construction industry's hiring structure relies more than 50% on the foreign workers whereas most of which do not have work permit and the impact from the COVID-19 situation causes impossibility to import foreign workers.

Th construction in the country can be categorized based on type of customers i.e., public, and private sector. Likewise, contractors can be divided into 2 groups; those who work locally and those who work overseas. The local contractor consisted of large-sized enterprises (yearly income of more than Baht 5 billion), medium-sized enterprises (yearly income of Baht 1-5 billion) and small-sized enterprises (yearly income of less than Baht 1 billion).

As TRC Group is considered as the medium-sized enterprise, there are a large number of competitors. Additionally, in 2022, the projects that the Company has entered into bidding were affected by the COVID-19 pandemic forcing the project owner decided to delay the investment. As a result, the Company then lost opportunity to obtain new projects and due to a few number of such projects, the competition then becomes more intense significantly.

- **Customer characteristics and relationships**

Most of the Company's customers are private enterprises in petrochemical industry. Their procurement may be exclusively selected or in a form of bidding. Hence, the Company developed a one-stop service platform to fulfill customer's needs from engineering design, procurement, construction, system testing including maintenance.

As for the construction works and civil works, most of the customers are from public sector whose procurement are mainly proceeded by bidding and in a form of EPC works.

TRC Group adheres to fulfilling customer's needs and managing contract for complete delivery under certified international standards:

- ISO 9001 Quality Management System: QMS
- ISO 14001 Environmental Management System: EMS, and;
- ISO 45001 Occupational Health and Safety Management: OH&S

As the average time spent in each construction project since the commencement until complete delivery is more than 12 months, it requires long-term close coordination with project owner. The relationship with customers is therefore as a teammate who works together and push the project to accomplishment that helps

make the relationship healthy and last long. The Company anticipates repetition of services from existing customers and further recommendation to new customers to create more opportunities in the future.

- **Target Customers**

The Company's target customers can be categorized into 2 groups which are public sector, including state enterprises, and private sector. Public and state enterprises customers are Department of Highway, Department of Rural Roads, Bangkok Metropolitan, Metropolitan Waterworks Authority, Provincial Waterworks Authority, Metropolitan Electricity Authority and Eastern Water Resources Development and Management Public Company Limited, etc. This group of customers consider vendors by specifying qualification that contractors need to be qualified and become registered in their vendor list prior to entering into bidding process. Such qualification includes a number of machinery and equipment and past achievements. For private sector customers, they may consider vendors either by registration or performances as recommended by the Company's main customers such as Group of Bangchak Corporation Public Company Limited, Eastern Water Resources Development and Management Public Company Limited and Group of PTT Public Company Limited.

- **Significant Services, Proposal and Bidding**

TRC's services are mainly design and construction of pipeline system and construction of factory in energy and petrochemical industry. Therefore, most customers are private sectors whose procurement are both exclusive selection and in a form of bidding. The Company developed a one-stop service platform to fulfill customer's needs from engineering design, procurement of machinery and equipment, construction, system testing including maintenance (lump sum/turnkey, EPCC).

As Sahakarn Wisavakorn Company Limited ("SKW")'s main services are civil works, most customers are public sector whose procurement is mainly in a form of bidding for procurement of machinery and equipment and construction. Nonetheless, the Company adheres to fulfill customer's needs and manage contract for complete delivery.

Construction business needs direct contact and approach to customers. Marketing Division and Operation Division are responsible for developing relationship with target customers and expanding opportunities in project bidding and investment project development. Consequently, the Company comes up with annual plan and strategy to be used as management tools by keeping track of news information of customers' investment or bidding works, developing and improving vendor registration with both governmental and private customers. The Company cumulatively completed vendor registration with 26 customers and all were in private sector. In 2022, vendor registration with 2 new customers from private sector has been processed to maintain and increase bidding opportunities. SKW accumulatively completed vendor registration with 12 customers, 7 of which are in public sector while another 5 are in private sector. In 2022, SKW has proceeded the renewal of registration with all customers to maintain bidding opportunities in the future.

In 2022, the group of company's proportion of services were mainly only the projects in Thailand as there were ongoing projects required to be delivered and those made the Company's full capacity to obtain more jobs.

#### **B. Competitive conditions**

- **Competitive conditions of construction business in 2022**

In 2022, pipeline construction business tended to drop. Competition especially in natural gas transmission pipeline construction was higher intense due to the economy condition and COVID-19 pandemic. As PTT Public Company Limited, one of the largest exploration and production companies, reduced their investment in oil and natural gas transmission pipeline business and there were many foreign entities joined the competition, the Company made adjustment by developing other construction businesses such as smart warehouse, underground cable pipeline system, infrastructure system, alternative energy, etc. to compensate the reduction of income in natural gas transmission pipeline.

For competition in construction business of industrial factory, civil works and infrastructure system, market demand was expanded by mega project investment and stimulating economic campaign from government as well as medium and small-sized project investment under annual budget. However, the growth rate remained lower than estimation resulting in reduction of private investment. Moreover, the ability to gain profit from construction works was on a downtrend due to the labor shortage, particularly skilled labor, and the increase of oil and materials prices. The Company then adjusted by building good relationship and/or partnership with various vendors such as materials distributors and subcontractors including competitors in industrial factory construction and civil works.

#### **1.2.5 Major projects undertaken in 2022**

- **Petrochemical Industry**

1. Thai Oil Public Company Limited has been investing in CFP or Clean Fuel Project worth Baht 1.5 billion since 2018. The Company obtained the opportunity to be the main contractor of the following projects:

- Piping Spool Fabrication Works: scope of works included steels cutting and welding, quantity of approximately 300,000 DB.
- Civil and Structural Works; scope of works included foundation construction for pipeline installation, storage tanks and station for machinery and equipment.
- Fabrication and Construction of New Storage Tanks; scope of works included construction of 15 storage tanks that will be located on brown field and green field.
- HDPE Pipe Line Package for New Bang Phra Raw Water Line; the Company directly obtained contract from Thai Oil Public Company Limited for the installation of 900-mm. HDPE pipeline for the distance of approximately 15 km. Construction method included ground digging, HDO, pipe jacking and aboveground piping.



2. Welding, assembly and installation of oil tanks Size 50,000 tons, diameter 58.23 meters, height 24.38 meters, total 4 tanks of Pan Asia Storage and Terminal Company Limited, Phetchaburi Province
  3. Welding, assembly and installation of oil tanks, sizes 10,000 tons, 5,000 tons and 2,000 tons of Pan Storage and Service Company Limited, Chachoengsao Province.
    - Size 10,000 tons, diameter 31.50 meters, height 18.0 meters, total 3 tanks
    - Size 5,000 tons, diameter 26.2 meters, height 14.75 meters, total 9 tanks
    - Size 2,000 tons, diameter 13.3 meters, height 23 meters, total 8 tanks
  4. Construction of High Total Dissolved Solids for Gas Separation Plant Unit 5 of PTT Public Company Limited.
  5. Construction of natural gas pipeline system and gas pressure measurement and pressure control station of B. Grimm Power (Ang Thong) 2 Company Limited and B. Grimm Power (Ang Thong) 3 Company Limited.
- **Utilities and General Construction**
1. Reconstruction of Inter-Region Highway Network, Highway No. 41 Maisiab-Phattalung, from Depart of Highways. Scope of works included construction of 4-lane asphalt road for the distance of approximately 32 km., 2 of 50-meter-long bridges and 1 of 15-meter-long bridge. Project delivery date was scheduled in 2023.
  2. Construction of Motorway No.9, Bangkok Outer Ring (West) Phra Pradaeng—Bang Khae, from Depart of Highways. Scope of works included construction of 6-lane asphalt road for the distance of approximately 6.5 km. Project delivery date was scheduled in 2022.
  3. Design and construction of lubricant product distribution center from PTT Oil and Retail Business Public Company Limited. Scope of works included construction of 14,500 sq. m. warehouse, width 85 m. length 126.5 m. height 46 m. and installation of automatic inventory management system (Auto Motion Works Company Limited
  4. Construction for outpatients, inpatients, delivery room, operating room, and ICU building with approximately 28,176 sq. m. utility space at Thabo Crown Prince Hospital located in Thabo, NongKhai province. Project delivery date was scheduled in 2022.
  5. Construction of Highway No. 4, Tamnuk Road - Khok Kian Junction, Phase 1, Khuraburi District and Takua Pa District, Phang Nga Province of the Department of Highways. Scope of work includes road construction by extending the road from 2 traffic lanes to 4 traffic lanes distance 10.50 kilometers and electrical lighting installation. Project delivery date was scheduled in 2024.

### 1.2.6 Procurement of Products or Services

- **Raw materials and materials for construction**

General materials such as brick, cement, steel, or wire will be purchased domestically. Price and quality of the products from various vendors will be checked together with the trustworthiness of such vendors. The Company's procurement system identifies vendor selection criteria and follow up system after selection. For instance, product QC, price confirmation and delivery timeline to ensure that the products and services gained are accurate according to the purchase order and mentioned conditions.

For special materials such as pipe or valve that require certain qualifications according to the works, such qualifications will be determined by designing engineer and/or project owner and may require importing from foreign distributors or producers. Generally, the project owner will provide details of materials that could be sought from various vendors and the Company will then consider appropriate engineering standard and the vendor's before and after sales service. Once the fundamental procurement is done, the Company will negotiate and confirm price prior to issuing purchase order to the most suitable vendor. Quality of the products and services will be monitored continuously before being certified and recorded in order to apply for the next consideration and selection.

- **Machinery and Equipment**

The Company has a policy to have our own main machinery and equipment for basic construction. Other machinery and equipment necessary for each project will be rented. In addition, SKW owns machinery and equipment for civil works such as trucks, excavator, and tractor that the Company can use and reduce cost and expenses concerning machinery and equipment.

- **Subcontractor**

The Company considers hiring subcontractors for partial works by their financial trustworthiness, past performances, staff readiness and suitability of machinery and equipment. The Company has a policy to determine the subcontracting with similar conditions that the Company has made the contract with the owner or on back-to-back basis; for example, work delivery, quality assurance, inspection and performance warranty.

### 1.2.7 Assets used in Business Operations

Details appear in "Attachment 4, Assets Used in Business Operation".

### 1.2.8 Backlog on hand

The details of remaining ongoing works of the Company, subsidiary and joint ventures with the value exceeding 10% of the total revenue based on the consolidated financial statements as at 31 December 2022 are as follows:

Project Name	Job Description	Work Value (Million Baht)	Estimated Remaining Job Value (Million Baht)	Progress of Remaining Work (%)	Expected Year of Project Completion
<b>TRC Construction Public Company Limited</b>					
1. Raw Water Pipeline System Klong Luang Reservoir-Chonburi	Construction of Water Pipeline System and Pump Station	2,055.00	281.12	13.68	2023
2. High TDS wastewater treatment system construction project	Fabrication and Construction of New Storage Tanks	170.05	88.27	51.90	2023
3. New Gas Pipeline system for EGCO cogeneration SPP Replacement project	Construction of Gas Pipeline system	132.00	54.27	41.10	2024
4. Subcontract for Piping Spool Fabrication Works	Fabrication of Piping Spool	402.38	45.47	11.30	2023
5. Fabrication and construction of 15 new storage tanks	Fabrication and Construction of 15 Storage Tanks	510.94	36.75	7.19	2024
6. BPAT2 Gas Pipeline & Metering-Regulating Station	Gas Pipeline of 10 inches diameter with 1-kilometer length and construction of 2 Metering/Regulating Station	31.63	4.07	12.88	2023
7. BPAT3 Gas Pipeline & Metering-Regulating Station	Gas Pipeline of 10 inches diameter with 1-kilometer length and construction of 2 Metering/Regulating Station	123.17	15.86	12.88	2023
8. Gas Pipeline for Navanakorn Industrial Promotion Zone	Fabrication of Piping Spool	82.54	25.32	30.68	2023
9. HOT TAP project, size 30x24", supporting the connection to Hin Kong Power Plant	Gas Pipe Welding	17.50	13.65	78.00	2023
10. Oil tank dismantling project and Build new tanks to replace 2 tanks, Sriracha.	Dismantling and Build new oil tanks to replace 2 tanks	8.79	6.03	68.63	2023
11. Equipment rental fee with team for SCOT & KT project	Technical Equipment rental	13.50	10.35	76.66	2023
<b>Sahakarn Wisavakorn Company Limited</b>					
1. Construction of overpass bridge, Na Ranong Intersection	Construction of overpass bridge, Na Ranong Intersection including lighting system	1,257.08	247.02	19.65	2023

Project Name	Job Description	Work Value (Million Baht)	Estimated Remaining Job Value (Million Baht)	Progress of Remaining Work (%)	Expected Year of Project Completion
2. Conversion of Overhead Line to Underground System Project, Ratchadaphisek-Asoke Route	Converse of Overhead Line to Underground	2,213.68	1,120.39	50.61	2024
3. Ditch improvement Vibhavadi Rangsit Road Section phase km.5+500.000- km.10+700.00	Improvement of roadside drainage system, lighting system and water supply of Vibhavadi Rangsit Road	699.95	208.02	29.72	2023
4. Vibhavadi Rangsit Road Section 1 : MEA	Construction of manholes and underground electrical conduits	34.62	12.98	37.50	2023
5. Vibhavadi Rangsit Road Section 2 : MEA	Construction of manholes and underground electrical conduits	53.09	20.53	38.67	2023
6. Vibhavadi Rangsit section 3 : DOH	Construction of manholes and underground electrical conduits	293.69	60.05	20.44	2023
7. Conversion of Overhead Line to Underground System Project, Rama IV Route	Converse of Overhead Line to Underground	517.76	266.77	51.52	2023
8. The Construction of the Medical Building for Thabo Crown Prince Hospital Project	Construction of a ten-storey hospital building	694.84	482.08	69.38	2023
9. Development of specific areas for tourism at Pranburi District and Sam Roi Yot District	Restoration of road, bike lanes, landscapes, and parking lots	164.49	145.98	88.75	2024
10. Phitsanulok Community Area Development Project Phase 2	Construction of the community area development	91.59	71.27	77.82	2024
11. Development Project at Tumbon Kumpang, La-ngoo District, Satun Province	Construction of the community area development	120.09	119.95	99.88	2024

Project Name	Job Description	Work Value (Million Baht)	Estimated Remaining Job Value (Million Baht)	Progress of Remaining Work (%)	Expected Year of Project Completion
12. The Construction of Motorway No. 9, Outer Ring Road Western Bangkok Section Phra Pradaeng – Bang Khae	Construction of motorway	480.36	255.31	53.15	2022*
* <b>Remarks:</b> In the process of requesting a renewal of the contract. In the meantime, reimbursement of the performance fee, Wor. 423, zero fine from the Comptroller General's Department.					
13. The restoration of connecting region highway network, Highway Route No.41, Ban Mai Siap – Phatthalung	Construction and restoration of highway including lighting system	844.79	123.63	14.63	2023
14. Construction of Highway No. 4, Tamnung Road - Khok Kian Junction, Phase 1	Construction of highway	653.23	494.17	75.65	2024
<b>Sahahydro Pattaya Joint Venture</b>					
1. Drainage system on the east side of railway- parallel road Phase 1 Pattaya city, Chonburi Province	Construction of drainage system	580.37	128.84	22.20	2022
* <b>Remark:</b> In the process of extending the time because the project has overlapping areas with the high-speed rail project. It is now allowed to waive fines. According to the order of zero fines according to Announcement Wor. 423					

### 1.2.9 Investment policy in subsidiaries, associates and joint ventures

The Company has a policy to invest in business benefiting and supporting its operations and/ or business and in the rising trend by considering potential investment returns. The Company may also incorporate with alliance or other investors to enter into such businesses.

The Company will assign representatives to manage the operation according to shareholding proportion with clearly defined duties and responsibilities to ensure decision making and policy planning of each company. The investment proportion and appropriate returns are the key factors in consideration of the investment.

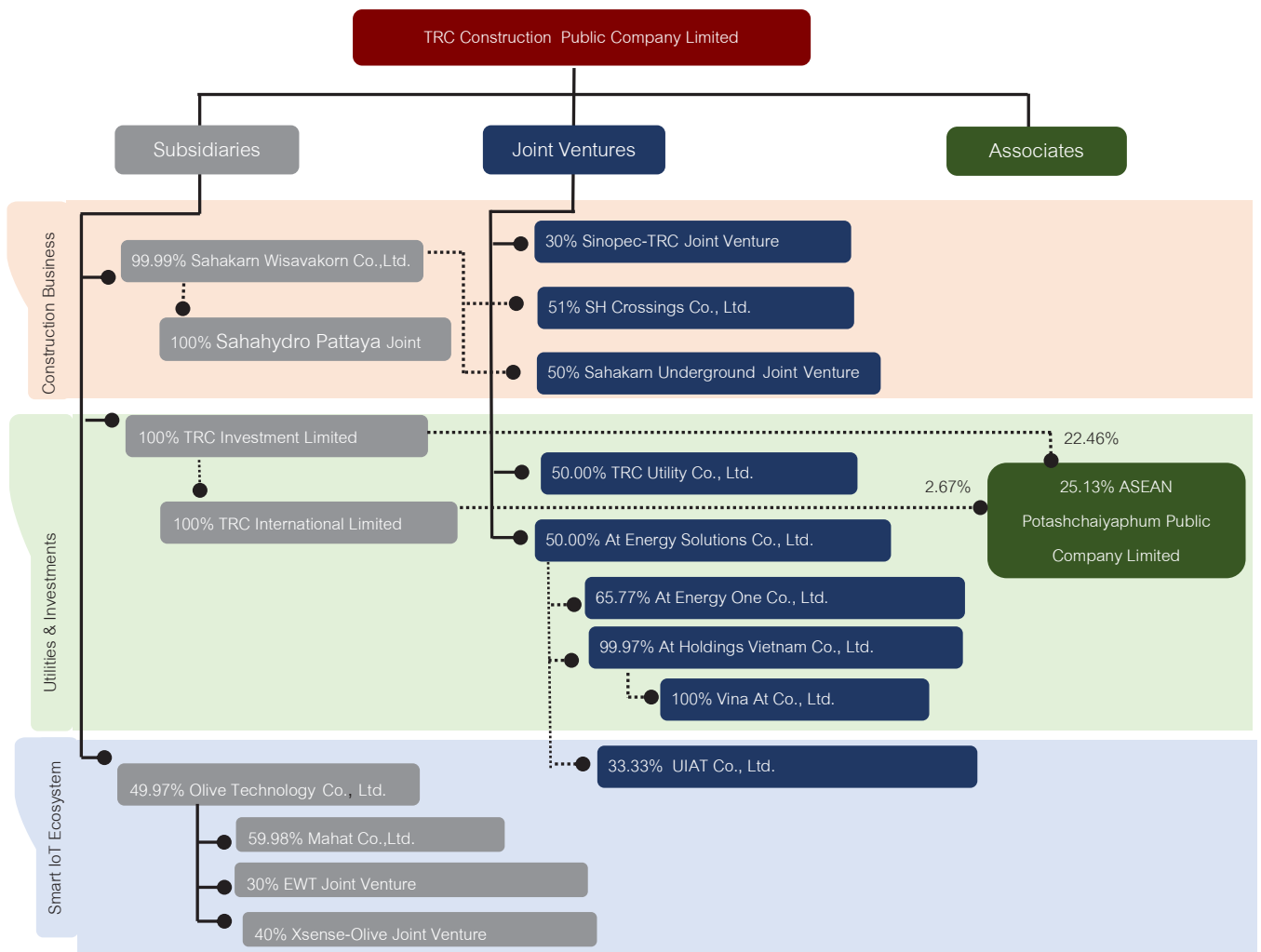
The investment value of the Company and subsidiaries is listed in the Notes to Financial Statements, item. 13-15.



### 1.3 Shareholding Structure of the Company Group

TRC Construction Public Company Limited (“the Company” or “TRC”) was incorporated on 20 November 1998 by group of Mr. Paitoon Goserakwong as a service provider in pipeline engineering system installation and construction for petrochemical industry. Afterwards, on 25 April 2005, the Company converted into public company limited and listed in the Market for Alternative Investment (MAI) with registered capital of Baht 154.50 million and paid-up capital of Baht 151 million. Then 8 years later, on 23 April 2013, the Company transferred TRC securities to the Stock Exchange of Thailand (SET)’ s trading board. From the beginning as a construction service contractor, the Company continually expands investment in other relevant affairs and becomes group of companies that operate its businesses in various industries.

## Shareholding Structure



### Subsidiaries

1. Sahakam Wisavakorn Company Limited (“SKW”) was established on 2 February 1954. Later in 2007, TRC acquired SKW shares from existing shareholders resulting TRC to hold 99.99% of shares. SKW’s current registered and paid-up capital were Baht 500 million. SKW’s business is to provide infrastructure and general construction services.
2. TRC International Limited (TRC Inter”) was established in Hong Kong on 10 January 2008. TRC indirectly holds 100% of shares through TRC Invest. At present, TRC Inter’s registered capital was HKD 10,000 of which HKD 10 was paid up. TRC Inter’s business is to invest in other companies.
3. TRC Investment Limited (“TRC Invest”) was established in Mauritius on 2 April 2008. TRC holds 100% of shares. Its current registered and paid-up capital was USD 1. TRC Invest’s business is to invest in other companies
4. Olive Technology Company Limited (“OLIVE”) was established on 9 March 2020. TRC holds 49.97% while the management holds 0.03% and Xsense Information Service Company Limited holds 50% of shares. At present, OLIVE’s registered capital was Baht 10 millions of which Baht 3.10 million was paid up. OLIVE’s

business is to provide research and development services for inspection, control and analysis system including processing of Big Data.

5. MAHAT Company Limited (“MAHAT”) was established on 23 November 2020. TRC indirectly holds 59.98% through OLIVE while the management holds 0.02% and Wiwitsarn Company Limited holds 39.99% of shares. MAHAT’s current registered and paid-up capital was Baht 1 million. MAHAT’s business is to produce, distribute and provide services of information technology management and platform development.
6. Sahahydro Pattaya Joint Venture (“SAHAHYDRO PATTAYA”) consist of SKW (subsidiary), Hydrotek Public Company Limited and Samprasit Limited Partnership that entered into joint venture agreement on 29 April 2020 with investment proportion of 50%, 20% and 30% respectively. Its business is to contract for the project of drainage system on the east side of railway-parallel road Phase 1, Pattaya city, Chonburi Province.
7. Express World Tracking Joint Venture (“EWT Joint Venture”) consist of OLIVE, United Telecom Sales and Services Company Limited and Turnkey Communication Services Company Limited entered into joint venture agreement on 28 January 2022 with investment proportion of 30%, 30% and 40% respectively. Its business is to contract for the project of THP core operating system (THP Core System) development.
8. Xsense-Olive Joint Venture (“Xsense-Olive Joint Venture”) consist of OLIVE and Xsense Information Service Company Limited with investment proportion of 40% in the amount of Bath 40,000 Its business is to contract for the project of to develop a transportation management platform and marketplace system for farmers and small entrepreneurs. and the purchase of transport vehicle tracking equipment with a data receiving system.

#### Associates

1. ASEAN Potash Chaiyaphum Public Company Limited (“APOT”) was established in 1991. TRC indirectly holds 25.13% of shares through TRC Invest and TRC Inter at 22.46% and 2.67% respectively. With the Ministry of Finance holds 20% and other shareholders hold 54.87% of shares. APOT’s registered capital was Baht 29,472.04 million of which Baht 2,805.80 million was paid up. APOT’ s business is potash mining (not in commercial stage yet).

#### Joint Ventures

1. SINOPEC-TRC Joint Venture (“SINOPEC-TRC”) consists of TRC and Sinopec International Petroleum Service Corporation (China) that entered into joint venture agreement on 20 November 2013 with investment proportion of 30% and 70% respectively. Its business is to contract for the project of EPC for Provincial Gas Transmission Pipeline Project to Nakorn Ratchasima.
2. SH Crossings Company Limited (“SHC”) was incorporated on 17 November 2017. TRC indirectly holds 51% through SKW and Huayuan Innovative Development (HONGKONG) Company Limited holds 49% of shares. SHC’s current registered and paid-up capital were Baht 40 million. SHC’ s business is to operate construction of underground electrical conduits, and pipe jacking work.
3. AT Energy Solution Company Limited (“AT”) was established on 14 August 2019. TRC holds 49.97% while the management holds 0.03% and Asia Green Energy Public Company Limited holds 50% of shares. AT’s current registered and paid-up capital were Baht 200 million. AT’ s business is to provide service on energy and utility to the general industrial factories and power plant.

4. AT Energy Solution One Company Limited ("AT ONE") was established on 19 February 2020, TRC indirectly holds 49% through AT. AT One's registered capital is Baht 10 million. AT One's business is to operate a power plant to generate and sell electricity to public and private agencies.
5. AT Holdings Vietnam Company Limited ("AT Holding") was established on 19 February 2020. TRC indirectly holds 97.97% and the management holds 0.01%. AT Holding's registered capital is Baht 1 million. AT Holding's business is to conduct investments and acquire shares by any means in other juristic persons in the country.
6. Vina AT Company Limited is registered in Vietnam on 25 November 2020. TRC indirectly holds 100% through AT Holding with a registered capital of USD 0.31 million. Its business is to operate, invest and acquire shares by any means in other juristic persons in the country.
7. Sahakarn Underground Joint Venture ("SAHAKARN UNDERGROUND") consist of SKW (subsidiary) and Underground Construction Specialist Company Limited that entered into joint venture agreement on 20 April 2020 with investment proportion of 50% each. Its business is to contract for the project of Construction of Manhole and Underground Duct Bank.
8. TRC Utilities Company Limited ("TRC-UT") was established on 20 June 2017. TRC holds a 49.97% while the management holds 0.03% with registered capital of Baht 50 million and paid-up capital of Baht 13.25 million. Its business is to operate the business of producing and selling water supply.
9. UIAT Company Limited ("UIAT") consists of AT, United Telecom Sales and Services Company Limited and IBS Corporation Company Limited holding 33.33% of each company. Its business is to participate in the bidding for the Solar PV Rooftop installation service project on the premises of the Thai Post Company Limited in a joint venture with Energy Solution Management Public Company Limited.

#### Information of entities the Company invested in exceeding 10%

- Investment in Subsidiaries

Company name and address	Registration No.	Nature of Business	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of paid-up shares (shares)	Share Value (Baht/Share)	Shareholding (%)
Sahakarn Wisavakarn Company Limited 8 Soi Sukhaphiban 5, Soi 32 , Tha Raeng, Bangkok, Bangkok 10220 Tel: 0-2022-7777 Fax: 0-2022-7788	0105497000257	Construction of basic utilities and general construction work	500,000,000	500,000,000	50,000,000	10	99.99
TRC Investment Limited 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Republic of Mauritius	079207 C1/GBL (Registered in Mauritius)	Invest in other businesses	USD 1	USD 1	1	USD 1 /share	100.00

Company name and address	Registration No.	Nature of Business	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of paid-up shares (shares)	Share Value (Baht/Share)	Shareholding (%)
<b>TRC International Limited</b> Room 2101, Hong Kong Trade Centre, 161-7 Des Voeux Road, Central, Hong Kong	1202588 (Registered in Hong Kong)	Invest in other businesses	HKD 10,000	HKD 10,000	1	HKD 10 /share	100.00 (Shareholding through TRC Investment Limited)
<b>Hydrotek Sahakarn Joint Venture*</b> consist of Sahakarn Wisavakorn Company Limited and Hydrotek Public Company Limited 1 TP&T Building, Floor 14 Soi Vibhavadi Rangsit 19 Chatuchak, Chatuchak, Bangkok 10900 telephone: 0-2936-1661-2 Fax: 0-2936-1669	0993000342674 (Tax ID)	Construction of provincial waterworks expansion improvement. Koh Samui Branch, Koh Samui, Surat Thani					Sahakarn Wisavakorn Company Limited investing 49%
<b>Olive Technology Company Limited</b> 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022-7777	0105563043435	Research and Development services for inspection, control, analyze, and manage big data	10,000,000	3,100,000	100,000	100	49.97
<b>Mahat Company Limited</b> 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022-7777	0105563170399	Produce, sell, and provide services on Information Technology Management and Platform Development	1,000,000	1,000,000	10,000	100	59.98 (Shareholding through Olive Technology Co., Ltd.)
<b>Hydro Pattaya Joint Venture</b> consist of a Sahakarn Wisavakorn Company Limited, Hydrotek Public Company Limited and SamPrasit Partnership Limited 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022-7777 Fax: 0-2022-7755	0993000441923 (Tax ID)	Construction of road drainage system project along the East Railroad Phase 1 Pattaya City Chonburi Province					Sahakarn Wisavakorn Co., Ltd. investing 50%

Note \* Under liquidation

● Investment in Associates

Company name and address	Registration No.	Business Type	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of shares sold (shares)	Share Value (Baht/Share)	Shareholding (%)
ASEAN Potash Chaiphaphum Public Company Limited 8 TRC Building, 5th Floor, Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkok, Bangkok 10220 Telephone: 0-2001-7733 Fax: 0-2001-7739	0107547000478	Potash Mining	29,472,035,900	2,805,797,300	28,057,973	100	25.13 (22.46 Shareholdings through TRC Investment Limited and 2.67 through TRC International Limited)

● Investment in Joint Ventures

Company name and address	Registration No.	Business Type	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of shares sold (shares)	Share Value (Baht/Share)	Investment share (%)
Sinopec-TRC Joint Venture consist of TRC Construction Public Company Limited and Sinopec International Petroleum Service Corporation 8 Soi Sukhaphiban 5, Soi 32, Tha Raeng, Bang Khen Bangkok Telephone: 0-2022- 7777 Fax: 0-2022-7788	0993000315961 (Tax ID)	EPC for Provincial Gas Transmission Pipeline Project to Nakorn Ratchasima					30
SH Company Crossings Company Limited 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022 7777 Fax: 0-2022 7788	0105560194041	Construction of underground electrical conduits, pipe pushing and tunnel drilling work	40,000,000	40,000,000	400,000	100	51 (Shareholding through Sahakorn Wisavakorn Company Limited)



Company name and address	Registration No.	Business Type	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of shares sold (shares)	Share Value (Baht/Share)	Investment share (%)
<b>At Energy Solutions</b> Company Limited 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022 7777 Fax: 0-2022 7755	0105562139846	Procurement and Services on utility to general industrial plants and power plant businesses.	200,000,000	200,000,000	2,000,000	100	47.97
<b>At Energy One</b> Company Limited 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022 7777 Fax: 0-2022 7755	0105563030902	Power plant business to generate and sell electricity to public and private agencies	10,000,000	10,000,000	100,000	100	49 (Shareholding through At Energy Solutions Company Limited)
<b>At Holdings Vietnam</b> Company Limited 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022 7777 Fax: 0-2022 7755	0105563030953	Invest and acquire shares by any means in other legal entities in the country and abroad	1,000,000	1,000,000	10,000	100	99.97 (Shareholding through At Energy Solutions Company Limited)
<b>Vina AT Company</b> Limited No. L17-11, Floor 17, Vincom Center Building, No. 72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	0316626604 (Registered in Vietnam)	Invest and acquire shares by any means in other legal entities in the country and abroad	USD 312,500	USD 312,500	(full investment, no shares and share value).	(full investment, no shares and share value).	100 (Invest through At Holdings Vietnam Co., Ltd.)
<b>Sahakam</b> <b>Underground Joint</b> <b>Venture</b> consist of Sahakam Wisavakorn Company Limited and Underground	0093000430859 (Tax ID)	Construction of pits and underground electrical conduits					50 (Shareholding through Sahakam Wisavakorn Company Limited)

Company name and address	Registration No.	Business Type	Registered Capital (Baht)	Paid-up Capital (Baht)	Number of shares sold (shares)	Share Value (Baht/Share)	Investment share (%)
Construction Specialist Company Limited 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022 7777 Fax: 0-2022 7755							
<b>TRC Utility Company Limited</b> 8 Soi Sukhaphiban 5, Soi 32 Tha Raeng, Bangkhen, Bangkok 10220 Telephone: 0-2022-7777 Fax: 0-2022-7788	0105560100101	Production and contribution of tap water	50,000,000	13,250,000	50,000	100	50
<b>UIAT Company Limited</b> 44/45 Soi Vibhavadi Rangsit 60 Intersection 18-1-2, Talad Bang Khen Subdistrict, Lak Si District, Bangkok 10210 Telephone: 0-2022-7777 Fax: 0-2022-7788	0105565139120	Solar PV Rooftop installation service	4,800,000	1,200,000	48,000	100	33.33

#### 1.4 Securities and Shareholder Information

##### Number of registered capital and paid-up capital

As of 31 December, 2022, TRC Construction Public Company Limited' s issued and paid-up registered capital was Baht 1,198,393,354.75, divided into 9,587,146,838 ordinary shares with par value of Baht 0.125 per share.

## Shareholder

As of 31 December 2022, the Company's shareholding structure was as follows

	Number of Shareholders	Number of Ordinary Shares	Shareholding
Thai Shareholders	14,126	8,444,205,445	88.08%
Foreign Shareholders	14	1,142,941,393	11.92%
<b>Total</b>	<b>14,140</b>	<b>9,587,146,838</b>	<b>100.00%</b>

List of 10 major shareholders

No.	Name	Number of Shares	Shareholding
1.	KPK 1999 Co., Ltd. <sup>(1)</sup>	2,712,797,314	28.296%
2.	UBS AG SINGAPORE BRANCH	465,449,533	4.855%
3.	SMPR Holding Pte. Ltd. <sup>(2)</sup>	348,434,992	3.634%
4.	Thai NVDR Co., Ltd.	303,285,847	3.163%
5.	UBS AG LONDON BRANCH	223,988,897	2.336%
6.	Mr. Boontham Kraiwattanapong	132,416,665	1.381%
7.	Mr. Janewit Sombatcharoenwong	124,267,628	1.296%
8.	Ms. Pasita Leesakul	122,660,694	1.279%
9.	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	90,433,424	0.943%
10.	Mr. Phakkawat Chantrangsri	62,900,000	0.656%
	<b>Total</b>	<b>4,586,634,994</b>	<b>49.630%</b>

Note: (1) KPK 1999 Co., Ltd.'s business involves with real estate rental and management with 50.50% of its share held by Mrs. Paichit Rattananon, Chairman of the Board of Directors.

(2) Ultimate Shareholder of SMPR Holding Pte. Ltd. is SP International Group Limited. (Holds 100% of SMPR Holding Pte. Ltd.'s shares)

## 1.5 Dividend Policy

### 1.5.1 Dividend Policy of the Company

The Company has a policy to pay dividends approximately 40% of its net profit after tax and legal reserve. However, the dividend payout may be changed subject to future investment plans, and any other actions that deem necessary and appropriate under the condition that those actions must be taken for the best interests of shareholders such as the provision for loan repayment, funding for business expansion, or in the case of any adverse change of marketing situation that may affect the Company's future cash flow. The Board of Directors is authorized to consider the dividend payment, nonetheless, the resolution of

dividend payment must be further proposed for approval of shareholders' meeting except for the case of interim dividend payment as the Board of Directors has the authority to approve prior to informing the interim payment to the subsequent shareholders' meeting.

#### 1.5.2 Dividend Policy of Subsidiaries Joint Ventures and Related Companies

The Company's subsidiaries, joint ventures and related companies have not yet set out any dividend policy.

#### Historical Dividend Payment Information

	Y 2015	Y 2016	Y 2017	Y 2018	Y 2019	Y 2020	Y 2021	Y 2022
Net (loss) profit margin (Baht per Share)	0.07	0.05	0.02	-0.33	-0.04	-0.05	-0.01	-0.01
Dividend payout ratio (Baht per Share)	0.0256 <sup>(1)</sup>	0.0219 <sup>(1)</sup>	0.0082 <sup>(1)</sup>	-	-	-	-	-
Ratio of dividend payment to net profit of the separate financial statement after statutory reserve (%)	30.48%	32.84%	47.86%	-	-	-	-	-
Dividend Payment Date	26 May 16	26 May 17	25 May 18	-	-	-	-	-

Note: (1) Dividends consist of cash dividends and stock dividends.

## 2. Risk Management

### 2.1 Risk Management Policies and Plans

Risk management is a part of corporate governance and it is the significant foundation of availing an opportunity, avoiding or mitigating risks that enable the operations to achieve the company's defined objectives towards shareholders and stakeholders. The company therefore implements the risk management process as a tool for continuous effective risk management.

The company's risk management has been carried out systematically under supervision of the Risk Management Committee by following up the implementation results and reviewing the existing risks that may change, identifying the incoming ones to match with both internal and external situations of internal business administration, determining the risk management guideline and communicating with executives and employees for understanding and awareness that risk belongs to everyone who have duties of identifying, assessing and determining proper measures to manage risks incurred in his/her responsible working unit to be at an acceptable level.

The risk management policy has been disclosed on the company's website, item Sustainability CG Report and Download Risk Management Policy".

### 2.2 Risk Factors for the Company's Business Operations

#### 2.2.1 Risk of the Company's Business

In 2022, in view of the review on significant risks affecting the Company's operations, the Company has considered and reviewed the key risk factors in various areas such as strategic risks, financial risks, operational risks, regulatory risks, etc. as details shown below:

##### Strategic Risk

- **Risks associated with competition in core businesses**

The construction business's nature is price-based. Initially, the project owner will select bidders who passed the pre-qualification process with proposed lowest price. Even though the overall construction business seems to be continuously growing, when considering our customers, both public and private sectors, there have been increasing changes in the previous group of customers mainly in private sector related to turn-key pipeline construction of the manufacturing plants to basic utility works of the government sector. Since during the past 3-4 years, the growth rate of energy and petrochemical business slowed down while the government drove the mega projects for transportation infrastructure for economic growth of the country. Consequently, this is one of the reasons why there have been intensifying competition in energy and petrochemical business forcing the Company to gain lower gross profit or offer better condition to project owners. In case the Company cannot continually be awarded for the new projects, the market share shall reduce that impacts the operating goal's achievement. Additionally, the Company has to also compete with existing and new competitors both local and foreign companies having strong investment fund, technology and operating capability. To enhance competitiveness, the Company and Sahakarn Wisawakorn Company Limited therefore

seek for new alliances having high potential in investment fund and updated technology and maintain long-term relationship with customers from both public and private sectors to ensure opportunity in the future such as improvement of quality standard by focusing on occupational health and safety, environment management, on-time delivery. To ensure competitive advantage, the Company regularly provides in-house training courses for employees to build up skills and proficiency, make changes in organization with digital transformation to cope with the emerging change and enhance more effective operations.

- **Risks Associated with Economic Slowdown**

Economy has direct impact towards construction industry and whether growing or shrinking, it affects both government and private sectors' investment, which is the main factor of the Company's source of income. As a result, the Company is required to consider risk associated with economy and economic growth rate. Nonetheless, having over 20 years of experience and expertise in natural gas pipeline construction and engineering design serving for companies in petrochemical industry as contractor and subcontractor, the Company then obtains reliability from various organizations from both government and private sectors including overseas customers. In parallel, the Company expands customer base to neighboring countries especially in CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) to mitigate risk from economy.

- **Risks Associated with Business Sustainability**

The Company determines the investment strategy to seek new business opportunity that can be extensible from current business for stable and sustainable growth and in 2022, the Board of Directors approved an investment in the following projects.

1. Energy business: i.e. solar farm project
2. Smart Warehouse business: The continuous growth in E-Commerce has given positive force to logistics and transportation industry worldwide. Siam Commercial Bank's strategic unit, Economic Intelligence Center (EIC), evaluated that the complete use of robot and automated system tend to be widespread due to E-Commerce business expected to grow from Baht 65 billion in 2019 to 85 billion in 2021. (referred to <https://www.scbeic.com/th/detail/product/4863>)
3. Big Data R&D business: It is the innovative technology that gather equipment, advanced analysis system and human to work together through internet network to deliver beneficial-for-decision information at a faster speed.

4. Infrastructure business: i.e. acquisition of water for consumption

The abovementioned projects are joint investment between the Company and business partners having knowledge and expertise which can mitigate risk in investment. These projects are expected to have commercial operations in 2021-2022, respectively.

#### Financial Risk

- **Risk Associated with Liquidity**

Construction industry needs high volume of working capital for purchase of materials, equipment, wage payment and other expenses and the Company would receive payment after each work

completion and delivery. Therefore, in case of delayed payment from customers or improper working capital management, the ongoing projects will be affected. The Company group's businesses have more customers from public sectors in line with national economic policy invested in basic structure and infrastructure system, however; public sector requires more procedure of payment than private sector resulting in delay payment later than the given credit term. Consequently, to prevent possible risk, the Company negotiates with project owners for advance payment and determines that every related parties have to prepare cash estimation of each project so that liquidity and contingency can be properly managed. The Company has policy to acquire loans from financial institutions such as credit loan and project finance and prepare monthly cash-flow forecast and report the actual cash flow statement to Executive Committee on monthly basis and with attentive manner for sufficient and appropriate liquidity management and minimum of financial cost.

- **Risks Associated with Financial Stability and Financing Ability**

According to the Company's strategic plan that focuses on organization's sustainable growth, the Company proceed with new project development by investing in joint venture company that differs from the main business, construction services. Hence, the Company needs to keep liquidity and reserve working capital to be adequate for operations as well as to secure short and long-term funds in advance such as issuing of promissory notes, issuing of right offering, etc. However, the Company strives to maintain strong financial status in strictly complying with the defined loan-obtaining conditions.

#### **Operation Risk**

- **Risk Associated with Operations and Project Delivery**

Realizing the risk associated with operation management mostly in the middle to large scale projects that require approximate 2 years of construction period to prevent risk maybe arisen, the Company then applies the quality management system; ISO 9001:2015 for operations of both the head office and projects by taking into account the continuous quality development. Additionally, the group of companies also have a policy for human development plan to groom them to be knowledgeable, capable and responsible for their organizations including all stakeholders to mitigate and prevent any damage maybe arisen from risk.

The guidelines and monitoring of all working procedures were established based on the construction standards. However, project delay that causes the construction plan not to be in consistent with the defined plan may be arisen by i.e. delay of site delivery, change in conditions raised by the project owner during construction, unskilled or unexperienced labors, lack of experience of sub-contractors, usage of malfunctioned machinery that cause damage to labors, outsiders, properties, nearby area or those belong to the project owners, obstacle of ground survey not specified in the construction drawings referred during bidding process, etc. These result in delay of project delivery and damage to the Company in terms of increasing cost and duration. Nevertheless, the Company has tried to prevent and mitigate this type of risk from the beginning of site survey, regular control of operating plan, monitoring and surveillance according to the defined measures in case of having problems or complaints.



For sub-contractor delay such as deficiency situation of construction materials, this problem has been solved by placing advance purchase orders of materials such as cement and steel procurement agreement, etc. to support the projects of which the contracts had been already signed.

In view of delay due to sabotage, protest, accident or natural disaster, it is another external factor beyond control of the Company and in case of occurrence, it will cause execution slow-down of existing projects and project delay. Normally, regarding natural disaster issue, the construction contract is obliged to made with the condition that the contractor needs to provide the project insurance for every awarded project to mitigate the risk from natural disaster. The Company therefore provides the contractor all risk insurance for all awarded projects to cover all damage maybe arisen from the aforementioned risks. In addition, the machinery breakdown insurance is also provided to cope with damage maybe arisen. The Company has been confident that all required insurances for construction business are provided with proper limit of damage coverage whereas meeting with the project owner shall be held for consideration of unexpected impact together with seeking for solution of such a problem in due course.

- **Risk Associated with the COVID-19 Pandemic**

The Corona Virus outbreak (COVID-19) has become a public health problem with widespread impact since 2020-2022. The rapid outbreak of the virus made people around the world in panic. Due to this captioned situation, the Company has follow up the pandemic situation closely and continually and proceed safety and occupational health measures as per the Ministry of Public Health's standards together with fully and strictly supporting the government's request for cooperation in line with the changing situation.

The Company has conformed with recommendations and launched the campaign for employees to obtain 2 doses of vaccine followed by the booster one, respectively (having over 95% of 2-dose vaccination) together with required preventive measures for surveillance with COVID-19 detection by ATK test kit before starting daily operations and also strict compliance with regulatory agencies' measures. The COVID-19 pandemic situation therefore did not causes any impact against the Company whereas such a situation has gradually improved.

- **Risks Associated with Fluctuations in Construction Materials and Fuel Price**

The Company operates a construction business in which materials need to be purchased such as steel and metal, cement, fuel, and lubricants, etc., as well as running material such as oil, fuel etc., used for construction vehicles and machinery. The price of construction materials and fuel is a significant cost of construction of each project and in case of an increase or decrease, it will directly affect the cost of purchasing raw materials used in construction. Currently, certain construction works with government sector has a construction period of 1-2 years with indication of adjustment of work value as per according to the price adjustment formula (K value); in the event that the price of the main materials used in the construction has risen or fallen beyond the price specification, the Company will be compensated if the price of the material is higher or the Company will pay compensation if the price of the main materials used in the construction is lower. The group of companies have risk management implemented via 2 types of construction contracts.

- Escalation Factor K construction contract : K value will be in a fluctuated calculation value subject to change in cost of production and such cost may not cover changing raw material cost and labor cost. This type of project normally belongs to the government sector.

- Fixed price or lump-sum construction contract : K value shall not be specified in the contract or K value cannot be defined and the project shall mostly be in a form of turnkey project in which a provision of construction material cost is included in the total value of such a project. This type of project normally belongs to the private sector.

- **Social and Environmental Risks**

The Company has been aware of safety, occupational health and environment's management and give precedence to considering of stakeholders both inside and outside an organization. In working and nearby areas as well as society and environment by ensuring minimum impact from construction. The Company continuously applies the quality management standards of ISO 14001:2015 and Iso 45001 : 2018, an accepted international standards, for administration and improvement of working procedures to mitigate impact from construction works and build up the occupational health and safety of working i.e. control of environmental impact such as dust, wastewater, noise and vibration from machinery to be in accordance with the obliged standards , and controlling measure for safety of working, etc.

In addition, relationship building policy with neighboring community by coordinating with community leader to survey and inquire opinions on environmental issues and anxiety on construction impact and promoting activities concerning social and environment helped creating good relationship and better quality of life to stakeholders.

- **Risk Associated with Information Technology**

The Company needs technology to keep up with competitors and data management has risk in information leak, loss or suspension of business. However, the Company has planned to handle such an incident by preparing sufficient uninterrupted power supply system, providing server room monitoring system, installing firewall/LOG to protect network both at the head office and project offices, installing VPN join domain to connect with Active Directory Server to manage security of both the head office and project office' s internal computer system, having recovery plan for damaged data and regular practice of information technology emergency plan. In case of incident that suspends the operations, the IT system administrators shall immediately monitor and maintain the system according to information technology security policy (24 hours) and information technology management manual.

- **Risks Associated with Labor Shortage**

"Labor" is an important factor in construction works. In the past 2-3 years, the shortage of construction workers remained a major problem due to government projects which are large utility projects consuming a large number of construction workers, and the impact of the coronavirus outbreak (COVID-19). The Company may experience labor shortages causing delay of construction works and undeliverable project as required within timeframe of the contract. In order to mitigate such risks, the Company has prepared the

solving plan to cope with the labor shortage to support additional awarded projects as follows; 1) assigning responsible personnel to gather information of manpower with proper wage rate for manpower planning, 2) following up and adjusting proper wage rate of labors to be updated when compared to other companies in similar industry, 3) considering to legally employ foreign workers according to the Ministry of Labor's rules, and 4) paying attention to welfare and well-being of workers with emphasis on safety and sanitation of their camp sites for good quality of living to build environmental factor and motivate them to work with the Company.

#### **Compliance Risk**

As the listed company in the Stock Exchange of Thailand (SET), the Company recognizes its operations in accordance with the regulatory agencies' changes in regulations and rules related to construction and other works. Construction business operations involve with a number of laws and code of conduct of the SET including professional expertise under controlling laws in related fields ; architects and engineers, labor laws, environmental laws and accounting standards, etc. The Company has to completely conform with the required actions. In case of failing to conform with such laws, it may cause damage to the Company. Consequently, to mitigate this captioned risk, it is the policy of the Company to operate its business with strict compliance with the regulatory obligations including establishing the working unit to be responsible for monitoring and investigating implementations to cope with the emerging changes at all time.

It is the Company's duty to operate its business in consistent with the relevant regulatory laws, regulations, rules of the concerned authorities and failing to comply with such obligations shall cause risk to the Company or executives to obtain a penalty as stipulated in the related laws. The Company therefore places most importance on select qualified employees including determining the effective and efficient code of conduct for ease of governance.

- **Changes in Construction Regulations & Rules**

Since the construction business involves with a number of laws in terms of construction control, labor laws, laws related to professional expertise especially for engineering profession and environmental laws, etc. The Company has to completely conform with all obligations including regularly updating the information. Consequently, to mitigate this captioned risk, it is the policy of the Company to operate its business with strict compliance with all regulatory obligations including establishing the working unit to be responsible for monitoring and investigating implementations and keep updated all related information to cope with the emerging changes of such relevant laws or regulations at all time to prevent damage maybe arisen in case of negligence.

- **Risks Associated with Personal Data Protection Act (PDPA)**

The Company places an importance on Personal Data Protection Act B.E. 2562 effective on May 28, 2021 since at present, there are many violations of personal data and inaccurate information disclosure or disclosure without permission of data owners causing many troubles and annoyance to those data owners. Additionally, due to technology advancement, gathering of personal data that deemed as a violation

can be done easily and rapidly causing damages to the entire economy. The Company thus improves and develops the procedure of internal control system and governance to be consistent with the above mentioned requirements by emphasizing on sharing knowledge on the PDPA to the employee appointed to act as the coordinator to arrange PDPA training program. At the first stage, the target group of attendances was defined consisting of employees directly involved with the use of information while such a training shall be subsequently expanded and inclusive throughout the company.

#### Emerging Risk

N/A

#### 2.2.2 Risks Affecting the Rights or Investments of Shareholders

- **Risk associated with the Company's large accumulated losses and inability to pay dividend in the near future**

In the fiscal year 2022, the Company has continuous net loss on operation according to separate financial statement at the amount of Baht 114.11 million. As a result, the Company has accumulated loss according to separate financial statement at 31 December 2022 at the amount of Baht 976.93 million. The main reason of such accumulated loss was from 2018 when one of the Company's customers suffered from financial problem and was unable to pay outstanding debt. The Company, therefore, recorded bad debt for all construction cost and loan that lent to subsidiary to invest in the said customer's project. This record caused negative effect to separate financial statement at the amount of Baht 2,335 million. In addition, the Company confronted price competition in project bidding where the Company was unavoidably having to accept lower gross profit and eventually resulted less net profit in the Company's separate financial statement. In 2020, the construction cost estimation for smart warehouse was increased. The increasing cost came from 700-tonnage rocks found during exploration drilling which was not appear during bidding process. The Company operated according to engineering and legal standards and hired structural and foundation expertise to solve the problem. Apart from large amount of big rocks, horizon underneath construction area was soft soil causing foundation work and piling to be more difficult and slower. Since it was the construction of large smart warehouse of 40-meter height, the works needed to be executed more carefully and solving the mentioned problem caused effect to cost of wages, equipment and others to be higher as well as consequential steps. Due to the increasing complication, the Company had to extend construction period and the COVID-19 pandemic also made higher expense significantly. During 2019-2022, net profit was equivalent to -8.56%, -12.80%, -1.48%, and -3.32%, respectively. Having a large amount of accumulated loss, the Company is then unable to pay dividend to shareholders as obliged by laws and shareholders are at risk of not receiving dividend according to the dividend payment policy.

At present, the Company follows strategic plan and properly manages cost and expense control for the operation to gain profit and be able to recover from accumulated loss as soon as possible so that the Company can have accumulated profit and able to pay dividend to shareholders from the year gaining net profit from operations onwards.

- **Risk Associated with Major Shareholder Holding More Than 25% of Shares**

As at 31 December 2022, KPK 1999 Company Limited holds 2,712,797,314 shares equivalent to 28.30% of total paid-up shares (50.50% of KPK 1999 Co., Ltd.' s shares held by Mrs. Paichit Rattanont, Chairman of the Board of Directors) and the shareholding proportion may be significant for decision making and resolution on any other agenda that requires a majority vote of shareholders' meeting except an agenda that requires not less than three-third of the total votes as required by laws or company's articles of association. Therefore, other shareholders may have risk of being unable to gather sufficient votes to balance and investigate the matter proposed by the major shareholder.

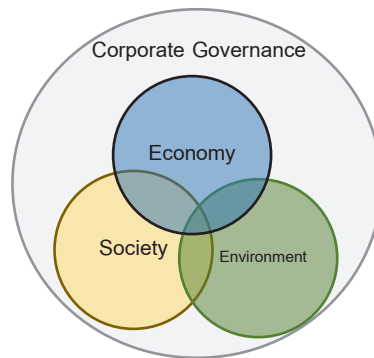
Nonetheless, to ensure that the Company's business operates according to good corporate governance with power balance, the Company defines clear and transparent scope, duties and responsibilities of each subcommittee including policy for connected transaction between directors, major shareholder, executives, controlling person and person with potential conflict of interest whereas such a meeting, certain invested person will not have right to vote in certain agenda. Additionally, the independent Audit Committee is also appointed to be members of the Board of Directors to show transparency and ensure shareholders that review of operations and balance of power can be done to some extent including screening all matters prior to proposing to the shareholders' meeting.

### 3. Business Drive for Sustainability

#### 3.1 Guidelines and Management Goals for Sustainability

##### Principles of Sustainable Development

With the Company's vision, "We are committed to innovating and meeting the best needs for customers in both domestic and Southeast Asia region (CLMVT)" to achieve the vision laid out. Therefore, the Company has established a framework for sustainability that covers sustainability dimensions including economy, society, and environment. Under the implementation of good corporate governance principles, it guides the formulation of strategies and policies in the Company's operations



Corporate Governance	Environment	Society
1. Business Code of Conduct	8. Environmental Impact from Project Execution	12. Occupational Health and Safety
2. Supply Chain Management	9. Environmental Laws and Regulations	13. Employment and Labor Practices
3. Economic Performance	10. Energy Consumption	14. Training and Passing on Knowledge
4. Anti-Corruption	11. Water Consumption	15. Local Community nearby Ongoing Project
5. Risk Management		16. Social Laws (Youth labor, Forced Labor)

##### Report on Sustainable Development

The Company recognizes the importance of sustainable development and has given great importance to generate maximum sustainable returns to all stakeholders with the awareness that construction business is a fundamentally important business of the country that contributes to driving the country's entire economic growth. Running a construction business therefore requires engagement with several groups of stakeholders especially in terms of the impact on well-being and safety of not only employees and workers of the Company but also society and the environment. Construction work is one of the factors causing various aspects of pollution that may affect social communities nearby the Company or construction sites, as well as risks that can be harmful to life and property in case of lack of safety measures, control, and effective management. The Company aims to operate business for sustainable development in every process by complying with relevant laws and regulations and under

the key vision and missions focusing on transparency and trustworthy. To achieve goals and strategies, the Company therefore determines various policies and guidelines to be conducted continuously with follow-up and evaluation for better development. The Company's social and environmental responsibility operations are divided into 2 parts:

1) CSR In Process: The Company operates with caution at all stages with responsibility to minimize impact and maximize benefit to all stakeholders equally.

2) CSR After Process: The Company has a policy to participate in and support activities directly and indirectly to ensure that the community has better living and able to grow sustainably without being involved in the Company's operations.

The report on sustainable development is prepared to demonstrate the Company's determination to manage sustainable growth and the performance results since January 1, 2022 – December 31, 2022 showing the treatment to stakeholders properly and transparently.

The followings are significant changes of sustainable development in 2022:

1. Environmental and Safety Key Performance Indicator (KPI)
  - To minimize electricity consumption to reduce  $\geq 2\%$  compared to 3 years backwards
  - To control pollution arisen from construction activities in order to have standardized and qualified environment as obliged by laws
  - To control workplace accident (Recordable Case = 0)
  - To control illness from work, target and loss at work to have recordable case = 0
2. Improvement of Health Check-Up based on risk factors
3. Improvement of Sub-Contractor Performance Assessment

TRC participated in the 2022 Environmental, Social and Governance Project (ESG) held for PTT's vendors and ranked at a very good level.

**TRC ได้รับรางวัลโครงการพัฒนาศักยภาพ  
ด้านการดำเนินงานอย่างยั่งยืน (ESG) ของผู้ค้า ปตท.**

ภาพประกอบการรับรางวัลโครงการพัฒนาศักยภาพด้านการดำเนินงาน  
อย่างยั่งยืน (ESG) ของผู้ค้า ปตท. ในงานสัมมนาผู้ค้า ปตท. ประจำปี 2565



เก็บข่าวเล่าเรื่อง





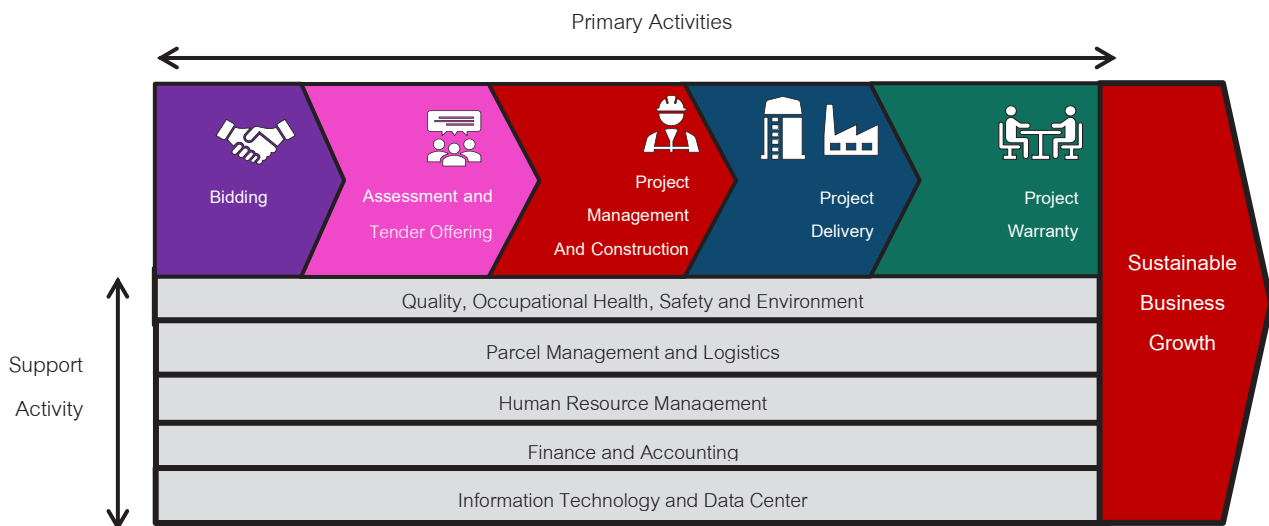



### 3.2 Managing the impact on stakeholders in business value chain

#### 3.2.1 Value Chain

In business operations, the Company has taken into account sustainable supply chain management to reduce costs and enhance competitiveness in the industry and reduce risks in different areas of business operations for work quality, customer satisfaction, and on-time delivery by coordinating and cooperating with stakeholders, along with managing competitive costs in the business.

For competitiveness, the Company has analyzed construction costs that are labor costs, raw material costs, machine costs, consumables, project management costs, all of which are the most cost of total costs. Controlling construction costs is therefore the most important factor that contributes to profits and increases value. Start by planning a bid or taking a job from a customer (project owner). When the job is obtained, construction and resource plans must be tightened. Conduct pre-evaluation and assess all aspects of the risks to ensure accurate cost estimates of each job and construction operations are effective in accordance with the requirements as planned. To ensure quality and timely delivery, if there are any factors that have changed or unexpected events that may affect work or increase costs, all parties involved must be congressed to prepare and manage the problem as quickly and efficiently as possible. The Company has set up a working group and experts in each business area as well as machines, equipment, and materials. The Company also values the safety of life and property of employees and stakeholders including balancing environmental impacts and friendliness to surrounding communities throughout the operation to ensure business operation for sustainable growth.



1. **Primary Activities** are the continuous interconnectivity of the 5 main activities according to the context of the construction business, detailed as follows:

Activities in value chain	Identification of related activities.	Identification of stakeholders
1) <b>Bidding</b> is an activity that focuses on getting the opportunity to become a	<ul style="list-style-type: none"> <li>● Search from various media or sometimes directly contact by the customer</li> </ul>	<ul style="list-style-type: none"> <li>● Customer (Project Owner)</li> <li>● Competitor</li> </ul>

Activities in value chain	Identification of related activities.	Identification of stakeholders
contractor to generate income for the Company.	<ul style="list-style-type: none"> <li>● Conduct construction feasibility study</li> <li>● Buy bidding envelopes for tender offering</li> </ul>	
<p>2) <b>Assessment and Tender Offering</b> are activities that must be conducted prudently because the construction business is a lump sum pricing (the price is set from beginning to end, excluding future increase/reduction of work)</p>	<ul style="list-style-type: none"> <li>● Conduct reverse engineering or quantities take-off of the construction by calculating construction plan, engineering techniques and construction conditions from customers</li> <li>● Submit tender</li> </ul>	<ul style="list-style-type: none"> <li>● Customer (Project Owner)</li> <li>● Competitor</li> </ul>
<p>3) <b>Project Management and Construction</b> are the main activities, which consume labor resources for the operating time on average of 2-3 years per project and are part of the business revenue generating activities.</p>	<ul style="list-style-type: none"> <li>● Sign construction contracts</li> <li>● Conduct construction preparation</li> <li>● Prepare material/labor resource planning</li> <li>● Conduct construction of all stages</li> <li>● Conduct job quality monitoring</li> <li>● Proceed with billing based on job progress</li> </ul>	<ul style="list-style-type: none"> <li>● Customer (Project Owner)</li> <li>● Project Consultant (Auditor)</li> <li>● Suppliers of materials/labor</li> <li>● Employees</li> <li>● Subcontractor</li> <li>● Communities around the project</li> <li>● Government agencies, regulatory agencies that control quality</li> </ul>
<p>4) <b>Project delivery</b> is an activity that include job-finishing services that comply with the performance guarantee contract.</p>	<ul style="list-style-type: none"> <li>● Conduct commissioning</li> <li>● Provide training/instruction manual (depending on project contract)</li> <li>● Deliver work</li> </ul>	<ul style="list-style-type: none"> <li>● Customer (Project Owner)</li> <li>● Project Consultant (Auditor)</li> <li>● Suppliers of materials/labor</li> <li>● Employees</li> <li>● Subcontractor</li> <li>● Communities around the project</li> <li>● Government agencies, regulatory agencies that control quality</li> </ul>

Activities in value chain	Identification of related activities.	Identification of stakeholders
5) Project Warranty is an activity to provide services after the delivery of the work, which is subject to the contractual agreement.	<ul style="list-style-type: none"> <li>● Proceed with correction of damaged works</li> <li>● Conduct equipment maintenance</li> <li>● Provide after-sales service</li> </ul>	<ul style="list-style-type: none"> <li>● Customer (Project Owner)</li> <li>● Suppliers of materials/labor</li> <li>● Communities around the project</li> <li>● Subcontractor</li> </ul>

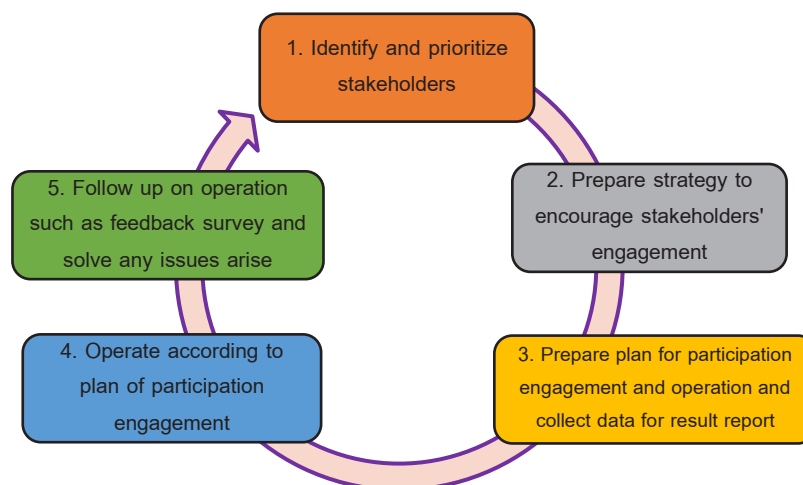
2. **Support Activities** are activities that encourage the main activities to achieve goals, which are no less important than the main ones. The Company has taken careful action and appropriately adheres to management criteria for occupational health, safety, and environmental work, financial and accounting, human resource development, information technology systems, and administrative support consisting of the following:

Activities in value chain	Identification of related activities.	Identification of stakeholders
1) Work on quality, occupational health, safety and working environment (QSHE) to ensure that the Company's construction projects are of quality in accordance with the requirements of construction contracts, safety and reduce environmental impact on those involved in the work of construction projects, as well as to comply with the relevant laws or requirements for the operation, such as consideration of fair labor treatment, human rights practices, non-use of child and illegal labor, and compliance with environmental laws, etc.	<ul style="list-style-type: none"> <li>● Plan for quality, occupational health, safety, and environment work in collaboration with the management and project managers assigned to manage the newly opened projects</li> <li>● Coordinate details of work requirements on quality, occupational health, safety, and environment</li> <li>● Monitor and supervise work on quality, occupational health, safety, and environment</li> <li>● Summarize performance on quality, occupational health, safety, and environment and propose to executives for approval to achieve continuous improvement</li> </ul>	<ul style="list-style-type: none"> <li>● Customer (Project Owner)</li> <li>● Project Consultant (Auditor)</li> <li>● Suppliers of materials/labor</li> <li>● Subcontractor</li> <li>● Government agencies, regulatory agencies that control quality</li> <li>● Employees</li> <li>● Society and communities around the project</li> </ul>
2) Procurement, Parcel Management and Logistics is responsible for conducting procurement for use in various construction projects of the Company. The activities include selecting quality materials and	<ul style="list-style-type: none"> <li>● Plan for procurement in collaboration with the management and project managers assigned to manage the newly opened projects</li> <li>● Select vendors/service providers from the list of vendors/service providers</li> </ul>	<ul style="list-style-type: none"> <li>● Customer (Project Owner)</li> <li>● Project Consultant (Auditor)</li> <li>● Suppliers of materials/labor</li> </ul>

Activities in value chain	Identification of related activities.	Identification of stakeholders
<p>services in accordance with the requirements of the construction contract in the correct quantity and amount of time at the right price and conditions. Monitoring the delivery of procurement materials, equipment, and services to the construction project completely, and applying the sustainability assessment criteria in both social and environmental supervision dimensions to be applied in procurement work, such as considering fair labor practices, human rights practices, non-use of child and illegal labor, and compliance with environmental laws.</p>	<p>based on the list available at procurement department</p> <ul style="list-style-type: none"> <li>● Send details of equipment/service requirements to the seller/service provider with the schedule of the price offering presentation</li> <li>● Validate the summary of price offering and compare prices and conditions offered by each seller/service provider</li> <li>● Discuss with management and project managers to verify the accuracy to meet the needs and negotiate prices and conditions with sellers/service providers</li> <li>● Prepare summary of the seller/service provider who offers the best prices and conditions with comment then propose to executives for approval</li> </ul>	<ul style="list-style-type: none"> <li>● Subcontractor</li> </ul>
<p>3) <b>Human Resources</b> When a new project is opened, human resources department has the ability to allocate the right personnel for both competence and number of personnel in each type of work, as well as allocate workers appropriately enough to maximize the efficiency of the operation by appointing a project manager to complete the management duties within the project.</p>		
<p>4) <b>Accounting</b> is responsible for the accounting system, taxation, preparation of financial reports to be presented to executives and external organizations such as the Stock Exchange of Thailand, Securities and Exchange Commission, etc.</p>		
<p>5) <b>Finance</b> is responsible for obtaining working capital in construction projects, providing warranty bond, as well as tracking on billing and payment according to construction contracts to vender or subcontractors.</p>		
<p>6) <b>Information Technology and Data Center</b> is responsible for installation, development, and maintenance of the information technology system of the organization, and the Company has developed updated programs and technologies to increase operational efficiency.</p>		

### 3.2.2 Value Chain Stakeholder Analysis

The Company bonds with each group of stakeholders varies depending on the appropriateness of the opportunity and the level of the relationship both in formal and informal form to jointly drive positive change and reduce the potential negative impact for all parties. In 2021, guidelines for engaging with stakeholders set out as follows:



The Company recognizes the importance of establishing effective ways of engaging with stakeholders. Therefore, workshops were held in conjunction with the agencies relevant in the analysis to identify stakeholder groups, their expectations, and guidelines for engaging with stakeholders, which can be summarized as follows:

Identify and analyze stakeholders and method of engagement			
Stakeholders	Issues/Expectations	Operating Guidelines	Engagement Channels
1) Shareholders/ Investors	<ul style="list-style-type: none"> <li>● Steady and sustainable corporate returns and growth</li> <li>● Operation achieves its goals</li> <li>● Good return management capabilities</li> <li>● Good corporate governance of the board of directors</li> <li>● Adapt organization to keep up with new businesses</li> </ul>	<ul style="list-style-type: none"> <li>● Expand investments into other businesses to generate additional income</li> <li>● Join the CGR program as guideline of development of corporate governance of the Company</li> <li>● Treat shareholders in accordance with business ethics policies as well as respect the right of shareholders to receive news that is necessary and correct according to the Stock Exchange of Thailand and the Securities and Exchange Commission's determination</li> </ul>	<ul style="list-style-type: none"> <li>● Annual General Meeting (AGM)</li> <li>● Investor meets executives (Opportunity Day)</li> <li>● Annual Registration Statement/2021 Annual Report (Form 56-1 One Report)</li> <li>● Disclosure of the Company's news to SET</li> </ul>

Identify and analyze stakeholders and method of engagement			
Stakeholders	Issues/Expectations	Operating Guidelines	Engagement Channels
2) Customers	<ul style="list-style-type: none"> <li>● Deliver work and services with quality and conditions of time as determined at an agreed price</li> <li>● Transparent operation</li> <li>● Cooperation in solving problems</li> </ul>	<ul style="list-style-type: none"> <li>● Treat customers based on international standards, meet customer needs</li> <li>● Deliver the right work on time and keep customers' confidential</li> <li>● Joint contract management and deals with agreements or disputes</li> </ul>	<ul style="list-style-type: none"> <li>● Meeting with customers</li> <li>● Customer Satisfaction Survey</li> <li>● Customer feedback and complaints</li> </ul>
3) Competitors	<ul style="list-style-type: none"> <li>● Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>● Do not treat commercial competitors in dishonest or inappropriate means, do not attack or damage the reputation of competitors by making malicious accusations, or use other wrong means and do not bully or unfairly disadvantage their competitors</li> </ul>	<ul style="list-style-type: none"> <li>● Policy to support commercial competition cooperation in the best interests of customers within the framework of fair free competition rules, not seeking confidential information of commercial competitors in dishonest or inappropriate means</li> </ul>
4) Partners	<ul style="list-style-type: none"> <li>● Build trust and corporate governance</li> <li>● Fairness and Equality</li> <li>● Exchange of knowledge, experience, and expertise among each other</li> <li>● Fair compliance with contracts or agreements</li> <li>● Get accurate information quickly according to the conditions of duration of education and joint development</li> </ul>	<ul style="list-style-type: none"> <li>● Evaluate qualifications of partner selection</li> <li>● Prepare standard procurement systems</li> <li>● Negotiate and discuss together to find a working agreement</li> <li>● Focus on partners as business alliance that contributes to sustainable development by treating partners fairly and equitably, maintaining good relationships with each other and taking into account mutual interests.</li> </ul>	<ul style="list-style-type: none"> <li>● Joint Meeting</li> <li>● Hearing and receiving complaints</li> <li>● Visit in the Company's projects.</li> <li>● Communication through various channels</li> <li>● Make memorandums of agreements, including business confidentiality</li> </ul>

Identify and analyze stakeholders and method of engagement			
Stakeholders	Issues/Expectations	Operating Guidelines	Engagement Channels
	<ul style="list-style-type: none"> <li>● Competency and professionalism of the team</li> <li>● Ability to operate business and corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>● Follow procurement policy</li> <li>● Develop partners by introducing cognition to joint development</li> <li>● Build understanding of business practices such as having anti-corruption policies and promoting fair treatment of partners</li> </ul>	
5) Employee	<ul style="list-style-type: none"> <li>● Fair compensation and benefits</li> <li>● Continuous training and development</li> <li>● Stability and career growth</li> </ul>	<ul style="list-style-type: none"> <li>● Treat employees fairly, take into account human rights principles and continuously develop their potential</li> <li>● Proper compensation and benefits</li> <li>● Employee development covers core organizational competencies, both management capabilities and ability to perform</li> </ul>	<ul style="list-style-type: none"> <li>● Executive meet employees (CEO Talk)</li> <li>● Welfare Committee in the Workplace</li> <li>● Complaint Box</li> <li>● Employee Training Plan</li> <li>● Annual Performance Assessment</li> <li>● Annual Activity Plan</li> <li>● Line @trcconstruction</li> <li>● Line @trchr</li> </ul>
6) Society and community	<ul style="list-style-type: none"> <li>● Operate with social and environment responsibility</li> <li>● Participate in sustainable community development</li> <li>● Listen and solve problems in timely manner</li> </ul>	<ul style="list-style-type: none"> <li>● Environmental and safety management in accordance with the laws and related requirements to prevent risks that may occur to the community on an ongoing basis</li> <li>● Listen to comment and resolve complaints</li> <li>● Together with the community, conduct activities/projects in education, preservation of local cultures and contribute</li> </ul>	<ul style="list-style-type: none"> <li>● Representatives of the Company hold meetings with villages and communities to understand the impact or comments on the implementation of the project</li> <li>● Complaints Channels</li> <li>● Environmental operations in construction projects</li> <li>● Projects for the benefit of society and communities</li> </ul>



Identify and analyze stakeholders and method of engagement			
Stakeholders	Issues/Expectations	Operating Guidelines	Engagement Channels
		to the development of community places to be better	
7) Creditors	<ul style="list-style-type: none"> <li>● Comply with terms and conditions of the transparency business contract</li> <li>● Ability to repay debts</li> <li>● Reliable credit level</li> </ul>	<ul style="list-style-type: none"> <li>● Strictly comply with the terms and conditions of the contract</li> <li>● Follow repayment plan</li> <li>● Revenue analysis and estimation</li> </ul>	<ul style="list-style-type: none"> <li>● Company Phone No.</li> <li>● Email</li> <li>● Confirmation letter</li> </ul>
8) Government agencies	<ul style="list-style-type: none"> <li>● Comply with applicable legal regulations</li> <li>● No impact on society and environment</li> </ul>	<ul style="list-style-type: none"> <li>● Comply with all legal regulations</li> <li>● Transparent disclosure</li> </ul>	<ul style="list-style-type: none"> <li>● Report information as required by law</li> <li>● Submit taxes according to the law</li> <li>● Support government projects that benefit the public</li> </ul>

The Company's operation has always been involved in the domestic economic and social development with pride in pushing and growing with the country and having the opportunity to create positive and negative impacts on society and safety, both internal and external society. Therefore, social responsibility and safety is another ideology for business operations and an important mission to contribute to the creativity and safety of all societies that the Company has contributed to by promoting and supporting social activities in various areas. The Company always looks forward to enjoying happiness with society and communities for the past over 23 years.

The Company has strong commitment to conducting business with ethics and good management. With the ability to conduct business in a fair manner along with participation in social and environmental responsibility by establishing social responsibility policies and practices that adhere to the approach of the Stock Exchange of Thailand. 1) Good corporate governance 2) Fair business operation 3) Respect for human rights and fair treatment of labor 4) Safety and environmental protection 5) Responsible to consumer 6) Joint community and social development by ensuring that all processes do not have negative impacts on the community, security and the environment, along with the development of social activities, which help to strengthen the social community as a whole and stakeholders to ensure the sustainability of the Company.

### 3.3 Good Corporate Governance and Management on Corporate Governance

The Company commits on conducting business under good corporate governance principles and fairness in parallel with participation in social and environmental responsibility. The Board of Directors promotes the good corporate governance to show responsibility for shareholders and it is the duty of the Board to ensure

shareholders' confidence by overseeing the Company's business operations. The corporate governance structure includes various sub-committees, details as appeared in the item "Corporate Governance Structure" of the Annual Registration Statement /2022 Annual Report (Form 56-1 One Report) . The Company has created a handbook for good corporate governance, business code of conduct as appeared on the company' s website, item "Sustainability/ 2022 Handbook of Corporate Governance, Ethics and Business Code of Conduct", and anti-corruption policy, item "Sustainability/Corporate Governance Report and Download/Anti-Corruption Policy" including guidelines showing the core principles of integrity and ethical business practices. It is responsibility of directors, executives, and employees to apply the aforementioned principles to perform their duties with sincerity, transparency, and integrity.

#### **Performance on Good Corporate Governance**

The Company is committed to conducting business with transparency and fairness in accordance with good corporate governance principles and applicable laws and regulations. As a result, the Company has received the results of the 2021 Corporate Governance Assessment at an "excellent" rating from the Thai Institute of Directors for 6 consecutive years.

### **3.4 Sustainability Management in Economic Perspective**

#### **3.4.1 Economic Policies and Practices**

The Company has sustainability management in the economic dimension. Not only making business profit, but also creating the turnover of mutual benefits and the distribution of income to those involved. To support the country's progress due to business performance by establishing various policies such as "bidding policy, procurement policy and policy on quality, security, safety, occupational health, environment and social responsibility (QSSHE Policy)". To support equality in competition and business operations of the Company as well as to support the country's economic progress directly or indirectly from distribution to stakeholders aiming to create value for shareholders, customers, employees, and all stakeholders. The results of business operations contribute to the benefit of all mutual stakeholders. The Company's operations have positive impact on the national economy by generating economic results through various stakeholder groups, including through cash flow from operations.

#### **3.4.2 Economic Performance**

The Company explains further in the section "Nature of Business" in this Annual Registration Statement /2021 Annual Report (Form 56-1 One Report). For financial performance section, more details can be found in the section "Management's explanation and analysis".

#### **3.4.3 Responsibility to customers**

The trust that the Company has always received from its customers is important. Therefore, the Company adhere to construction management practices that require control of every detail in each operation, from design, consulting, construction control, appropriate calculation according to professional standards, selection of quality materials meeting the requirements according to the standards and passes the quality certification. The Company has prepared manuals for project management work and has an independent quality assurance agency

that monitors and supervises work during construction and before delivery to ensure the work to be delivered to customers is the right quality work in accordance with the standards and meets the objective of each customer.

The Company conducts customer satisfaction assessment by sending customer satisfaction survey form to all agencies and/or the project owner's representatives at the appropriate time since start construction until the delivery of the work to inquire, monitor and evaluate customer satisfaction then collect information for improvement for customers to receive the highest satisfaction. The Company has a guarantee of work after construction for a period of not less than 1 year or in accordance with the agreement to ensure the safety and quality of buildings and structure. There are 5 levels of customer satisfaction from the highest satisfaction of 5 points down to dissatisfaction at 0.

In the past year, the Company sent survey to project owner and supervisor. The total percentage points earned from assessments through surveys in each category averaged at 90% close to the average in recent years, which is in favor. It shows that the Company maintains a standard of service at a satisfactory level. In addition to using the suggestion from customer feedback to improve the work that receive lower score, the Company continues to strive to improve the quality of work to ensure that customers receive the highest satisfaction.

The Company operates in accordance with ISO 9001, 14001 and 45001, the international standards to ensure ability to deliver its work and services that meet the requirements and expectations of customers and in accordance with applicable legal obligations. Moreover, the Company provides training at various levels for employees to have knowledge, understanding of the principles and requirements of the standards for proper application of the system according to the level of responsibility of each group. The Company determines and provides the channel/method of complaints on the quality of works both during and after the construction period by allowing customers to complete customer satisfaction survey form or directly contacting the project manager, the Company's management or by e-mail at [trc@trc-con.com](mailto:trc@trc-con.com) for which the Company shall send an immediate respond to such problems.

### **3.5 Sustainability Management in Environment Perspective**

#### **3.5.1 Environmental Policies and Guidelines**

The Company manages sustainability in the environmental dimensions including resource utilization, waste management, water management, control, and reduction of pollution, as well as providing services with responsibility to environment and communities around the project. The Company establishes various policies including "Quality, Security, Safety, Occupational Health, Environment and Social Responsibility (QSSHE Policy)". This policy applies to the whole organization from high-level executives to operational employees, including contractors who work in the area. Executives, in particular, must lead the organization as role model in practice, support, drive, monitor, review performance, and continuously improve the operational processes to achieve the organization's vision and missions and "energy and environmental conservation policy" that communicate to executives and employees as common practices within the organization. For instance, vehicle use, electricity and lighting use, air conditioning and ventilation fans use, office equipment use, water use, garbage reduction and recycling. It also prioritizes the management of waste in the process by applying 3R: Reuse Reduce

Recycle and wastewater treatment before discharge and minimizing the remaining debris in the project, as well as providing environmentally friendly materials/construction methods and service models to the project owner. (Additional policies can be found on the Company's website on "Corporate Governance").

In addition, the Company values the operational activities of various projects to have the least impact on society and environment, including wastewater, dust, and noise management in accordance with the standards and laws. The Company has environmental management in every project by appointing safety and environmental agents to monitor the Company's operations to comply with the measures to reduce the impact of the construction phase in accordance with the requirements of the project and the relevant authorities.

### **3.5.2 Environmental Performance**

The Company recognizes the importance of actions to reduce environmental impacts by implementing ISO 14001 to manage the basics of business operations. It also reflects the Company's ability to manage well. The Company has operations to reduce the environmental impact of its operations as follows:

#### **3.5.2.1 Implementation of ISO 14001**

To increase the confidence of all stakeholders regarding the Company's environmental actions, the executives assigned the unit to responsible in requesting for the adoption of ISO 14001, an international environmental management standard, to effectively manage environmental aspects of the organization together with environmental protection, pollution protection and business operation. It also ensures legal compliance, which can avoid risk in possible illegal action. The Company has been certified ISO 14001 since 2017 to present day and remains committed to developing for better certification.

#### **3.5.2.2 Electrical Energy Management**

Electricity is a key factor in the economic and social development of the country, where today the steady increase in energy demand results in energy scarcity and affects volatility in the use of rising production costs. Therefore, the Company attaches importance to energy conservation and energy consumption by managing energy consumption as much as possible.

##### **3.5.2.2.1 Electrical Energy Management Guideline**

The Company approaches energy issues by supporting government policies towards energy conservation and encouraging employees to be mindful and attentive to energy consumption in an economical and efficient manner. To reduce the Company's use and energy costs, it starts with management within the head office, such as turning off electricity in the work area during lunch breaks or when discontinued, supporting the replacement of florescent lamps to LED (Light Emitting Diode) and solar energy, setting for air conditioning shutdown before finishing time, controlling temperature, replacing office electrical equipment to energy saving (No.5) label and installing solar panels to replace electricity use partially, etc., Details of electricity saving actions are as follows:



1) Using LED lamps, which use less current, offer high brightness but low heat and last longer, which, according to the calculation, saves about 60% of energy compared to conventional power-saving lamps.



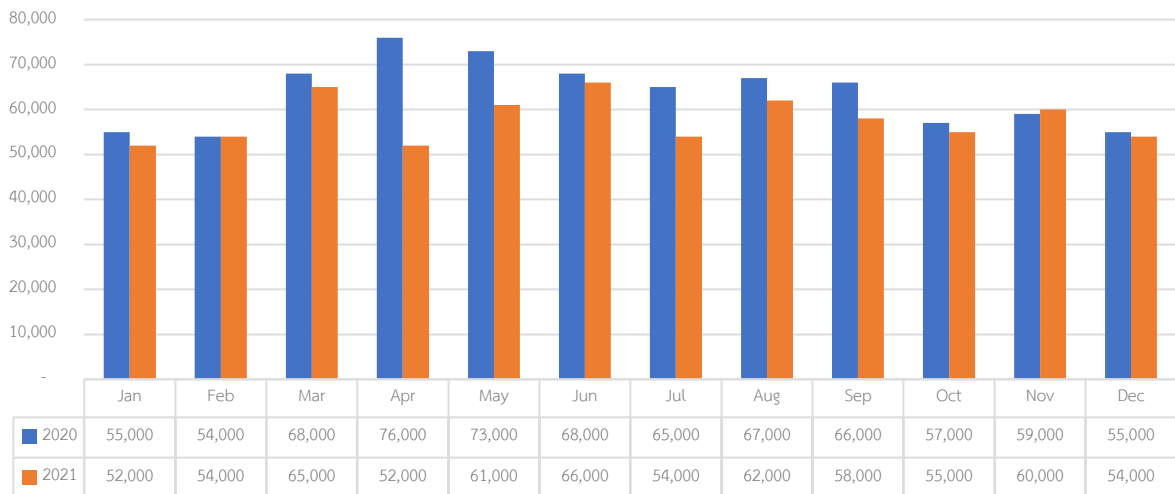
2) Using air conditioning at the head office building in the VRV (Variable Refrigerant Volume) system and allowing some areas to use inverter air conditioners that consume about 20-30% less energy than conventional air conditioners.



3) The Company begins to use solar power generated by the installation of solar panels to replace some of the electricity consumption at the head office building, such as lighting lamps around the parking lot.

The Company collects statistics data on electricity consumption from 2019 to 2021. Considering the solar energy generated by the installed solar panels to replace some electricity consumption at the head office and turning light bulbs into LEDs from late 2019, comparison table for electricity consumption for the past 2 years (2020-2021) at the head office can be shown as follows:

The graph shows data comparing the amount of electricity consumption units during 2020-2021 at the Company's office



Remark: Electricity consumption information at TRC Construction Public Company Limited's head office

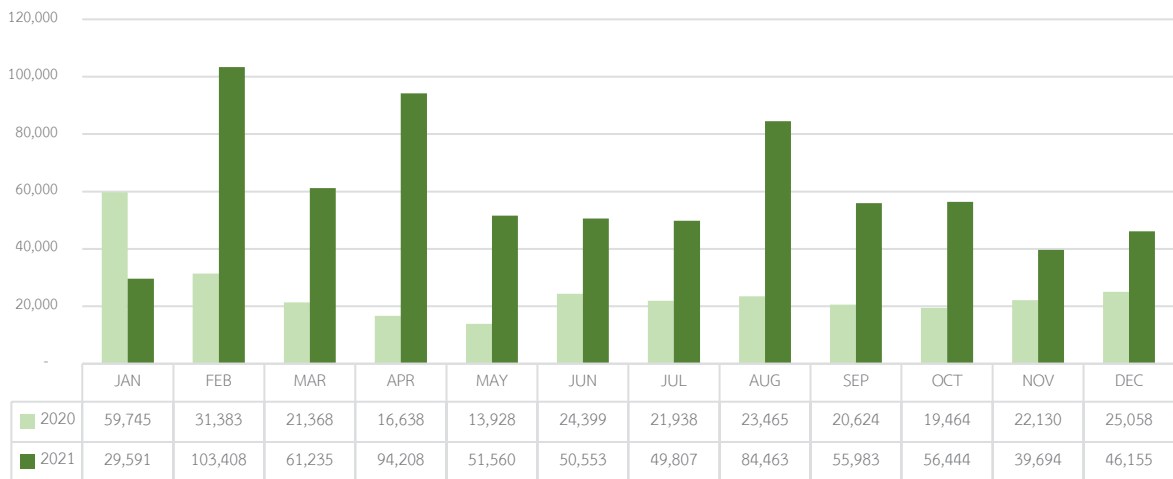
Statistics show the volume of electricity units in the head office in 2021 that was 693,000 units compared to 763,000 units in 2020, which was decreased by 9.17%.

### 3.5.2.3 Reducing paper consumption

All units in the Company have a goal to reduce paper consumption to increase efficiency and speed of management, as well as to conserve environmental resources in their own units. By improving the workflow, reducing redundant steps so that paper consumption can be reduced, and productivity can be improved such as: reduce approval procedures, reduce printing or copying, print and use both pages of paper, reduce document storage and destruction, etc. In addition, the Company assigns the Information Technology department and data center to develop the document storage system in digital file format instead of copying documents in the

form of paper, and establish an approval system through intranet or I-Service system instead of on-paper approval e.g., employee's leave request, business card request, travel by car request, personnel document request, etc. Moreover, in relation to the procurement system, the Company develops the Materials Requisition System online so that it can record, process and display data through the program, which can reduce the amount of document printing.

Graph showing comparison of paper usage volume at the Company's head office



According to statistics, the volume of paper used in head office in 2021 was 723,101 sheets compared to 300,140 sheets in 2020, representing a 140.92% increase. For this reason, the Company completes Final Document (as-built drawing, calculation list, all approved materials report, all equipment testing reports, manual of use and maintenance of all equipment and standard operating procedure documents, etc.) as specified by the project owner. According to this information, the Company manages together with the project owner (customer) to designate Final Document in electronic file format more in the future to reduce paper usage.

### 3.5.2.4 Water Management and Wastewater Management

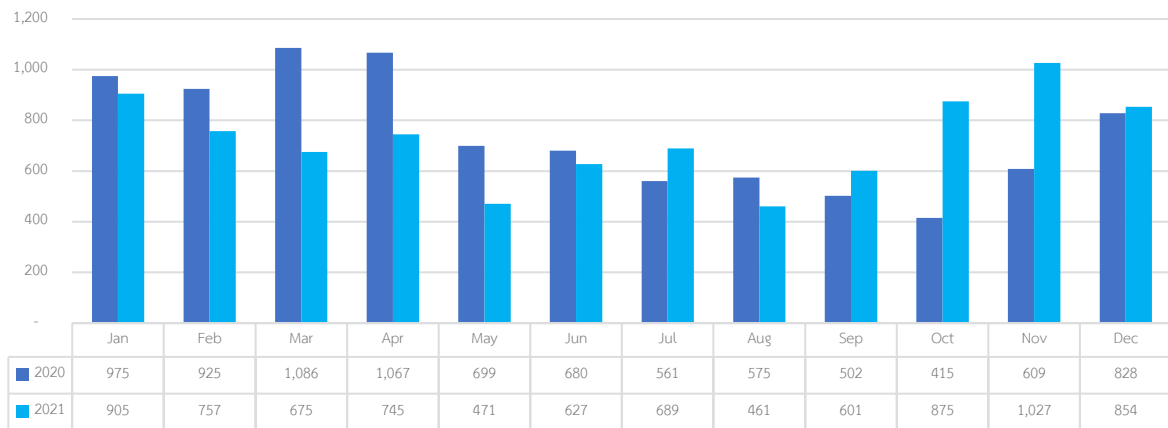
Water is a resource that can be reintroduced in the cycle (it must undergo a treatment process prior to reuse), and it is a resource that is useful to humans directly and indirectly. Humans use water for everyday consumption, purify various impurities, use as a component in food production, as well as a factor in industrial and agricultural production. Water is also used to generate electricity, in transportation, recreation, fisheries, as a source of supplements for animals and aquatic plants, maintain natural balance, whether it is temperature, rainfall, gases in the atmosphere, etc.

#### 3.5.2.4.1 Water Management

The Company recognizes the importance of water management since it is considered a crucial resource for the livelihood and development of economics. Therefore, measures are imposed to control the cost-effective use of water in office as follows

- 1) Communicate through the associated press and campaign to remind to turn off the faucet every time after use.
- 2) Maintain the water supply system efficiently and in ready-to-use conditions.
- 3) Reuse the circulating water system for watering plants at head office, etc.
- 4) Change the sprinkler device to achieve even more water savings.

Graph showing data comparing of water consumption for the year 2020-2021



Remark: Water consumption information at TRC Construction Public Company Limited's head office

The chart shows the total amount of water supply units for 2021 at the amount of 8,687units compared to 8,922 unit in 2020, which is 2.63% decreased.

#### 3.5.2.4.2 Wastewater Management

The Company recognizes the importance of wastewater management as the discharge of wastewater into public drainage systems or into the environment will create a negative impact on the environment and social communities. Therefore, there are measures to control wastewater as follows:

- 1) Install wastewater treatment system so that the water used in the process is treated before discharge into the public drainage system.
- 2) Maintain efficient wastewater treatment systems in ready-to-use conditions at all times.
- 3) Check wastewater quality regularly.

**Wastewater Quality Measurement Results** by managing wastewater at the head office in accordance with the standard requirements of controlling the drainage of the building (C-type building with a living area of 5,000 square meters but not more than 10,000 square meters), which operates from 2018 to present. The Company inspects wastewater quality such as: pH, BOD (Biochemical Oxygen Demand), SS (Suspended Solids), TDS (Total Dissolved Solids), Settleable Solids, Sulfide, TKN (Total Kjeldahl Nitrogen), FOG (Fat, Oil and Grease), which discharged according to the specified standard.

### 3.5.2.5 Waste Management

The Company manages construction waste as follows:

1) The Company's head office sorts waste before managing it based on the types of waste such as:

- **General waste** refers to waste or disused materials that are not contaminated with chemicals or hazardous substances and cannot be recycled that shall be disposed by a certified waste management company.
- **Recycled waste** refers to waste or disused materials that are valued and can be recycled. It is further processed as raw material in the production process.
- **Hazardous waste** refers to waste or disused materials containing elements or contaminated with chemicals or with harmful properties that are flammable, toxic substances, corrosive substances, or Irritating substances that shall be disposed by a certified waste management company.
- **Infectious waste** refers to waste or disused materials containing mixed or concentrated pathogens, which can cause the risk of disease in case of exposure and close contact that shall be disposed by a certified waste management company.

2) At each site office, waste disposal has been managed as follows:

- Develop and adjust the operational processes of both Operation Department and production supporting activities continuously for minimal leftovers.
- Manage construction waste in accordance with the law, starting from storage of waste, further use within the project, and removal for treatment/removal outside the project.
- Reduce waste landfill capacity by sorting and disposing each type of waste according to its potential utilization.
- Continuously monitor, inspect and evaluate waste management.
- Coordinate with government agencies by complying with the rules set by the Ministry of Industry.

### 3.5.2.6 Environmental Operations in Construction Projects

Pollution reduction during construction is considered as the Company's policy to conduct in construction operations to reduce or avoid the impact of various pollution during construction. The Company establishes environmental management and mitigation measures i.e., affects dust, noise, and surface water. All units must comply with the following measures during construction.

1) Keep the construction sites in a neat and clean condition, control the materials storage, control the movement of materials, sort of the leftover materials that can of use including used materials that can be renovate, processed, or reused.



- 2) Provide a tarpaulin around the building and the fence area of some projects next to the community, as well as install material supports that may fall from construction at above ground level to prevent the dispersion of materials and dust.
- 3) Cooperate with government agencies in the event of requests or orders from the owner to stop construction on certain days to reduce the likelihood of small particulate matter (PM 2.5).
- 4) Control the speed of vehicles in the project, control dust during construction, regularly clean the streets of the project, prepare a wheel washer to prevent debris from causing dirt on the area outside the construction site.
- 5) For construction sites with opening surface, water carpets are regularly sprayed to prevent dust dispersion, as well as reduce the amount of small particulate of dust.
- 6) Noisy construction activities shall be conducted only at the duration of the agreement with the communities surrounding the construction site, and if the activities are to continue from the agreed agreement, the publicity would be made public to nearby communities in advance.
- 7) Sort waste by type, control wastewater, provide grease trap system, and supervise machine and equipment to stay in good condition, no oil leak. Waste must be controlled appropriately according to sanitization.
- 8) Take care of air quality on construction sites by measuring the quality and establishing a plan to maintain cleanliness and air quality during construction.

**Communication Channels related to Social and Environmental Impact**

The Company provides a channel for complaints that may affect community and environment during construction. Complaints can be made to project manager based on information communicated in front of the project or at [corporatecomm@trc-con.com](mailto:corporatecomm@trc-con.com). During the past year, the Company received no significant complaint regarding impact on community and environment surrounding construction area

**3.5.2.7 Environmental Campaigns**

The Company's executive not only recognizes the importance of environmental protection during the work process, but also considers environmental protection from the daily life of all employees and comes up with various environmental campaigns such as:

Project Name	Description
"TRC Go Green" Project	In 2020, the Company aimed to have all employees reduce the use of single-use plastics in both offices and sites. The Company communicated and organized activities to all employees, initiated the TRC Go Green project to raise awareness for all employees to realize the need to maintain the environment, including global warming caused by human destruction by daily lifestyle. In 2021, the Company still targeted for

Project Name	Description
	the reduction of single-use plastics but due to Covid-19, everyone must adapt to public health measures to reduce the risk of Covid-19 pandemic.
"Braille Book" Project	The Company recognizes the reduction of littering by reuse, which has been running for more than 5 years, as a project that collects old calendars, books and magazines and forwards to the Center for Educational Technology for the Blind to produce braille books for visually impaired agencies nationwide.
"Seeding Forestation" Project	5 June every year is the World Environment Day. The Company recognizes the importance of the environment and has created the "Seeding Forestation" project for the second year running by giving one hundred seeding to employees to plant green spaces in their own residential areas. The Company believes that by putting their care, taking time to look after the plant to grow, they will receive the true benefit of planting.

### 3.5.2.8 Greenhouse Gas Report

Realizing the importance of greenhouse gas management or greenhouse gas emissions from its operations, mostly related to direct fuel usage or direct greenhouse gas emissions (Scope 1) and indirect fuel usage or indirect greenhouse gas emissions (Scope 2), the Company therefore has tried its best efforts to operate business with an awareness of conserving environment and worthwhile resource utilization for efficient operation, and reduction of impact on the environment.

The management emphasizes on arranging reports on the reduction of greenhouse gas emissions arising from both direct and indirect processes in order to know the amount of greenhouse gas emissions that have occurred and also help determine a policy and plan to clearly manage the reduction of greenhouse gas emissions to be proposed for approval of the Board of Directors. Additionally, the Company establishes a working team to prepare the greenhouse gas emissions reports and encourages employees to be trained with the Stock Exchange of Thailand and the Thailand Greenhouse Gas Management Organization (TGO) to obtain knowledge and understanding of greenhouse gases and the importance of the organization to be a part of regulating greenhouse gas emissions.

Based on the data of the Company's electricity consumption in 2020 – 2022, the collected data can be calculated as data on greenhouse gas emissions in scope 2 or indirect greenhouse gas emissions generated by energy consumption (Energy Indirect Emissions) from the purchase of electricity for consumption within the organization. Calculation based on the electricity consumption at the Company's head office building showed as follows:



**Greenhouse gas emissions type 2**

402.84 tons of carbon dioxide equivalent (tCO<sub>2</sub>e)

year	2020	2021	2022
kWh (kWh)	763,000	693,000	714,000
Ton carbon dioxide equivalent (tCO <sub>2</sub> e)	443.53	402.84	415.05

Further to the implementation of the electrical energy management guidelines, in 2022, the Company was able to reduce the release of glass greenhouse gases by 28.5 tons of carbon dioxide equivalent (tCO<sub>2</sub>e). However, the aforementioned greenhouse gas emission in Scope 2 has not yet been reviewed by the verifier authorized by TGO or equivalent. Nonetheless, the Company is in process of obtaining a review from an external verifier registered with the TGO or equivalent to ensure reliability of information towards investors, shareholders, and related parties and to standardize the operations for further comparison with the next year company's operations.

### 3.6 Sustainability Management in Social and Safety Perspective

#### 3.6.1 Social Policy and Practices

Employees and labors are important factors to ensure the successful completion of the business. The Company needs to manage based on appropriateness in accordance with its responsibilities and human rights. This must be consistent and supported by the Company's strategy and goals by operating clearly, transparently, fairly, and equitably in the personnel management process, including supporting the development of employee knowledge, competence, and skills, looking after, and keeping employees for as long as possible, as well as supporting fair compensation and benefits to all employees as follows

##### 3.6.1.1 Human Rights Management Guidelines and Fair Treatment of Labor

All employees must strictly adhere to human rights principles. The Company provides employees with knowledge and understanding of international human rights principles to be implemented as part of the operation. The Company has a policy on recruitment based on ethics for recruitment and employment without discrimination in race, religion, skin color or gender, and no child labor or illegal labor. This shall also be conducted with contractors who collaborate with the Company.

The Company provides everyone with equal opportunities to be selected as an employee of the Company. The Company has equality in salary, wages and other benefit to all employees and labors according to their knowledge, ability, and suitability in each position, as well as welfare in various fields such as housing allocation, medical care, health insurance, etc. without discrimination between regular employees, employees/labor with disability or foreign labor. In addition, the Company offers everyone the opportunity to undergo training to develop themselves to progress their careers according to their proper and equal abilities, as well as to support people with disabilities to have equal opportunities with other people. For example, recruiting

disabled people to work and facilitating for the disabled people in the building such as passenger lift, wheelchair ramps at the entrance and exit. The Company complies with the law on employment of people with disabilities in coordination with relevant government agencies and Srithanya Hospital to access to disability employment by participating in disability employment programs to work in communities or public works such as schools and hospitals. It is a new approach towards employment of people with disabilities by reaching out to disabled people in the community in accordance with government policies. While creating opportunities for people with disabilities with the potential to be ready to work as employees of the Company, it also benefits to communities or public charity organizations as a representative of the Company and in line with the Company's policy of ensuring equality for society and creating economic value for the country.

### 3.6.1.1 Employment

In 2022, the Company had a total of 1,032 employees and labors consisting of 328 females (31.78%) and 642 males (62.21%) of which 47 were foreigners (4.55%), and 15 disabled employees or 1.45 % of a total of employees.

Summary of Employment in 2020-2022

Employee	2020	2021	2022
Permanent Employee (Person)	484	443	258
Contract Employee (Person)	1,078	699	774
Total (Person)	1,562	1,142	1,032

The Company gives importance to the principles of equality and equality in employment. However, since the Company's business is construction, most employment are for project operations. The proportion of employment by job title is therefore more male employees than female. Employment of people with disabilities of the Company is according to the amount set out by laws. The Company is aware of the safety in workplace, therefore the employee with disability is assigned to work in the area not involved in the construction work and arranges to work in the appropriate position.

### 3.6.1.2 Human Resource Development Policy and Promotion of Career Growth

The Company has a policy to develop and promote personnel at all levels to be knowledgeable, competence and expertise in working to be able to perform tasks efficiently and create work in accordance with the Company's goals in both knowledge related to the line of responsibility and knowledge of management to provide all employees with knowledge and ability to meet the standards and create good work for customers, as well as to understand the requirements in accordance with the relevant operating standards. The Company encourages the development of knowledge and the ability for employees to always have updated knowledge of the development of the industry and support the Company's growth in the future. Qualified employees can be a great support of the organization and society for sustainable development by using their knowledge and experiences to create quality performance that drive to advance development society. Even when such employees move to other organization, they can still contribute their knowledge, capability, and expertise to

create good and quality performance to that organization which can be a sustainable development for society as a whole.

The Company provides training agencies responsible for preparing training courses for employees of all levels in the organization, including skilled workers in construction sites. Training unit shall plan training courses that are in line with the organization's strategy and recruit personnel within or outside the organization with expertise in various topics to transfer knowledge by planning and determining target audience that must be trained in advance throughout the year. The training unit shall promote training courses through the Company's internal channels and monthly journals so that employees can be informed and can plan for training.

To enable training of employees and workers in certain positions to be conducted regularly and continuously, especially in areas related to safety and specialty, the Company requests registration with the relevant authorities to establish as a training agency. The Company also promotes, develops, and supports employees who meet the requirements specified by the Department of Labor Protection and Welfare to be trained in courses that the Department of Labor Protection and Welfare have accredited the Company. This enables the Company to use the capacity of existing employees to provide internal training to other employees in each course effectively and efficiently and the Company can issue training certificates in various courses.

### 3.6.1.2.1 Career Path Development

The Company organizes personnel development planning annually with continuity to make career progress for employees by developing individual development plans (IDP). The objective is to make employees aware and understand the opportunities for self-improvement to progress along the line by competing with the commitment to creating "quality of people, quality of work" and in line with sustainable organizational development. The Company sets training plan and schedule in advance throughout the year and makes announcement for employee. The superior is responsible for adjusting time for the employees to attend training according to the topics and the duration. Employees can apply their knowledge to develop their work to be more efficient, which would allow all employees to progress their duties. Target groups of personnel development are: 1) the group of employees of operational level to executive level, 2) the group of employees of operational level, as well as the labor in the construction sites.

For the development of employees at the operational and executive level, the Company adopts competency system as a tool to develop personnel potential, with the goal of metrics and development plans in accordance with IDPs (Individual Development Plans). To achieve goals or expectations, level of development is divided into 3 levels as follows:

Types of Competencies	Development Target Group	Course goals
<p><b>Core Competency</b> The core abilities that everyone in the organization must have</p>	<p>All employees at all levels of the organization</p>	<p>For employees in the organization to realize the Company's core values according to the principles as follows: 1) commitment to success 2) effective cost</p>

Types of Competencies	Development Target Group	Course goals
		management 3) customer emphasis 4) creative initiatives 5) awareness and quick resolution, etc.
<b>Managerial Competency</b> Management Capabilities	Executive/Manager	Focus on developing management skills for executives such as 1) critical and preventive planning, 2) resource management capabilities, 3) risk management, 4) change management. 5) principles of communication and coordination 6) leadership etc., which are the main management principles for further personnel preparation.
<b>Functional Competency</b> The ability that each position requires	Professional and operational staff	<ul style="list-style-type: none"> <li>● Focus on developing professional skills, technical skills, and positional and responsibility-based performance.</li> <li>● Career development for employees according to the designated career path of each position.</li> </ul>

In addition, the Company organizes the orientation of new employees by providing basic training in various fields of knowledge necessary for the operation, including the history and business characteristics of the Company Group, basic knowledge of business processes, Vision, Mission and Goals of the organization, introduction to ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007, knowledge of information technology and operating system and operational safety, etc.

Due to the Covid-19 pandemic in recent years, Department of Labor Protection and Welfare has announced to reduce the number of safety construction courses that has been previous submitted to Department of Skilled Workforce Development from not less than 50% per annum to 30% per annum. The Company adjusted training plan to be in line with the Covid-19 pandemic situation and In 2022, the Company and Sahakarn Wisavakorn Company Limited conducted internal and external trainings which can be summarized as follows:

Employee Training Information	2020	2021	2023
Numbers of Participants (Person)	464	315	355
Numbers of Training Hours (Hour)	352	243	462

#### 3.6.1.2.2 KM System Development (Knowledge Management)

The Company gathers knowledge, procedure, techniques in various works and publicizes to employees for access to knowledge at anytime and anywhere, including answering questions online in order to encourage employees to participate in online activities which will ensure that the employees develops knowledge continuously and continuously.

#### 3.6.1.2.2 Employee Performance Management

The Company has a system for managing the results of operations to support employees to perform effectively and efficiently at each employee level to achieve consistency and in line with the Company's goals in striving to develop the business to be competitive for the organization to continue to prosper sustainably. The superior has a duty to manage, evaluate employees under their supervision's performance and bring to success by assigning responsibilities in accordance with the targets and organizational strategies, as well as developing their knowledge through coaching, training, and assigning in accordance with the aptitude and competence of employees. Employees are responsible for performing their assigned duties to achieve the assigned results and in accordance with the specified standards, along with exploring an opportunity of self-development for satisfactory performance.

The Company shall evaluate the performance of employees every year to review the allocation of compensation, including promotions, to promote and motivate employees to use their knowledge to perform their duties with full dedication and continuously improve their performance.

#### 3.6.1.3 Policies and Guidelines for Appropriate Remuneration and Welfare

The Company has a policy of paying remuneration to employees in accordance with the Company's performance in both the short and long term to incentivize the performance of employees to achieve the goals. The performance is assessed in the form of a key performance indicators (KPIs) and competency as tools for managing short-term remuneration, that is, salaries, as well as other welfare arrangements other than those prescribed by law, to ensure the stability of employees and their families including the creation of employee engagement with the organization, without discrimination or difference in salary rates and compensation between female and male, such as consideration of salary increases, annual bonuses, performance awards, including various welfare benefits. In terms of long-term remuneration, the Company considers the overall investment of the Company and the overview of the industries in which the Company operates. The Company regularly reviews the remuneration and welfare arrangements for employees to ensure that the Company's remuneration is at the appropriate level.

The Company provides welfare and benefits to employees to reduce the cost-of-living expenses and help supporting employees and their families' living. The Company allocates welfare and benefits to employees from the date the employee is appointed as a full-time employee and employees at the same work level shall receive the same welfare and benefit regardless of gender, race, age, and religion. The Company publicizes all employees to be informed of their rights through employee handbooks and internal communications. For welfare and benefit in health support, the Company provides annual health check-up for employees to be

informed of their basic health conditions. If there is an abnormality, they can find further prevention and treatment. As part of the Company's head office, the Company provides first aid rooms with regular nurses including household medicines for primary medical services to employees.

### 3.6.1.3.1 Provident Fund

The Company establishes a provident fund under the Provident Fund Act B.E. 2530 (1987) by registering provident fund on 1 June 2005 to save money and secure employees and their families as a long-term financial stability. Employees can choose an investment plan to receive benefits in return for investments as the employees deem appropriate, and to encourage employees to have an understanding of investment plans, opportunities and risks, as well as returns, the Company coordinate with asset management company to meet with executives and employer and employee representatives to report the fund's performance as well as the investment environment, opportunities and risks, short-term and long-term investment trends and widely inform employees who are members of the fund so that they can make decisions on the right investment plan. As part of the cumulative payout rate, employees can choose the monthly cumulative payout rate to the fund at a rate of between 3% to 10% of the salary voluntarily as the employee's request. In addition, the Company pays another contribution to employees at the rates of 3% to 7% of salary depending on years of service of each employee. In 2022, the Company and Sahakarn Wisavakorn Company Limited contributed provident fund to employees at the amount of baht 3.84 million and baht 1.82 million at the rate of 3% to 7% of the basic salary.

The permanent employees who have exceed 1 year of service are eligible to become a member of the Fund (voluntary application) and the Company' contribution rates are set as follows:

Number of Years of Service	Contribution rate (%) (by the Company)
1-3 years	3
3-10 years	5
10 years and over	7

#### Terms of accumulated reimbursement and contributions

The Company shall pay accumulated funds in the employee's part and contributions on the Company's part to employees who resign from the fund when their employment status ends. The Company's contribution rate and the consequences of such funds shall be varied subject to the years of service.

### 3.6.1.3.2 Health Promotion (Move for Change)

The Company provides head offices and branch offices with first-aid room with nurses providing basic care to treat primary illnesses, breastfeeding service rooms, including proper and appropriate consultation on healthcare and medications to enhance the health of employees. The Company encourages employees to have after-hours physical activity by providing yoga and aerobic trainers on a daily basis, which is an ongoing activity. The Company arranges a gym with equipment to be equipped with trainers to advise on exercise and proper use of equipment, correctly and safely. As for project sites, the project administrators also arrange appropriate fitness facilities by providing basic sports equipment such as equipment



of table tennis, football, badminton, etc. This is to encourage employees to have the opportunity to exercise after work every day without having to travel long distances and free of charge.

With the Covid-19 pandemic, Move for Change health promotion activities have been suspended to comply with public health measures and reduce the risk of Covid-19 infection.

#### **3.6.1.3.3 Housing Benefits**

The Company provides residential welfare to employees to ease their burden on housing costs, facilitate and reduce risk of commuting to work. The Company provides accommodation for employees in the nearby area of each construction sites, considering the hygiene and security of the residence.

#### **3.6.1.3.4 Employee medical expenses**

The Company provides medical benefits to employees in case of outpatients, in addition to the benefits received from the Social Security Office, where the Company is responsible for the cost of sustaining accident insurance and life insurance partly to employees. Besides, the Company provides group health insurance for illness and accident treatment as well as arrange visit to employee in case of inpatients as a show of concern and consolation to the employees.

#### **3.6.1.3.5 Accident and life insurance and other funds**

The Company provides life and health insurance for employees with Thai Life Insurance Public Company Limited, employees can receive medical treatment in accordance with the limits and conditions specified in any hospitals of their convenience. The Company also pays subsidy as required by laws to the Office of Social Security and the Workmen's Compensation Fund.

#### **3.6.1.3.6 Other Financial Assistance**

The Company provides subvention for funeral in case of death to employees, including father, mother, spouse, children, to ease the burden of expenses, and send wreaths to express condolences.

#### **3.6.1.3.7 Welfare Committee in the Workplace**

The Company establishes a welfare committee in the workplace to carry out the legal requirements by holding the election of the Welfare Committee to represent employees, acting as a mediator in conveying the welfare needs of employees to employer, suggest, audit, oversee welfare management within the organization, promote employee-relations activities, seek ways to improve welfare and work environment, as well as raise morale for employees, which will result in increased productivity and efficiency in works. In recent years, meetings were conducted to propose requests and recommendations from employees to employer's representatives to jointly consider measures the employer can process for employees appropriately and fairly. Thus, there was no dispute or complaints regarding unfair treatment to employees.

#### **3.6.1.4 Employee Relations Activities and Communications**

The Company recognizes the importance of employee relations and internal communication between the Company and employees. The Corporate Communications Department plays a role as the center of collecting and disclosing information within the organization through various channels so that employees can be informed and have same understanding of the policies, regulations, news, and activities. Main channel used in such communications is intranet where information is disclosed to employees such as ERP

learning materials, ISO regulations and documents, event photos, as well as employee-related information e.g., event calendar, company news, new employee introduction, etc. Moreover, there are communication via e-mail, Line application and employee board. The captioned activities for creating good relations are as follows:

**3.6.1.4.1 Mr. Engage**, which communicates through Line group between Human Resources Department and employees within the organization, for ease of providing information and advice to relevant employees.

**3.6.1.4.2 Lunch Talk**, which is having lunch together between executives and employee's activity so that they can meet and discuss in the occasions such as Big Cleaning Day, Songkran events, etc.

**3.6.1.4.3 HRBP (HR Business Partner)** assigns a responsible person from human resources department to effectively reach out to the problems of employees.

**3.6.1.4.4 5S activities** to strengthen discipline and good habits for employees, with representatives of executives and employees from each department to jointly evaluate the activities.

**3.6.1.4.5 New Year's party** for executives, employees at both the Company's head office and at project sites to have the opportunity to socialize in a warm atmosphere.

**3.6.1.4.6 Receiving complaints**, the Company allows employees to suggest, comment, or complaints through the comment box to be opened by the Human Resources Manager collecting such feedback or complaints to present to the Personnel Management Committee for consideration and further action. The detailed information of the complains shall be kept strictly confidential.

### **3.6.1.5 Measures to Prevent and Mitigate Problems Arisen from the Covid-19 Pandemic**

In 2022, due to the Covid-19 pandemic, the Company prepared to support any epidemic problems that had a severe impact on society and business operations. The measures to prevent and mitigate the problem regarding the Covid-19 pandemic were set by encouraging New Normal practices whereas the employees working at the head office in each department were required to take turn both working at office and work from home. For employees who work in branch offices and project sites, the workspace was managed using the method of Bubble & Seal to reduce the risk of the Covid-19 spread. The Company also reminded employees to live carefully during their works or beyond hours to ensure the safety of such situations of dissemination.

The Company was aware of occupational health and safety of employees during the Covid-19 pandemic and followed up the ongoing situation and adjusted monitoring measures to prevent infection and spread by using the guidelines of the Ministry of Public Health's standards, such as maintaining cleanliness, wearing face masks, checking body temperature, social distancing:

- Screening measures before entering office space and project sites
- Measures to manage the prevention of exposure and spread of infection within the project sites
- Guidelines for employees and workers
- Guidelines when employees are infected with Covid-19

### 3.6.1.5 Activities for the benefit of society and communities

It is considerably important for the Company in conducting business with an awareness on society and community, such as promoting the development and learning of children and youth, blood donation, donation for public interests of disadvantaged people in society and communities, community development activities and other important activities to avail opportunities for society and nearby communities and show the promotion of awareness of social responsibility in parallel with achieving the Company's goal of delivering qualified works that meet the requirements of customers within timeframe. The projects that develop and benefit society in various areas were as follows:

Campaign	Description
<p>Promoting development and education of children and youth</p>	<ul style="list-style-type: none"> <li>● <b>Gifts on National Children's Day</b> the Company participated in National Children's Day activities at Wat Pornpraroung Prasit Kindergarten and Pornpraroung Prasit School by giving gifts to students to raise morale for children who will be an important force for the country in the future.</li> <li>● <b>Open space for students of Ban Khai Technical College to learn on-the-job training.</b> The Company entered into a memorandum of cooperation for vocational education with Ban Khai Technical College by opening a branch office space in Rayong Province for students to have on-job-training.</li> </ul>
<p>Community Development and Key Activities</p>	<ul style="list-style-type: none"> <li>● <b>Homeland Love Project</b> was a project established by the Company with the aim of improving local communities and improving the quality of life of the hometown community of employees and helping improve society, employees to feel proud of contributing to and develop their hometowns. Since 2013, for more than 9 years, the Company has allocated budget for development of the hometown community of employees by establishing a committee to select projects proposed by employees from all departments in the Company to consider in accordance with the Company's policies to conduct sustainable business and deliver opportunities to society. In 2022, there were 1 selected project as follows :               <ul style="list-style-type: none"> <li>1) Project of renovation of multipurpose space at Nikom Sang Ton Eng 8 School, Buriram Province (continued from 2021)</li> </ul> </li> <li>● <b>Public Benefits Project</b> in honor of His Majesty the King on the occasion of His Majesty the King' s Birthday, July 28, 2022 at the Muti-function Room of Ban Nong Khla, Rayong Province</li> <li>● <b>Provision of Drinking Water to Flood Victims</b> in Chaiyo District, Ang Thong Province</li> </ul>

Campaign	Description
<p>Create opportunities in society and communities for public interests.</p>	<ul style="list-style-type: none"> <li>● <b>Blood Donation</b> the Company has held blood donation activities twice a year continuously since 2008 and allowed employees and people in nearby communities to donate blood. In 2022, it was held in September to donate blood to Rajavithi Hospital with a number of donated blood of 63 bags, or 27,150 milliliters.</li> <li>● <b>Donation of beverage boxes, staple, aluminum cap loops, calendars, and disused items</b> the Company has been conducting 5S and Big Cleaning Day activities since 2016 to develop an opportunity for society to utilize the reusable waste as follows:             <ol style="list-style-type: none"> <li>1) <b>Beverage box (UHT)</b> the Company supported by collaborating with representatives from Big C Supercenter Public Company Limited to recycle the beverage boxes into roof sheets in the project "The Green Roof Project for Friends in Need (of "PA") Volunteers Foundation" with the aim of raising awareness of the management and reuse of non-use items (1 roof is 1x2.40 meters, uses approximately 2,000 beverage boxes in production), and throughout 2022, a total of 2,000 pieces were collected.</li> <li>2) <b>Staple, and aluminum cap loops</b> the Company supported by providing used aluminum cap loops to the Association of Persons with Physical Disability International, allowing each department employee to sort the staples from disused paper, and aluminum cap loops, to be collected to the Association of Persons with Physical Disability International, Pathum Thani province to use as materials in making prosthetics for helping people with disabilities and throughout 2022, a total of 2 kg. were collected.</li> <li>3) <b>Calendars and disused items</b> the Company supported by collecting disused calendars and magazines to the Educational Technology for the Blind Center to produce braille books for visually impaired agencies nationwide to support knowledge opportunities. Disused items such as bags, shoes, books, and electrical appliances, etc. were also donated to the Association of Persons with Physical Disability International in Pathum Thani Province to benefit communities and society.</li> </ol> </li> <li>● <b>Quality of Life Promotion for Patient at Srithanya Hospital</b> As the Company recognized the importance of the livelihoods of patients in Srithanya Hospital , the campaign to support the quality of life of patients was initiated by promoting the creation of careers so that patients can earn income, have willpower with recognition of self-esteem. The Company will always encourage and be supportive to the society.</li> </ul>

### 3.6.2 Policies and Guidelines on Health and Safety at Work

The Company manages sustainability in health and wellness aspect and values safety at work. With recognition that those who work in the Company's operating area are at risks of occupational health and safety. The Company is committed to preventing risks in occupational health and safety by setting policies on quality, security, safety, health, environment, and social responsibilities (QSSHE Policy). This policy applies to all units throughout the organization, from high-level executives down to operational employees, including contractors who work in the area. Executives, in particular, must lead the organization as a role model in supporting, pushing, monitoring, following-up performance and improving the way to operate in order to achieve the vision and missions of the organization through the implementation of ISO 45001, implementing relevant laws, communicating to executives and employees as a common practice within the Company: For instance, promote a safe and hygienic working environment, compliance with the law, monitoring, measuring and controlling performance, registering safety training unit, implementing measures to prevent and mitigate problems in accordance with the Covid-19 pandemic, creating a safe working environment, communicating regarding safety, and raising awareness. Conducting the construction method defined by the project owner is also complied (more information on various policies can be studied at the Company's website under "Corporate Governance").

The Company values the management of safety, occupational health, and environment by having executives and employees at all levels together to not only compliance with the laws and policies but committed to raising standards to be internationally recognized and to being an accident-free organization for the quality of life for both employees and stakeholders. The Company's executives determine that all projects are operated with safety to life and property without impact to environment. It should be everyone's cooperation and responsibility with a goal of "Zero accident", with the executives leading the responsibility, pushing for serious management and follow-up, supporting budgets and resources to create safe working environment and arranging adequate and appropriate tools and equipment to workers. In addition, the Company values the operational activities of projects to have the least impact on society and safety in terms of noise and dust management in accordance with the established standards and laws. The Company manages safety and environment in all projects by appointing safety and environmental officer to monitor the results of safety measures and environmental impact reduction in the construction period in line with the requirements of the project owner and relevant authorities to achieve commitments, such as:

#### 3.6.2.1 Safety and Occupational Health Management System

The Company has been certified of occupational health and safety management system (ISO 45001) in October 2020. The key of success was top executive's leadership and worker participation, which resulted in a stable management system leading to the goal of sustainable safety, and occupational health.

#### 3.6.2.2 Promotion on Safe and Hygienic Working Environment

In 2022, the Company continuously developed and improved the efficiency of safety operations to reduce the risk of illness, injury, or death, and properly supervised the quality of life of employees or workers with the following important operations: 1) legislation compliance and 2) monitoring and supervising measures. 2 work injuries were found, and the Company has already taken measures to prevent such accidents.

**3.6.2.2.1 Legislation Compliance** to ensure compliance with the laws and monitoring and advising on correct and independent implementation. High-level executives advocate the establishment of a Central Safety Committee to monitor and cooperate with the Project Committee and follow-up on operations to comply with safety laws and standards, as well as to review, advise and push together with the Safety Committee on all projects to ensure safe working conditions in accordance with the laws and report performance results to high-level executive every month, provide training on safety, occupational health and environment committees to employees and training in hazardous chemicals management for workers.

**3.6.2.2.2 Monitoring and Supervising Measures** to focus on preventive measures in the operation. Safety start with worker being in a ready state to work, e.g., no trace of addictive substance etc. The Company, therefore, conducts random alcohol checking, drugs testing, performance assessment, safety and environment inspection of project workers and operations.

- **Alcohol checking** to check readiness of the operation worker's physical condition. Alcohol consumption before operation affects the response to things, e.g., slower decision making, self-controlling, reasoning, and memory decreasing. So as not to be another factor that cause accidents during operations such as driving vehicles, working at height, or controlling machines and can result in injury, disability, or death of both workers and associates, alcohol checking must be conducted.

- **Drug testing** to prevent and monitor drug consumption in working areas including worker accommodation (camps). Narcotics can damage brain nerves, cause lack of self-interest, lack of consciousness, body exhaustion which is easy to cause accidents due to impaired muscular and nervous system control, leads to injury, illness, disability or death of both workers and associates.

- **Safety and environmental measurements** (light, noise, dust) to monitor for potential latent hazards in the operation workers' working environment, which is another latent hazard that can cause "Operational diseases" both acute and chronically diseases and comply with the Ministerial Regulations standards in administrating, managing and implementing of safety, occupational health and working environment in heat, lighting and noise, B.E. 2556 (2016).

- **Safety training before starting work** with the consequences of accidents leading to injuries, illnesses, disability or possibly death causing by an operational worker having no cognition. To control the safety of workers or employees, they must be cognitive and interned and in accordance with the Safety, Occupational Health and Work Environment Act B.E. 2554 (2011), Section 16, requiring employers to provide executive, supervisors and all employees training on safety, occupational health and working environment.

- **Safety Walk** the Safety Committee of each project jointly conducts a survey of the operation area to know the nature of the risks that may arise at the operational space and manage the risk and reduce the loss of accidents at work and keep the working space tidy, convenient and safe and to assess the performance of those with safety-related duties on how much they can comply with the standards or laws associated with the project, as well as to stimulate the responsibilities of those involved in safety matters that have been imposed to be taken seriously.

○ **QSHE Project Audit** to ensure that the safety and occupational health management system is implemented in accordance with the standards set by the Company by monitoring the implementation of the project, including measuring the work environment so as not to affect employees or workers and nearby communities where the Company operates.

○ **RSA (Road Safety Audit)** official inspection of road projects by the panel of experts and experienced inspectors will report on accidents occurring trends and safety in the use of such projects. Generally, road safety audit can be applied to all types of projects, regardless of the size of the project, such as new construction projects, road or junction improvement projects, reconstruction projects, in-use road projects, etc. Road safety audit can be conducted at various stages of the project during construction since before open to use to in-use project.

### 3.6.2.3 Security Training Unit

In order for the Company to train employees and workers in certain positions regularly and continuously especially in areas that involve safety and specialty, the Company requests registration with the relevant authorities to establish a safety training unit along with promoting development and supporting employees who meet the requirement of the Department of Labour Protection and Welfare to be a lecturer in the courses that are certified by the Department of Labour Protection and Welfare, which allows the Company to utilize potential of existing employees in providing internal training to other employees effectively. The Company is able to issue training certificates or attendance certification in the following courses:

Training Topics	Registered agencies
Safety of Work on Electrical	Office of Safety, Department of Labour Protection and Welfare
Safety of Work in Confined Spaces	Office of Safety, Department of Labour Protection and Welfare
The Safety Occupational Health and Working Environment Committee	Office of Safety, Department of Labour Protection and Welfare
Safety Officer Supervisory level	Office of Safety, Department of Labour Protection and Welfare
Crane Operations	Office of Safety, Department of Labour Protection and Welfare
Road Safety Inspection	Department of Highways, Ministry of Transport
Installation and inspection of pipe and joint scaffolding	Office of Safety, Department of Labour Protection and Welfare
Safety of Work at Height	Office of Safety, Department of Labour Protection and Welfare
Temporary goods and passenger elevators control in construction	Office of Safety, Department of Labour Protection and Welfare
6-Hour Safety Training for New Employee	Office of Safety, Department of Labour Protection and Welfare

The Company provides additional training for employees to be ready to deal with potential situations beyond expectation, such as: First Aid & CPR by using an AED equipment, introduction to firefighting, emergency drills in case of chemical spill and fire drills with relevant agencies in nearby workspaces. This gives

trainees the right knowledge, skills and correct first aid practices to prepare a response plan to medical emergency which may happen during work. It can also be applied in everyday life.

#### 3.6.2.4 Communication and Security Awareness

To encourage operational employees to realize the importance and raise awareness of safety at work, all projects shall have supervisor, safety officer and project management take turns to share their experiences during Toolbox Talk, Safety Talk, as well as, discuss preventive measures under the risks management and control plan in small groups before starting work, such as: supervisor meeting before work, Safety talk, Safety management tour, and BBSO (Behavior Based Safety). Details of actions as follows:

**3.6.2.4.1 Toolbox Talk / Safety Talk / Safety Moment** Accidents bring losses to life, property, and ongoing working process of the organization, which have severe consequences. According to accident statistics, unsafe action is a major cause of accidents by 88% where only 12% caused by unsafe conditions (information from the Safety and Health at Work Promotion Association (Thailand) under the royal patronage). If the organization wants to control the accident to zero, not only having an effective safety and occupational health management system, but also must have the techniques to make all operational employees to aware of the dangers and recognize the importance of safety in every working step, enhance knowledge and safety competency management to have safety mind. Therefore, it is important to be instilled into the concept of all operational employees to work safely. When everyone develops safety consciousness well enough, the level of safety of the organization would be higher and that the quality of life of employees would also surely be of higher standards.

Conducting toolbox talk / safety talk / safety moment is a useful tool for all levels of safety officers. It can be used to give reminders before starting work every day, with the content pointing out the importance of the work to achieve the goal and indicating the dangers that are stacked in the work that would lead to a sustainable awareness of work safety. The objective is to encourage workers to recognize the importance of safety as a fundamental performance, strengthen the consciousness of vigilantes of work hazards with techniques that focus on enthusiasm, select topics related to situations that may not be in the Company's projects or take work lessons on sites, and reward employees who perform as role models for safety, etc.

**3.6.2.4.2 BBSO (Behavior Based Safety Observation)** raising safety awareness by observing safety behavior and providing feedback is an activity that the Company has been working on since 2019 to date, which promotes the creation of culture and becomes a safety behavior in the organization. When all employees understand the principles of BBSO and implement continuous action in form of observing risk behaviors and safety behaviors and writing a BBSO report to the central unit to collect information and analyze to improve the development of safety operations.



#### 4. Management Discussion and Analysis

##### Significant Financial Information

###### Summary of the Auditor' s Opinions on the Financial Statements

The financial statements, statement of the comprehensive income and statement of comprehensive cash flows as ended December 31, 2022 was audited by the certified auditor with the qualified opinion that the consolidated financial statements and separate financial statement demonstrated the financial status, operating results and cashflow of each year and on the same ending date with accurate significant information required as per the financial reporting standards.

The 2022 auditor report does not contain the information and emphasis of matters in the reporting page.

The 2021 auditor report contained the information and emphasis of matters as per below details and also shown in the Note to Financial Statements item 3.4 and 3.5.

##### Information and Emphasis of Matters

I hereby recommend the observation on the Notes to Financial Statements as specified in the item 3.4 and 3.5 regarding an adjustment to the previous financial statements and new category since the Company had retroactively adjusted the financial statements as ended December 31, 2020 and January 1, 2020 and statement of the comprehensive income, statement of cash flows and statement of changes in shareholders' equity as ended December 31, 2020 showing in compared figures that reflect adjustment of entries and application of accounting policy on contract revenue. Additionally, I do not have qualified opinion on this case.

The 2020 auditor' s report did not contain the information and emphasis of matters in the report; however, such information and emphasis of matters were specified in the Notes to Financial Statements, item 3.2 on application of the new accounting standards effective in the current year ; 5 financial reporting standards in financial instrument group together with the result from the change in the accounting standards in the Notes to Financial Statements, item 5 on the accumulated results from the change in accounting policy due to enforcement of the new financial reporting standard; financial reporting standard in financial instrument group and financial reporting standard Vol. 16 – Rental Contract. Details as shown in the Notes to Financial Statements, item 3.2 and 5, respectively.

Statement of Financial Position

Statement of Financial Position	Million Baht			Percentage per Total		
	2022	2021	2020 (revised)	2022	2021	2020 (revised)
<b>Current Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	15.71	52.94	89.78	0.36	1.29	2.46
Trade and other receivables	247.03	408.60	283.30	5.67	9.98	7.75
Contract assets	2,742.29	2,285.56	1,699.73	62.99	55.81	46.52
Short-term loan to related parties	17.97	21.20	-	0.41	0.52	-
Advance payment to subcontractors	354.25	380.78	498.30	8.14	9.30	13.64
Inventory	1.61	1.61	1.68	0.04	0.04	0.05
Withholding Tax	122.86	69.11	173.16	2.82	1.69	4.74
Other current assets	49.70	23.84	44.57	1.14	0.57	1.22
<b>Total of Current Assets</b>	<b>3,551.42</b>	<b>3,243.64</b>	<b>2,790.52</b>	<b>81.58</b>	<b>79.20</b>	<b>76.38</b>
<b>Non-current assets</b>						
Restricted bank deposit	53.55	31.96	32.20	1.23	0.78	0.88
Investment in joint venture	123.99	138.89	123.58	2.85	3.39	3.38
Property, plant and equipment	571.99	619.14	618.36	13.14	15.12	16.93
Right-of-use assets	14.67	18.46	29.62	0.34	0.45	0.81
Intangible assets	9.10	11.18	13.27	0.21	0.27	0.36
Deferred tax assets	20.51	27.30	42.48	0.47	0.67	1.16
Other non-current assets	8.17	4.76	3.43	0.19	0.12	0.10
<b>Total of non-current assets</b>	<b>801.98</b>	<b>851.69</b>	<b>862.94</b>	<b>18.42</b>	<b>20.80</b>	<b>23.62</b>
<b>Total assets</b>	<b>4,353.39</b>	<b>4,095.33</b>	<b>3,653.46</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Current liability</b>						
Bank overdrafts and loans from financial institutions	939.91	796.62	709.46	21.59	19.45	19.42
Account payable and other current payables	788.92	780.52	718.49	18.12	19.06	19.67
Unbilled payables	1,174.28	839.73	454.39	26.97	20.50	12.44
Contract liabilities	617.56	910.99	923.92	14.19	22.24	25.29
Short-term loans from related parties	73.30	-	-	1.68	-	-
Retention payable	284.93	229.61	158.96	6.55	5.61	4.35
Provisions of construction liabilities	64.49	75.99	130.87	1.48	1.86	3.58

Statement of Financial Position	Million Baht			Percentage per Total		
	2022	2021	2020 (revised)	2022	2021	2020 (revised)
Current portion of liabilities under finance	10.38	13.05	16.71	0.24	0.32	0.46
- lease agreement						
Accrued corporate income tax	0.24	1.28	-	0.01	0.03	-
Other current liabilities	33.67	7.77	15.85	0.77	0.19	0.43
<b>Total of current liabilities</b>	<b>3,987.67</b>	<b>3,655.56</b>	<b>3,128.65</b>	<b>91.60</b>	<b>89.26</b>	<b>85.64</b>
<b>Non-current liability</b>						
Lease liability	7.80	8.21	15.67	0.18	0.20	0.43
Provisions of non-current liabilities for employee' s benefits	38.71	61.27	82.11	0.89	1.50	2.25
Provisions of liabilities from lawsuits	2.49	2.49	20.00	0.06	0.06	0.54
Other non-current liabilities	13.89	-	-	0.32	-	-
<b>Total of non-current liabilities</b>	<b>62.89</b>	<b>71.97</b>	<b>117.78</b>	<b>1.44</b>	<b>1.76</b>	<b>3.22</b>
<b>Total liabilities</b>	<b>4,050.56</b>	<b>3,727.53</b>	<b>3,246.43</b>	<b>93.04</b>	<b>91.02</b>	<b>88.86</b>
<b>Shareholder' s equity</b>						
Capital stock						
Authorized share capital	1,198.39	1,198.39	1,198.39			
Issued and paid-up capital	1,198.39	1,198.39	1,198.39	27.53	29.26	32.80
Share premium account-ordinary shares	-	-	-	-	-	-
Other deficits	-	(2.96)	(2.96)	-	(0.07)	(0.08)
Accumulated profit (loss)						
Allocated – legal reserve	-	4.11	4.11	-	0.10	0.11
Subsidiary						
Unallocated	(913.84)	(816.25)	(780.89)	(20.99)	(19.93)	(21.37)
Other components of shareholders' equity	15.82	16.12	17.39	0.36	0.39	0.48
<b>The Company's shareholders' equity</b>	<b>300.37</b>	<b>399.41</b>	<b>436.05</b>	<b>6.90</b>	<b>9.75</b>	<b>11.94</b>
No-controlling interests	2.46	(31.61)	(29.02)	0.06	(0.77)	(0.79)
<b>Total shareholders' equity</b>	<b>302.83</b>	<b>367.80</b>	<b>407.03</b>	<b>6.96</b>	<b>8.98</b>	<b>11.14</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,353.39</b>	<b>4,095.33</b>	<b>3,653.46</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Income Statement	Million Baht			Percentage per total		
	2022	2021	2020 (revised)	2022	2021	2020 (revised)
<b>Income</b>						
Revenue from construction	3,283.82	3,819.47	3,344.07	97.36	98.23	97.72
Revenue from other services	57.87	17.48	20.55	1.72	0.45	0.60
Sale income	1.60	8.40	7.51	0.05	0.22	0.22
Interest income	1.21	0.49	0.89	0.04	0.01	0.02
Other income	28.52	42.42	49.22	0.85	1.09	1.44
<b>Total revenue</b>	<b>3,373.02</b>	<b>3,888.26</b>	<b>3,422.24</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Cost</b>						
Construction service cost	3,067.46	3,625.75	3,517.45	90.94	93.25	102.78
Other service cost	52.05	10.24	13.77	1.54	0.26	0.40
Cost of sales	1.22	8.16	6.37	0.04	0.21	0.19
Administrative expense	258.32	260.21	312.90	7.66	6.69	9.14
Loss from subsidiary' s dissolution	36.85	-	-	1.09	-	-
<b>Total cost</b>	<b>3,415.90</b>	<b>3,904.36</b>	<b>3,850.49</b>	<b>101.27</b>	<b>100.41</b>	<b>112.51</b>
Profit (loss) from operating activities	(42.88)	(16.10)	(428.25)	(1.27)	(0.41)	(12.51)
Finance costs	(42.55)	(35.06)	(23.48)	(1.26)	(0.91)	(0.69)
Share of profit (loss) from investment in joint venture	(21.04)	2.56	(2.85)	(0.62)	0.07	(0.08)
<b>Profit (loss) before income tax expenses</b>	<b>(106.46)</b>	<b>(48.61)</b>	<b>(454.58)</b>	<b>(3.16)</b>	<b>(1.25)</b>	<b>(13.28)</b>
Income (expense) income tax	(6.09)	(10.69)	13.51	(0.18)	(0.28)	0.39
<b>Profit (loss) for the year</b>	<b>(112.55)</b>	<b>(59.30)</b>	<b>(441.07)</b>	<b>(3.34)</b>	<b>(1.53)</b>	<b>(12.89)</b>
<b>Other comprehensive income:</b>						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translating financial statement						
Foreign currency – net of income tax	(3.63)	(1.96)	4.23	(0.11)	(0.05)	0.12
Items that will not be reclassified subsequently to profit or loss						
Actuarial gains and losses on defined employee benefit plans – net of tax	14.37	22.03	-	0.43	0.57	-
<b>Share of other comprehensive income – net of income tax</b>	<b>10.74</b>	<b>20.07</b>	<b>4.23</b>	<b>0.32</b>	<b>0.52</b>	<b>0.12</b>

Income Statement	Million Baht			Percentage per total		
	2022	2021	2020 (revised)	2022	2021	2020 (revised)
<b>Total comprehensive income (expense) for the period:</b>	(101.82)	(39.23)	(436.84)	(3.02)	(1.01)	(12.77)
<b>Profit (loss) sharing</b>						
Company's shareholders' equity	(111.96)	(57.39)	(438.13)	(3.32)	(1.48)	(12.80)
Subsidiary's Non-controlling interests	(0.59)	(1.91)	(2.94)	(0.02)	(0.05)	(0.09)
<b>Profit (loss) for the year</b>	(112.55)	(59.30)	(441.07)	(3.34)	(1.53)	(12.89)
Total comprehensive income (expense) for the period attributable to						
Company's shareholders' equity	(97.89)	(36.64)	(436.35)			
Subsidiary's Non-controlling interests	(3.93)	(2.59)	(0.49)			
<b>Total comprehensive income (expense) for the year</b>	(101.82)	(39.23)	(436.84)			
<b>Basic earnings (loss) per share (Baht/share)</b>	<b>(0.0117)</b>	<b>(0.0060)</b>	<b>(0.0457)</b>			

#### Cashflow Statement

Cashflow Statement	2022	2021	2020 (revised)
<b>Cashflow on operations</b>			
<b>Profit (loss) before tax</b>	<b>(106.46)</b>	<b>(48.61)</b>	<b>(454.58)</b>
<b>Adjustments to Reconcile profit (loss) before tax to net cash provided by (paid from) operating activities</b>			
Depreciation and amortization	69.58	71.70	90.36
Provisions of expected credit loss	0.98	-	0.03
(Profit) Loss on unrealized exchange rate	0.34	(0.09)	-
(Profit) Loss on sale of machinery	(0.48)	(1.22)	(0.22)
Loss on amortization of machinery	1.93	9.78	11.10
Profit (loss) on termination of the lease agreement	-	1.26	-
Loss on subsidiary' dissolution	36.85	-	-
Share of (profit) loss on investment in joint venture	21.24	(3.13)	2.85
Profit on loss of controlling in subsidiary	-	(5.17)	-
Loss on amortization of withholding tax	-	0.47	-
Provisions of liabilities from construction project	28.04	113.26	367.67
Non-current Provisions for employee benefit	7.88	12.78	14.74
Interest income	(1.21)	(0.49)	(0.89)
Interest expense	42.55	35.06	23.48

Cashflow Statement	2022	2021	2020 (revised)
<b>Profit (loss) before changes in operating assets and liabilities</b>	<b>101.24</b>	<b>185.60</b>	<b>54.54</b>
Operating assets (increase) decrease			
Trade and other current receivables	161.25	(124.59)	416.85
Contract assets	(456.73)	(585.82)	(261.46)
Advance payment to subcontractor of construction contract	26.54	117.52	21.60
Inventory	-	0.07	(0.01)
Other current assets	(25.87)	20.72	(6.84)
Other non-current assets	(3.41)	(1.32)	2.84
Operating liabilities increase (decrease)			
Trade and other current payables	9.89	70.88	197.56
Unpaid work cost	334.55	385.33	(107.23)
Contract liabilities	(293.44)	(12.93)	(62.64)
Retention payables of construction contract	55.32	70.65	58.39
Other current liabilities	25.90	(8.08)	(23.87)
Other non-current liabilities	13.89	-	-
<b>Cash from (for) operating activities</b>	<b>(50.86)</b>	<b>118.03</b>	<b>289.73</b>
Cash Provisions of liabilities on construction project	(39.55)	(168.14)	(313.69)
Cash provisions of non-current liabilities for employee benefit	(12.49)	(6.09)	(7.75)
Cash Provisions of liabilities on lawsuits	-	(17.50)	-
Cash for income tax payment	(115.45)	(68.32)	(62.13)
Refund of withholding tax	57.78	172.16	21.00
<b>Net cash from (for) operating activities</b>	<b>(160.56)</b>	<b>30.14</b>	<b>(72.84)</b>
<b>Cash from investing activities</b>			
Restricted bank deposits decrease (increase)	(21.59)	0.24	(21.66)
Short-term loans to related parties decrease (increase)	3.23	(21.20)	-
Cash paid for investment in joint venture	(6.34)	(7.00)	(74.83)
Interest income	0.55	(0.23)	0.89
Cash received from sale of machinery	0.48	1.97	0.43
Cash paid for purchase of land, building and machinery	(15.61)	(74.69)	(93.65)
Cash paid for purchase of intangible assets	(0.22)	(0.14)	(4.73)
<b>Net cash from (for) investing activities</b>	<b>(39.51)</b>	<b>(101.05)</b>	<b>(193.55)</b>
<b>Cashflow from investing activities</b>			
Bank overdraft and short-term loans from financial institutions increase (decrease)	143.29	87.15	236.41

Cashflow Statement	2022	2021	2020 (revised)
Cash received from loans - related parties	75.30	-	-
Cash paid from short-term loans – related parties	(2.00)	-	-
Repayment of debentures	-	-	(30.00)
Paid interests	(38.36)	(33.20)	(22.18)
Liabilities on lease agreement (decrease)	(11.75)	(17.93)	(14.47)
<b>Net cash from (for) financing activities</b>	<b>166.48</b>	<b>36.02</b>	<b>169.76</b>
Exchange differences on translating financial statement increase (decrease)	(3.63)	(1.95)	4.22
<b>Net Cash and cash equivalents increase (decrease)</b>	<b>(37.23)</b>	<b>(36.84)</b>	<b>(92.41)</b>
Cash and cash equivalents at the beginning of the year	52.94	89.78	182.19
<b>Cash and cash equivalents at the end of the year</b>	<b>15.71</b>	<b>52.94</b>	<b>89.78</b>

#### Financial Ratio

	Unit	2022	2021	2020 (revised)
<b>Liquidity ratio</b>				
Liquidity ratio	Time	0.89	0.89	0.89
Quick ratio	Time	0.04	0.1	0.11
Cashflow ratio	Time	-0.05	0.01	-0.02
Receivables turnover ratio	Time	14.04	13.54	7.04
Average collection period	Day	26	27	51
Inventory turnover ratio	Time	-	-	-
Period of sale	Day	-	-	-
Account payable turnover ratio	Time	4.57	5.34	6.48
Repayment period	Day	79	67	56
Cash Cycle	Day	-53	-41	-5
<b>Profitability Ratios</b>				
Gross profit margin	%	6.66%	5.23%	-4.91%
Operating margin	%	-1.28%	-0.42%	-12.70%
Other income to total income ratio	%	0.88%	1.10%	1.46%
Cash profitability ratio	%	-4.80%	0.78%	-2.16%
Net profit margin	%	-3.32%	-1.48%	-12.80%
Return on equity	%	-33.39%	-14.81%	-70.29%

	Unit	2022	2021	2020 (revised)
<b>Efficiency Ratios</b>				
Return on assets	%	-2.65%	-1.48%	-11.89%
Return on fixed assets	%	-18.80%	-9.27%	-72.16%
Total asset turnover	Time	0.80	1.00	0.93
<b>Financial Policy Ratios</b>				
Debt to Equity Ratio (D/E)	Time	13.38	10.13	7.98
Interest Coverage Ratio	Time	0.62	1.59	-14.39
Interest bearing debt to EBITDA ratio	Time	38.62	14.71	-2.20
Debt service coverage ratios	Time	0.03	0.07	-0.47

### Economic Situation

During the second half of 2022, as the COVID pandemic situation in Thailand had tendency of a decrease in number of severe patients and death toll including a higher number of vaccinated people, the government then announced to classify the coronavirus which is the infective disease from dangerous communicable disease to be communicable disease under surveillance together with opening the country for welcoming visitors to promote domestic business sector. However, since in 2022, the war between Russia and Ukraine has affected an increase of construction cost especially in steel and cement construction materials that are the main materials in construction whereas the war remains continued. Consequently, the construction business still has a risk to confront with the increased cost that might be higher.

However, the Company has tried to manage the operations to be consistent with the construction contract even though there have been many impacted factors during the past year whereas the new business model has been targeted for expansion to strengthen income gain and further support the future construction business.

### An Overview of 2022 Operating Results

The Company operated a full range of construction services including engineering design, machinery and equipment procurement and construction work as the main business. For subsidiaries, their businesses are 1) construction business 2) utilities and investment business, and 3) Smart IoT Ecosystem Business.

In 2022, the Company and subsidiaries received construction work totaling 11 projects with a total work value of Baht 537.13 million divided into 9 private sector projects and 2 government projects with work value of Baht 325.45 million and Baht 211.68 million, respectively. If separated by product line, it can be divided into 5 civil works with work value of Baht 281.90 million (52.48%), 3 pipeline projects with work value of Baht 232.04 million (43.20%), and 3 other service projects with work value of Baht 23.19 million (4.32 %).

For the construction business, the main business, had value of unrealized work (backlog) as of 1 January 2022 amounting to Baht 6,844.53 million. During 2022, the Company and subsidiaries additionally were awarded for construction projects amounting to Baht 537.13 million. For the existing construction projects there were an increase of work quantity by Baht 250.99 million. The Company and subsidiaries recognized construction revenue for 2022



of Baht 3,283.82 million, remaining unrealized work value as of 31 December 2022 amounting to Baht 4,348.83 million (value according to the contracts of Baht 11,668.29 million).

Income Statement	2022	2021	2020	Change		% per total		
	Million	Million	Million	Million	%	2022	2021	2020
	Baht	Baht	Baht	Baht				
Revenue from construction services, sales and other services	3,343.29	3,845.35	3,372.13	(502.06)	(13.06%)	99.12	98.90	98.54
Other income	29.73	42.91	50.11	(13.18)	(30.72%)	0.88	1.10	1.46
<b>Total revenue</b>	<b>3,373.02</b>	<b>3,888.26</b>	<b>3,422.24</b>	<b>(515.24)</b>	<b>(13.25%)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Gross profit (loss)</b>	<b>222.56</b>	<b>201.19</b>	<b>(165.46)</b>	<b>21.37</b>	<b>10.62</b>	<b>6.60</b>	<b>5.17</b>	<b>(4.83)</b>
Administrative expenses	258.32	260.21	312.90	(1.89)	(0.73%)	7.66	6.69	9.14
Loss on dissolution	36.85	-	-	36.85	-	1.09	-	-
Share of profit (loss) from investments in joint ventures	(21.03)	2.56	(2.85)	(23.60)	(921.24%)	(0.62)	0.07	(0.08)
Financing expenses	(42.55)	(35.06)	(23.48)	(7.49)	(21.36%)	(1.26)	(0.91)	(0.69)
<b>Loss before income tax</b>	<b>(106.46)</b>	<b>(48.61)</b>	<b>(454.58)</b>	<b>(57.86)</b>	<b>(119.03%)</b>	<b>(3.16)</b>	<b>(1.25)</b>	<b>(13.28)</b>
Income (expense) from tax income	(6.09)	(10.69)	13.51	4.60	43.04%	(0.18)	(0.28)	0.39
Loss for the year	(112.55)	(59.30)	(441.07)	(53.25)	(89.81%)	(3.34)	(1.53)	(12.89)
<b>Loss attributable to the Company</b>	<b>(111.96)</b>	<b>(57.39)</b>	<b>(438.13)</b>	<b>(54.57)</b>	<b>95.10%</b>	<b>(3.32)</b>	<b>(1.48)</b>	<b>(12.80)</b>

The Company and subsidiaries had a total income of baht 3,372.02 million, decreased Baht 515.24 million or 13.25 %. Summary of the operating results was net loss of Baht 112.55 million which was the Company's equity of Baht 111.96 million, higher loss of Baht 54.57 million or 95.10 %. The operating results can be summarized as follows:

### Performance Analysis

#### 1. Income

Income	2022	2021	2020	Change		% per total		
	Million	Million	Million	Million	%	2022	2021	2020
	Baht	Baht	Baht	Baht				
<b>1. Construction Services</b>								
Civil Works	2,256.14	2,204.95	2,128.89	51.19	2.32	66.89	56.71	62.21
Pipeline System	724.85	1,569.58	958.55	(844.73)	(53.82)	21.49	40.37	28.01
Engineering System	0.00	(27.39)	254.42	27.39	(100.00)	0.00	(0.70)	7.43
Other Services	302.83	72.33	2.21	230.50	318.68	8.98	1.86	0.06
<b>Total construction services revenue</b>	<b>3,283.82</b>	<b>3,819.47</b>	<b>3,344.07</b>	<b>(535.65)</b>	<b>(14.02)</b>	<b>97.36</b>	<b>98.23</b>	<b>97.72</b>

Income	2022	2021	2020	Change		% per total		
	Million	Million	Million	Million	%	2022	2021	2020
	Baht	Baht	Baht	Baht				
2. Other Services	57.87	17.48	20.55	40.39	231.06	1.72	0.45	0.60
3. Sales	1.60	8.40	7.51	(6.80)	(80.95)	0.05	0.22	0.22
<b>Revenue from construction services, sales and other services</b>	<b>3,343.29</b>	<b>3,845.35</b>	<b>3,372.13</b>	<b>(502.06)</b>	<b>(13.06)</b>	<b>99.12</b>	<b>98.90</b>	<b>98.54</b>
Other Income	29.73	42.91	50.11	(13.18)	(30.72)	0.88	1.10	1.46
<b>Total Revenue</b>	<b>3,373.02</b>	<b>3,888.26</b>	<b>3,422.24</b>	<b>(515.24)</b>	<b>(13.25)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Construction revenue from government projects	2,198.30	2,225.70	1,580.05	(27.40)	(1.23)	65.94	58.27	47.25
Construction revenue from private sector projects	1,085.52	1,593.77	1,764.02	(508.25)	(31.89)	33.06	41.73	52.75

1. Revenue from construction services was Baht 3,283.82 million, decreased Baht 535.65 million or 14.02 % and the decreased amount was in the works of pipeline system. The decreased amount of Baht 844.73 million was due to the large-scale project that has been mostly constructed since 2021 and there is no any new awarded one whereas other service income increased Baht 230.50 million from last year due to being awarded for the oil tank design & construction project. In 2022, the income was mainly recognized from the civil works of Baht 2,256.14 million and construction of pipeline system of Baht 724.85 million and it was recognized income from the main construction such as construction-restoration project and roadside ditch development of Department of Highways and Department of Rural Roads, totally 5 projects with work value of Baht 861.64 million, Construction of civil works of manhole and underground cable works and changes of the aerial system to ground cables of the Metropolitan Electricity Authority, totally 4 projects with work value of Baht 726.39 million, oil tank design & construction project of the private sector with work value of Baht 296.56 million, etc.

2. In 2022, the revenue from other services was Baht 57.87 million increased from the previous year of Baht 40.39 million or 231.06 % which was gained from a government project of program development and GPS installation project awarded to one of the company subsidiaries.

3. Other income includes interest income and other income. In 2022, the interest income and other income were Baht 29.73 million compared to 2021 of Baht 42.91 million or decreased by Baht 13.18 million or 30.72 %. The main revenues for each year are as follows:

Other Income	2022	2021	2020	Change		% per total		
	million	million	million	million	%	2022	2021	2020
	Baht	Baht	Baht	Baht				
1. Compensation from insurance company	1.03	10.70	7.67	(9.67)	(90.37)	3.46	24.92	15.30
2. Goods/Services/Rental charges from contractors	8.46	13.80	24.92	(5.34)	(38.70)	28.46	32.15	49.84
3. Non-deductible expenses	2.65	6.35	-	(3.70)	(58.27)	8.91	14.80	-
4. Review of engineering design services charges	2.00	-	9.35	2.00	-	6.73	-	18.65
5. Gain on loss of subsidiary's controlling proportion	2.04	1.90	-	0.14	7.37	6.86	4.40	-
6. Scrap sales	0.00	0.79	2.25	(0.79)	(100.00)	0.00	1.85	4.48
7. Compensation on materials' increased prices (K value)	0.00	0.32	0.72	(0.32)	(100.00)	0.00	0.74	1.44
8. Others	12.34	8.56	4.31	3.78	44.16	41.51	20.00	8.52
<b>Total other income</b>	<b>28.52</b>	<b>42.42</b>	<b>49.22</b>	<b>(13.90)</b>	<b>(32.77)</b>	<b>95.93</b>	<b>98.86</b>	<b>98.23</b>
Interest income	1.21	0.49	0.89	0.72	146.94	4.07	1.14	1.77
<b>Grand total of other income</b>	<b>29.73</b>	<b>42.91</b>	<b>50.11</b>	<b>(13.18)</b>	<b>(30.72)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## 2. Cost

Cost on administrative and financial expenses.

Cost on administrative and financial expenses	2022	2021	2020	Change	
	Million	Million	Million	Million	%
	Baht	Baht	Baht	Baht	
1. Construction cost	3,067.46	3,625.75	3,517.45	(558.29)	(15.40%)
2. Other Service costs	52.05	10.24	13.77	41.80	408.21%
3. Cost of sales	1.22	8.16	6.37	(6.94)	(85.03%)
<b>Total cost</b>	<b>3,120.73</b>	<b>3,644.15</b>	<b>3,537.59</b>	<b>(532.42)</b>	<b>(14.36%)</b>
Administrative expenses	258.32	260.21	312.90	(1.89)	(0.73%)
Loss on subsidiary dissolution	36.85	0.00	0.00	36.85	
Financial cost	42.55	35.06	23.48	7.49	21.36

1. A total cost for 2022 was Baht 3,120.73 million decreased Baht 523.42 million or 14.36 %. The majority of the Company's costs are as follows:
  - Construction cost of Baht 3,120.73 million decreased from last year of Baht 558.29 million or 15.40 % in line with a decrease of construction services revenues.
  - Other service costs in 2022 amounted to Baht 52.05 million increased Baht 41.81 million or 408.30 % from 2021. This was due to an increase in one of the Company's subsidiaries as specified in the other service income
2. The administrative expenses in 2022 was Baht 258.32 while Baht 260.21 million in 2020 showing a decrease of Baht 1.89 million or 0.73 % that were mainly for employee salary and expenses related to employees and depreciation and amortization.
3. Loss on subsidiary dissolution was Baht 36.85 million due to dissolution of 2 subsidiaries in Sultanate of Oman; TRC Middle East LLC. and TRC Engineering LLC. in which the Company held 70 % shares via TRC International Limited, and both of them had registered and completed dissolution and liquidation.
4. Financial cost in 2022 amounted to Baht 42.55 million while Baht 35.06 million in 2021 increased Baht 7.49 million or 21.36% due to an additional overdraft and loans from financial institutions. The financial costs were mainly interest on short-term loans from financial institutions to be used as working capital. As of December 31, 2022, there was an overdraft and loans of Baht 939.91 million that increased Baht 143.29 million or 17.99% from the previous year.
5. In view of the profitability in 2022, the Company has a gross profit of Baht 222.56 million or 6.66 while Baht 201.19 million in 2021. Although the income in 2022 was lower than 2021, the operating margin gained from oil tank construction project appeared higher due to a short period of construction causing an average of 20% operating margin whereas the operating margin in 2022 and 2021 was -1.28 % and -0.42 %, respectively due to loss on dissolution of 2 subsidiaries in 2022, totally Baht 36.85 million as mentioned above. If such a loss was excluded, the operating loss would be Baht - 6.03 million or equivalent to -0.18 % operating margin. The Company had loss on shareholders' equity in 2022 and 2021 of Baht -111.96 million and 57.39 million respectively, representing a net loss of -3.32 % and - 1.48 % and shareholders' return of -33.29 % and -14.81 % respectively. In 2022, If such a loss on subsidiary dissolution was excluded, the total loss would be Baht 75.11 million or -2.23 %.

### Financial Analysis

- **Total Assets**

On 31 December 2022, the Company and subsidiaries had total assets of Baht 4,353.39 million. This increased from 31 December 2021 of Baht 258.16 million or 6.30 %. The current assets of 2020 were Baht 3,551.41 million increased Baht 307.77 million from the previous year or 9.49 % whereas non-current assets were Baht 801.98 million decreased Baht 49.71 million from the previous year or 5.84 % as details below:

Statement of Financial Position	2022	2021	2020	Increase (Decrease)		% per total		
				MB	%	2022	2021	2020
Current Assets	3,551.41	3,243.64	2,790.52	307.78	9.49%	81.58	79.20	76.38
Other non-current assets	801.98	851.69	862.95	(49.71)	(5.84%)	18.42	20.80	23.62
<b>Total assets</b>	<b>4,353.49</b>	<b>4,095.33</b>	<b>3,653.47</b>	<b>258.16</b>	<b>6.30%</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The list of significant assets includes:

1. Significant current assets include trade receivables & other current receivables and assets from contracts of Baht 247.03 million and 2,742.29 million respectively. The trade receivables & other current receivables decreased Baht 161.57 million from the previous year or 39.54 % due to a reduction of construction service income whereas the assets from contracts increased Baht 456.73 million from the previous year or 19.98 %. This was due to an increase of unpaid income of Baht 430.00 million which has not yet been billed as per the contract.

2. Trade receivables and other current receivables are as follows:

Net-trade receivables for 2022 amounted to Baht 170.46 million compared to 305.47 million in 2021 which decreased Baht 135.01 million due to reduction of income. In 2022, there was Baht 94.90 million of undue trade receivables equivalent to 55.67 %, less than-6- month overdue amounting to Baht 53.93 million or 31.63 %, and over than-12 month overdue amounting to Baht 0.21 million. Expected credit loss allowance of the whole amount was set. The Company's trade receivables are mainly government agencies and private listed companies having reliable and stable financial position.

Other current receivables in 2022 amounting to Baht 76.58 million, decreased Baht 26.56 million from 2021 were the contractor receivables, that the company has provided the advance money for purchase of materials and labor wage to be later reimbursed by deducting from the payment to subcontractors, decreased Baht 23.20 million.

3. Non-current assets that decreased consisted of a reduced number of land, building and machinery of Baht 571.99 million while in 2021 Baht 619.14 million or equivalent to 7.62 % decrease due to depreciation record of assets of Baht 55.82 million.

4. Trade receivable turnover ratio in 2022 was 14.04 times with average collection period of 26 days compared to 2021 with the rate of 13.54 times and 27 days. The Company controlled billing efficiency to be faster than the previous year. The customers are mostly government agencies and private listed companies having reliable and stable financial position. In addition, 2022 had a liquidity ratio of 0.89 times which was the same ratio as 2021 while quick current liquidity ratio was 0.05 times while 0.10 times in 2021, showing a reduction of 0.05 times due to a reduction of trade receivables.

5. Asset yield and asset turnover rate in 2022 were -2.65 % and 0.80 time, respectively, decreased from 2021 which were -1.48 and 1.00 time, respectively. This negative yield was due to additional loss in operation from the previous year.

- Liabilities and Shareholders' Equity

Statement of Financial Position	2022	2021	2020	Increase (Decrease)	
				MB	%
Current liabilities	3,987.67	3,655.56	3,128.65	332.11	9.09%
Non- Current liabilities	62.89	71.97	117.78	(9.08)	(12.62%)
Total Liabilities	4,050.56	3,727.53	3,246.43	323.03	8.67%
Equity of the Company's shareholders	300.37	399.41	436.49	(99.04)	(24.80%)
<b>Total of liabilities and equity of shareholders</b>	<b>4,353.39</b>	<b>4,095.33</b>	<b>3,653.46</b>	<b>258.06</b>	<b>6.30%</b>

List of significant liabilities and shareholders' equity includes:

1. Significant increase in current liabilities such as undue work costs of Baht 1,174.28 million, increased Baht 334.55 million or 39.84 % due to the construction project costs that increased and in the process of billing and overdrafts and short-term loans from financial institutions of Baht 939.91 million showing an increase of Baht 143.29 million or 17.99 % due to the operating loss causing requirement of more loans from the financial institutions.
2. Trade payables and other current payables in 2022 was Baht 788.91 million, increased from 2021 of Baht 8.40 million or 1.08 %. Related business-trade payables in 2022 was Baht 1.36 million increased Baht 30.27 million from 2021 due to service provided for a joint venture. Unrelated business - trade payables in 2022 was Baht 653.13 million, decreased Baht 48.67 million or 6.93 % from the previous year, with trade payable turnover rate and repayment period of 4.57 times and 79 days compared to 2021 having a rate of 5.34 times and 67 days, whereas cash cycles in 202 and 2021 was -53 days and -41 days, respectively. The Company received credit term for payment to trade payables longer than term received from trade receivables. For other current payables such as assets purchase trade payables was Baht 2.06 million, decreased Baht 5.43 million from the previous year due to debt repayment in the current year and accrued interest – related parties of Baht 3.39 million, and short-term loans-related parties of Baht 88.65 million, increased Baht 28.50 million.
3. Shareholders' equity was Baht 300.37 million decreased Baht 99.04 million or 24.80 % from the previous year due to the loss in operation of Baht 111.96 million by reducing with other comprehensive income of baht 14.07 million and adjustment to loss on subsidiary dissolution of Baht 1.15 million.

### Liquidity and Capital Adequacy.

The Company and subsidiaries had cash and cash equivalents balance as of 31 December 2022 of Baht 15.71 million, decreased Baht 37.23 million from the end of last year having cash balance of 52.94 million as details below:

Cash Flow Statement	2022	2021	2020
Net cash from (used in) operating activities	(160.56)	30.14	(72.84)
Net cash used in investment activities	(39.51)	(101.05)	(193.55)
Net cash from financing activities	166.47	36.02	169.76
Variance from increase of financial statement conversion	(3.63)	(1.95)	4.22
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(37.23)</b>	<b>(36.84)</b>	<b>(92.41)</b>
Cash and cash equivalents at the beginning of the year	52.94	89.78	182.19
<b>Cash and cash equivalents at the end of the year</b>	<b>15.71</b>	<b>52.94</b>	<b>89.78</b>

Changes in cash and cash equivalents for the year ended 31 December 2022 separated by activities as follows:

- Net cash used in operating activities amounted to Baht -160.56 million due to loss of operating performance of the current year.
- Net cash used in investment activities amounted to Baht -39.51 million mainly due to an increase of restricted Bank deposits of Baht 21.59 million to be as mortgages of credit limit with a financial institution and cash paid for purchase of land, building and equipment of Baht 15.61 million of which were mainly assets that the Company constructed i.e. metal works assembly plants for pipe installation and tank construction projects for petrochemical business by using the Company's own capital to expand the production capacity in the project as mentioned to be able to deliver work in a timely manner and collect payment for the Company's working capital.
- Net cash from financing activities amounted to Baht 166.47 million of which were mainly from short-term loans from financial institutions and related parties of Baht 143.29 million and 75.30 million, respectively whereas cash paid for interest and lease liabilities were Baht 38.36 million.

### Equity Adequacy Ratio

Financial Ratio	2022	2021	2020
Debt to Equity Ratio (Times)	13.38	10.13	7.98
Interest payment capacity ratio (times)	0.62	1.59	(14.39)
Capacity to pay obligation ratio	0.03	0.07	(0.47)

At the end of 2022, the Company and subsidiaries had a debt-to-equity rate of 13.38 times, increased from 10.13 times of the previous year with interest payment capacity ratio of 0.62 times, decreased from 1.59 times of the previous year. Moreover, capacity to pay obligation ratio was 0.03 times, decreased from 0.07 times of the previous year due to loss in operating results causing an increase of debt-to-equity ratio whereas other ratios were

lower. However, the Company was able to fully comply with the terms of the loan agreement from the financial institutions and there was no problem with the debt repayment.

The Company and subsidiaries had sources of funds from operations and short-term loans from commercial banks. Loans used for project administration were usually short-term to medium-term loans in a form of project finance. Banks that provided credit limit directed the Company to transfer the right in receiving work payment to the banks. Project owner would make payment of services by transferring to the Company's deposit account opened with the credit-provider bank. If the Company complies with the terms of the credit limit usage, there would be no debt exceeding the credit limit received and able to withdraw the payment of construction works. Additionally, in 2022, there remained an increase of short-term loans from related parties of Baht 73.30 million as well.

#### **Debt obligations and management of obligations outside the statement of financial position.**

The Company disclosed details in the notes to the financial statements, item. 33, “ Expected Obligations and Liabilities”.

#### **Factors Affecting Future Performance**

At present, even though the situation of the COVID-19 pandemic has declined, the war between Russia and Ukraine remains exist and it is difficult to forecast the end of the war that may cause higher price of materials in the future. The Company therefore tries its best effort to run business carefully and cautiously by issuing advance purchase orders to prevent a price hikes of main construction materials such as steel, pipe, concrete that may be arisen in the future.

Even though the competition in the construction industry has increased, the Company continues considering to be awarded for the new projects with caution by choosing projects that can generate profits from financially stable customers, especially government agencies and stable private companies to generate revenue and profits for the Company continuously.

The Company also explores the investment opportunities through subsidiaries and associates in renewable energy-related projects, basic utilities, and Smart IOT-related systems to generate continuous and stable income in the future.



## 5. General and Other Important Information

### 5.1 General Information

#### 5.1.1 Company Information

Company Name	TRC Construction Public Company Limited		
Stock Symbol	TRC		
Company Registration No.	0107548000293		
Business Type	Construction and engineering design services in pipeline systems and large plants of the petrochemical, oil and natural gas industry including project development and investment in energy, utilities, power plants and petrochemicals		
Head Office Location	8 Soi Sukhaphiban 5 soi 32 , Tha Raeng, Bangkhen, Bangkok 10220		
	Telephone : 0-2022-7777	Fax : 0-2022-7788	
	Website : www.trc-con.com		
Registered Capital	THB 1,198,383,354.75		
Issued and fully paid capital	THB 1,198,383,354.75		
Ordinary Shares	9,587,146,838 shares		
Par value per share	0.125 Baht		
Company Secretary	Tel : 0-2022-7777 Ext. 4803, 4824	Fax : 0-2022-7778	
	Email : CoporateSecretary@trc-con.com		

#### 5.1.2 Reference Person

<ul style="list-style-type: none"> <li>● <b>Securities Registrar</b> Thailand Securities Depository Co., Ltd. 93 Stock Exchange of Thailand Building Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Phone : 0-2009-9000 Fax : 0-2009-9992</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Auditor</b> Dharmniti Auditing Co., Ltd. 178 Thammaniti Building, 6th-7th Floor, Soi Prachachuen 20, Prachachuen Road, Bang Sue, Bang Sue, Bangkok 10800 Thailand Phone : 0-2596-0500 Fax : 0-2596-0560</li> </ul>
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## 5.2 Other important information

### Legal Disputes

#### 1. Black Case No. 2401/2554, 341/2555 and Red Case No. 1208-1209/2558 (Administrative Court)

On December 29, 2011, the Company filed a lawsuit against the government agency and its parties to Central Administrative Court for the allegation to pay compensation amounting to Baht 27,502,024.46 with interest of 7.5% per annum from the day after the indictment onwards until the payment is complete due to the violation of the officer' s abuse of power and considered using discretion to issue unlawful orders, including a collateral seizure of Baht 20,000,000.

On December 29, 2011, the Company filed a temporary protective request with the Central Administrative Court in which the court ordered the request to be dismissed on February 3, 2012.

On May 20, 2015, the Central Administrative Court ruled that the Electricity Generating Authority of Thailand to return collateral and the offer of electricity sales which was the letter of guarantee of the second litigant dated August 31, 2007 of Baht 20,000,000, provided that the Company and the bank jointly or interchangeably be liable to repay Baht 10,000,000 with interest of 7.5% per annum of the principal amounting to Baht 10,000,000 from the date of the case (December 28, 2011) until payment is completed by payment within 60 days from the date the case ends. Any other parts that the litigants have sued were all dismissed.

On June 19, 2015, the Electricity Generating Authority of Thailand appealed the decision of the Central Administrative Court to allow the Company and the bank to jointly or interchangeably pay Baht 20,304,109.58 with interest at the rate of 7.5% per annum of the principal amounting to Baht 20,000,000 from the date of the case until payment to government agencies.

On September 11, 2015, the Company filed a request to extend the appeal of the Electricity Generating Authority of Thailand. Since the case had many details, it took more time to resolve the appeal.

On October 16, 2015, the Company filed an appeal to the Supreme Administrative Court.

On December 30, 2021, the Company placed the money in accordance with the decision of the Central Administrative Court with interest of 7.5% per annum totaling Baht 17,506,164.38 so that the parties could receive the amount to close the case and the Company would make a petition to the court to order the parties to return the bank's letter of guarantee to the Company.

On February 14, 2022, the Company had filed to the court to order the government agencies to return the letter of guarantee amounting to Baht 20,000,000 to the Company .

On December 1, 2022, the Company filed a charge to the Administrative Court for money return as the government agency does not pick up the money placed at court to compensate for damage.

On February 2, 2023, the Company received back the money from the Administrative Court.

At presently, the case is under appointment scheduling for the judgment hearing of the Supreme Administrative Court.

## 2. Black Dispute Case No. 39/2564

On July 30, 2021, the Company filed a dispute with a private company to the arbitral institution since the private company breached the contract and requested for compensation of Baht 121,183,444.65.

On September 16, 2021, the private company filed an objection and counterclaim.

On September 29, 2021, the Company filed a request to extend the filing period of the counterclaim. The arbitral institution allowed the extension of the filing period until November 30, 2021.

On November 30, 2021, the Company filed a dissolution of the counterclaim.

On December 22, 2021, the appointment was scheduled to determine the dispute. The Arbitral Tribunal considered the request against the appointment of the Chairman of the Arbitral Tribunal, dismissed the Company's request, and informed the Company and the private company of the proceedings on February 14, 2022.

On February 14, 2022, the arbitral tribunal postponed the dispute to March 1, 2022 since the private company had recently received a request from the Company, so it was not able to make a statement of objection in time.

On March 1, 2022 and the first witness investigation on July 26, 2022, Due to the withdrawal of the arbitrator, the witness investigation date was cancelled. Later, name list was proposed to appoint a new arbitrator committee.

On September 20, 2022 it was scheduled to set a new witness investigation time frame and during February 13 - 20, 2023, the witness had been investigated.

The case is currently in a process to determine the dispute and examine witnesses.

## 3. Black Case No. 4156/2562 and Red Case No. 4693/2563 (Ratchada Civil Court)

On August 1, 2019, the subsidiary filed a lawsuit against two government agencies to the Ratchada Civil Court to pay additional work's expenses and damages due to breach of contract amounting to Baht 28,611,071.51 with interest of 7.5% per annum of the principal of Baht 26,770,593.23 from the date of the prosecution until the payment is completed. The court was scheduled a hearing date or settlement of the issues on 21 October 2019.

On September 6, 2019, the Ministry of Finance filed a request to extend the plea period for 30 days and the court granted permission to extend to 15 October 2019.

On October 9, 2019, the Ministry of Finance filed a second request to extend the plea period for another 30 days and the court granted permission to extend to November 15, 2019. The Tobacco Authority of Thailand also filed a request to extend the plea period for 30 days and the court granted permission to extend to November 20, 2019.

On October 21, 2019, the court postponed the date of the witness examination or settlement of issues date. The rescheduling date was set on 25 November 2019.

Later, on November 25, 2019, it was the settlement of issues date or the witness examination date. However, since the subsidiary has only received testimony from the party in recent days, as well as many complicated details in the case, in order to give the subsidiary the opportunity to fight the case fully and for the sake of justice, the subsidiary requested a postponement of the settlement of issues. The court has granted permission to postpone so that the subsidiary can review the party's testimony and prepare witnesses and documentary evidence, with a new date set on January 30, 2020.

On January 30, 2020, the Court and both parties proceeded to determine the dispute and set a date for the trial of both parties.

On July 14 and 15, 2020, the date of the testimony of the subsidiary, the subsidiary brought four witnesses to testify.

On July 16 and 17, 2020, the date of the testimony of the party, the party brought four witnesses to testify.

On September 25, 2020, the court ruled as follows

1. The Tobacco Authority of Thailand compensated Baht 4,401,389.50 with interest of 7.5% per annum of the principal from the date of indictment (1 August 2019) and paid court fee on behalf of the subsidiary, with a lawyer's fee of Baht 50,000. For court fee, the Tobacco Authority of Thailand paid only for the portion that the subsidiary won the case.
2. The court dismissed the case that the subsidiary requested a government agency to pay damages and costs between the subsidiary and the Ministry of Finance.

On October 20, 2020, the subsidiary extended the appeal period because the civil court had not completed the verdict.

On November 23, 2020, the Tobacco Authority of Thailand appealed the case to the Court of Appeal to oppose the Court of First Instance's decision, dismissing the case against the subsidiary and allowing the subsidiary to compensate the costs and lawyers' fees to the Tobacco Authority of Thailand. On the same day, the subsidiary filed an extension of the appeal period to prepare additional documents.

On January 22, 2021, the subsidiary filed an appeal to the Court of Appeal to request the Tobacco Authority of Thailand to pay the Company an additional amount of Baht 20,131,728.04.

On September 28, 2021, the Court scheduled both parties to hear the verdict and/or the order of the Court of Appeal on November 30, 2021.

On November 11, 2021, the Court of Appeal dismissed the subsidiary's request to the Tobacco Authority of Thailand. Costs on both the Court of First Instance and the Court of Appeal between the subsidiary and the Tobacco Authority of Thailand, to be taken upon oneself. Other matters remained according to the Court of First Instance's judgement.

On January 10, 2022, the subsidiary filed a request for an extension of the petition to the Supreme Court period since the Company had not agreed to the decision of the Court of Appeal, but due to the coronavirus 2019 outbreak (COVID-19), the petition could not be prepared within the specified period, and on the same day the Supreme Court ordered permission to extend the petition period until February 14, 2022.

On April 18, 2022, the subsidiary had filed the permission for the petition. On January 16, 2023, the Supreme Court ordered to permit and accepted the petition for consideration and have the government agency who are the second defendant corrected the petition within 15 days from January 16, 2023. Presently, the case is under Supreme Court's consideration.

#### **4. Arbitration Dispute Black No. 35/2564 or Red Case No. 21/2565 and the Central Intellectual Property and International Trade Court. Black Case No. Gor Kor 69/2565 and civil court cases Black Case No. Phor. 3110/2565**

The Subcontractor of the construction project had filed the litigation against the Subsidiary for claims as per the subcontractor contract for 14.15 million Baht (VAT included) with interest at 7.5% p.a. from the claiming date till the proposed date for total dispute amount 16.30 million Baht. This case was under the consideration of the Arbitrators. This case was determined by the Arbitrators.

On March 10, 2022, the Arbitrator had its final judgement to order the subsidiary to pay 9.62 million Baht with interest rate 3% from the judgment date with the responsibility for expenses incurred as the subsidiary did not agree with the judgment.

The subsidiary proceeded to withdraw the judgment of the arbitrator to the Central Intellectual Property and International Trade Court.

On June 24, 2022, the litigant filed a petition to the Civil Court to enforce the final judgment of arbitrator to order the subsidiary to pay the captioned amount as per the arbitrator's judgment. The Court ordered to investigate the petition on August 30, 2022.

On July 12, 2022, the subsidiary filed a petition to the Civil Court to postpone the case consideration as the final judgment of the arbitrator was under the process to withdraw the case by the Central Intellectual Property and International Trade Court.

On August 8, 2022, the court scheduled the hearing for the order to temporarily wait for the court judgment of the case. As the petitioner has filed an objection to the court to judge whether the case was

governed by the Intellectual Property and International Trade Court. Later, the court ordered to temporarily wait for the court judgment and proposed to have the Special Court of Appeal make the judgment.

On October 17, 2022, the case was judged by the President of the Special Court of Appeal and proposed to transfer the case to the Civil Court. On December 8, 2022, the court permitted the subsidiary to appoint a lawyer. Later, on December 26, 2022, the witness investigation of 2 parties took place between the petitioner and the subsidiary.

On February 11, 2023, the court carried out the witness investigation and petition hearing of both parties and scheduled for the hearing on June 24, 2023. Presently, the case is under court investigation.

The case has not yet reached final judgement. The management of the subsidiary believes the information to fight the case is adequate and stands a chance to win the case. The subsidiary has not considered providing a provision in the financial statements.

#### **5. Black Case No. Phor. 2367/2565**

On January 14, 2022, the project contractor of the subsidiary filed a charge against the subsidiary on breaches of products and installation service agreement and claiming damages from the subsidiary Baht 66.88 million with interest of 15 percent per annum of the principal of Baht 61.77 million from the filing date until payment is completely made to plaintiff. The court scheduled for settlement of issues and defined the guidelines of taking legal action or witness investigation on April 4, 2023.

The case is under settlement of issues and defining of the guidelines to take legal action or witness investigation. The management of the subsidiary believes the information to fight the case is adequate and stands a chance to win the case. The subsidiary has not considered providing a provision in the financial statements.

#### **6. The associated company - Case 1**

On October 16, 2017, the Nakhon Ratchasima Administrative Court accepted a lawsuit between litigant and the government agencies, requesting the Court to issue an order as relating to the following issues;

1) Requesting that the government agencies revoke the permission to use the water from a reservoir that had been granted to the associate,

2) Requesting the revocation of the Environmental Impact Assessment Report for the associate's potash and rock salt mining project,

3) Requesting the revocation of the report on changes in project details and the associate's environmental impact prevention and mitigation measures and environmental impact monitoring and inspection measure for the potash and rock salt mining project.

On December 24, 2021, the Administrative Court of Nakhonratchasima had an opinion that the associated company did not use the water of Bueng Talay Sidor and dismissed the cases.

On January 27, 2022, the claimant disagreed with the judgment of the Court of First Instance to dismiss the case. Later, the claimant filed an appeal to object such a judgment

On April 18, 2022, the associate requested to extend the period for giving a statement to correct the appeal that the court permitted the extension.

On May 19, 2022, the associate filed a request to extend the period for correction of the appeal again.

On June 16, 2022, the associate filed to correct the appeal to the Supreme Court to consider the dismissal of case.

#### **7. The Associated Company - Case 2**

On June 28, 2018, the Nakhon Ratchasima Administrative Court accepted a lawsuit between a litigant and government agencies, requesting the Court to issue an order to revoke the environmental impact assessment report for the Cogeneration Power Plant for the associate's Potash and rock salt mining project.

On October 11, 2018, the associate filed an interpleading to be the counterparty in the case to be able to explain the fact to the court. On March 20, 2019, the court permitted the associate to be a party as the 6<sup>th</sup> defendant and having the same right as the former defendant. On September 26, 2019, the litigant has objected and the associate gave additional testimony and filed to the court on January 21, 2020.

On June 10, 2022 the court scheduled the first trial on July 27, 2022 and the hearing of judgement on August 4, 2022.

On August 4, 2022, the Nakhon Ratchasima Administrative Court believed that the associate was entitled to prepare the report and act according to the criteria, method, and conditions as stipulated in the law. Thus, the case was dismissed.

Later, on October 18, 2022, the petitioner filed an appeal to object the Court of First instance's judgment to dismiss the case. The affiliate was ordered to correct the appeal within 30 days.

On November 21, 2022, the affiliate filed to extend the appeal correction period and the Supreme Administrative Court ordered to permit the request of the affiliate. Later, on December 16, 2022, the affiliate filed to extend the appeal correction period and the court ordered to permit as requested. Later, on January 6, 2023, the associate filed to correct the appeal to the Supreme Court to consider the dismissal of the case.

#### **8. The Associated Company - Case 3**

On September 9, 2022, the government agency intended to sue the affiliate on the breach of agreement claiming compensation for damages and interest of the capital amount Baht 3,971,473,851.25 that were the penalty of 15 percent per annum of the outstanding principal special state benefits No.1 - 5 of Baht 2,843,475,069.00 and to return court fees in filing charges to the plaintiff. The Central Administrative Court testified to correct the petition with evidence filed to court within 30 days from November 1, 2022. During November 25 - December 27, 2022, the affiliate filed a petition to extend the appeal correction 2 times and the court ordered to permit the affiliate to extend the period for another 30 days from the original due date.

On January 23, 2023, the associated company has filed an answer to the plaintiff. At present, the case is under consideration by the court. The associated company has recorded a provision in the financial statements.

## PART 2 Corporate Governance



## 6. Corporate Governance Policy

### 6.1 Corporate Governance Policy and Code of Conduct

Realizing and placing an importance on effective management with transparency and accountability that shall ensure all concerned parties and enable sustainable growth to the company's business under ethical operations and compliance with related laws, the company therefore defines the corporate governance policy to upgrade existing operations to be clearly systematic and standardized and extend the guideline of practices to employees at all levels to absolutely enhances corporate governance culture. The Company has a policy or operations protecting the basic rights that shareholders are fairly entitled to or more for long-term and sustainable highest interests of shareholders and stakeholders under the regulatory obligations with ethics, fairness and equality, and arranges the handbook of corporate governance, business ethics and code of conduct as well as anti-corruption policy for directors, executives and employees to use as a guideline disclosed on the company's website, item "Sustainability/Corporate Governance" and attached to the company's work rules distributed to all employees including reviewing on appropriateness of compliance with the corporate governance principle for listed companies B.E. 2560 (Corporate Governance Code : CG Code) as announced by the Securities and Exchange Commission, Thailand.

The Board of Directors announced the "Corporate Governance Policy" as resolved by the 8/2022 Board's meeting held on December 16, 2022 to be used as a guideline for directors, executives and employees at all levels. In addition, the captioned policy shall be reviewed and considered on yearly basis by the Corporate Governance Committee prior to being proposed for approval of the Board's meeting.

The policy shall be disclosed to all directors, executives and employees of the group of companies to adhere to as a common commitment to the Corporate Governance Code (CG Code) for Listed Companies announced by the Securities and Exchange Commissions, Thailand ("SEC") containing the following 8 Principles:

- Principle 1      Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2      Define Objectives that Promote Sustainability Value Creation
- Principle 3      Strengthen Board Effectiveness
- Principle 4      Ensure Effective CEO and People Management
- Principle 5      Nurture Innovation and Responsible Business
- Principle 6      Strengthen Effective Risk Management and Internal Control
- Principle 7      Ensure Disclosure and Financial Integrity
- Principle 8      Ensure Engagement and Communication with Shareholders

With commitment to strictly conform with the policy and guideline of practices and continuous development of the company's corporate governance, in 2022, the company was assessed, by the 2022 corporate governance survey of Thai listed companies organized by Thai Institute of Directors (IOD), with score range of "Excellent".

## Corporate Governance Code of Conduct

### 1. Shareholder and Stakeholder Rights

The Board of Directors places an importance on shareholder participation in meeting and voting rights, gaining profit sharing and dividend payment on fairly basis, acknowledging adequate information, proposing meeting agenda and nominating candidates for director selection prior to the shareholders' meeting, independently raising inquiries and comments in such a meeting, and encouraging directors, executives and auditors to all present attend the shareholders' meeting.

The company places an importance on the basic rights of shareholders such as meeting attendance and voting in the shareholders' meeting, profit sharing and dividend payment on fairly basis, acknowledging adequate information, advance proposing of meeting agenda and nominating persons for director selection, raising inquiries and comments independently in such a meeting, and also encourages all directors, executives including auditors to all present attend the shareholders' meeting.

#### 1.1) Scheduling the Shareholders' Meeting

In 2022, the Annual General Meeting of Shareholders on April 26, 2022 was conducted via e-meeting (E-AGM) broadcasted from the multi-function room of company's head office, 2<sup>nd</sup> floor, No. 8, Sukhapiban 5 Soi 32, Tha Raeng, Bang Khen District, Bangkok.

#### 1.2) Delivering the Invitation Letter in Advance

The Resolutions of the 2/2022 Board of Directors Meeting held on March 16, 2022 on scheduling the shareholders' meeting was publicized through the SET's information disclosure portal after such a Board meeting.

Prior to the 2022 AGM meeting, the company availed an opportunity for shareholders to participate in governing the company's operations and nominate qualified persons for director selection, to be included as the meeting agenda, during September 30 – December 31, 2021 whereas the criteria and process of consideration was disclosed on the company's website.

The invitation letter of 2022 AGM was prepared in both Thai and English versions with supporting documents published on the company's website and also informed investors and shareholders through the SET's information disclosure portal on March 25, 2022 (30 days in advance before the meeting date). The original invitation letter was delivered to all shareholders on April 4, 2022 and published via a daily newspaper for 3 consecutive days in advance before the meeting date (April 19 -21, 2022) in order that the shareholders could acknowledge in advance and have adequate time for meeting attendance.

#### 1.3) Conducting the Shareholders' Meeting

Before the commencement of the shareholders' meeting, the chairman of the meeting introduced the directors, legal advisor and auditors of the company to the meeting for acknowledgment and the legal advisor shall inform of the meeting practices, casting votes and required numbers of votes in each agenda item. The meeting was

proceeded in sequence of agenda items notified in the notice of the meeting and no any additional agenda that have not been duly notified in advance. For director remuneration agenda, remuneration policy and criteria were proposed for consideration of the shareholders by separating into remuneration of directors, remuneration of committees and remuneration of role-specific director. Additionally, during the agenda of director election, the shareholders voted on qualified director election on individual basis through ballots to be collected as an evidence whereas for other agenda, the ballots were applied in case of against or abstain vote.

Additionally, the Chairman availed an opportunity for the participants to express their opinions, suggestions, and ask questions in each agenda independently and on equitable basis whereas the executives will answer questions clearly, directly to the point, and pay attention to every question, before voting on each agenda.

#### 1.4) Disclosure of Shareholders' Meeting Resolutions

The resolutions of the shareholders' meeting together with results of voting were disclosed in the evening of the meeting date through the SET's information disclosure portal and the minutes of the meeting containing directors' and executives' names and positions, advisor and auditors attending the meeting, vote counting method, a number of vote counted in each agenda, summary of significant inquiries, comments and recommendations of shareholders including clarification of directors and executives in each agenda item through the SET's information disclosure portal within 14 days after the meeting and also published the minutes of the meeting on the company's website in both Thai and English versions with video clip of the 2022 AGM on April 26, 2022.

The company conducted the distribution of minority shareholders (Free Float) as per the SET's obligations on March 22, 2022 and at the book closing date for attending the 2022 annual general meeting of shareholders (AGM), the proportion of minority shareholders was at 69.73 per cent.

## 2. Equitable Treatment of Shareholders

The company treats all shareholders equitably and fairly regardless of minority or majority ones and without considering gender, age, race, nationality, religion, social status and political point of view. For shareholders unable to attend the meeting by themselves, they can reserve their rights by proxies to other persons to unconditionally attend and vote on their behalves.

#### 2.1) Proxy

In case any shareholder cannot present and attend the AGM, he/she can reserve his/her right by proxy to other person or one of the independent directors attending the meeting as notified in the proxy form in order to unconditionally attend and vote on his/her behalf. The proxy form and details were disclosed on the company's website 30 days in advance before the meeting and any additional information required by shareholders could be inquired by phone or email, etc.

## 2.2) Proposing Meeting Agenda and Nominating A Person for Director Appointment

The company provides a channel for shareholders to advance propose the meeting agenda , nominating a person for director appointment, questioning on matters related to the company for consideration of the Board of Directors to include such proposed matters in the AGM agenda as details shown in item 1. Shareholder Rights; 1.2) Advance Invitation to the Meeting.

### 3. Roles of Stakeholders

As the company places an importance on all stakeholders both internal and external ones with awareness of impact and equitable treatment, the guideline of practices to treat stakeholders is therefore provided as follows;

#### 3.1) Employees

Realizing that employees are one of significant stakeholder groups and as a key of driving to success of achieving the Company's goal, the company therefore communicates vision, missions and goals to employees at all levels and treats them fairly with respect for human rights a per relevant laws and standards in terms of opportunities of career path, competency and skills development and provision of compensation and necessary welfare. Moreover, the safety, health and environmental policy of working is also provided for safety of life and properties including adequate and proper facilities to prevent any injury, accidental death and illness at work.

#### 3.2) Shareholders

The company commits on operating business with transparency and fairness by considering all shareholder rights on equitable basis regardless of institute or minority ones, intends to conduct business for growth and capability to sustain the operations and long-term competitiveness, and enhances proper and sustainable return on investment for shareholders. Consequently, the dividend payment policy has been defined at not lower than 40 per cent of the company' s net profit for the shareholders whereas significant information has been disclosed accurately, completely and timely on various channels such as information disclosure portal and/or the company' s website.

#### 3.3) Competitors

The company and subsidiary has a policy to supports free and fair competition for highest interests of customers within the rules of fair and free trade competition that the personnel shall not do business by destroying or restraining the competitors with unlawful ways or apply any unlawful way to obtain the competitor's information, disclose the company' s confidential information to competitors, assault or destroy competitors by defamation or other illegal means, and unfairly cause them loss of opportunities.

#### 3.4) Customers

The company commits on providing qualified and secured service in line with customers' requirements and regulatory standards with fair price, on-time delivery and strict compliance with conditions and trade agreement, keeping customers' confidential information and not disclose trade secret for its own or other concerned' s interests.

The safety at work during operations and completion of works have been considered and emphasized due to the company' s nature of business which is the construction service for energy and petrochemical industry. Additionally, continuous training programs have been also arranged for employees for achievements with highest security standard.

Furthermore, during construction, the meetings among customers and relevant parties of all projects are regularly held and site visit or explanation are always welcomed to ensure customers on all construction processes. These services then enhance their reliability and satisfaction on standardized achievements.

#### 3.5) Suppliers

The company and subsidiary have clear guideline of practices for procurement and subcontract and criteria of supplier selection with the approved vendor list system for fairness, transparency and accountability of procurement process. To ensure there shall be no conflict of interests of directors, executives and employees, all concerned with transactions must provide their independent certifying letters with the company' s major suppliers.

#### 3.6) Creditors

The company and subsidiary abide by compliance with the agreements made with the creditors which are financial institutions as well as account payables especially payments for goods and services. In each year, the site visit program has been organized for financial institutions serving loan for such a project to acknowledge the progress of works and also there has been a meeting held between the company' s executives and financial institutions' executives together with loan officers for reviewing and considering the proper credit limit, mortgage, conditions and related fees and to create good relationship between both parties.

#### 3.7) Society and Community

As the company adheres to responsibility to participate in development of society, community and environment, the policy of allocating budget to support projects and activities related to the captioned terms is defined to encourage directors, executives and employees to participate in such corporate social responsibility (CSR) activities.

Apart from the guideline of practices towards the stakeholders, the company also defines the business code of conduct and anti-corruption policy as shown in the 3<sup>rd</sup> and 4<sup>th</sup> part of the company' s Business Code of Conduct for acknowledgement, understanding and strict adherence of directors, executives and employees.

In addition, the company also discloses the implementation of conformity of the occupational health and safety management system on the item of "Sustainable Business Driving".

#### 4. Information Disclosure and Transparency

The company places an importance on accurate, adequate and timely disclosure of the company's financial and non-financial information to stakeholders on equally basis that is made with transparency and reliability through the accessible channels such as SET community portal and/or the company's website <http://www.trc-con.com> according to the SET's requirements. The information regarding the company, financial statements, annual report, news are regularly publicized and updated in both Thai and English for inclusive acknowledgement of all stakeholders.

The Board of Directors has set the requirements for directors and executives to regularly submit the report form on their vested interests on yearly basis and for every change of interests (if any) including arranging an independence certifying letter on yearly basis. The Company Secretary shall propose the aforementioned report to the Chairman of Audit Committee and Chairman of the Board within 7 days after receiving such a report to comply with the Securities and Exchange Act B.E. 2535. Moreover, the captioned report can be used for inspection and prevention of conflict of interest whereas the report on securities holding shall be conducted according to the requirements of the company's governance of internal information use.

- Acquisition and Disposal of Shares Held by Directors and Executives

In 2022, directors and executives acquired and disposed the company's shares as follows:

Name	Position	Numbers of shares as of December 31, 2021	Acquired numbers of shares in 2022	Disposed numbers of shares in 2022	Total of shares as of December 31, 2022 (paid up of 1,198,393,354.75 Baht)	
					shares	%
1. Mrs. Paichit Rattananond	Chairman of the Board	34,913,971 (under the name of Mrs. Paichit)	-	-	34,913,971	0.364
		2,712,797,314 (under KPK 1999 Co., Ltd.) <sup>(1)</sup>	-	-	2,712,797,314	28.296
Total					2,747,711,285	28.660
2. Mrs. Rachadaporn Rajchataethewindra	Independent Director and Chairman of Audit Committee	-	-	-	-	-
3. Assoc.Prof. Kanjorn Tatiyakavee, M.D.	Independent Director and Audit Committee	-	-	-	-	-
4. Mrs. Puangthip Silpasart	Independent Director and	-	-	-	-	-

Name	Position	Numbers of shares as of December 31, 2021	Acquired numbers of shares in 2022	Disposed numbers of shares in 2022	Total of shares as of December 31, 2022 (paid up of 1,198,393,354.75 Baht)	
					shares	%
	Audit Committee					
5. Mr.Smai Leesakul <sup>(2)</sup>	Director and Executive Committee	117,631,494	-	-	-	-
6. Mr.Pasit Leesakul	Director and Chief Executive Officer	10,919,998	-	-	10,919,998	0.114
7. Mrs. Podchane Phaosavasdi	Director	-	-	-	-	-
8. Ms. Pavita Leesakul	Director and Acting Chief Marketing Officer	17,645,411	-	-	17,645,411	0.184
9. Mr. Loh Eng Kee	Chief Operating Officer	2,515,574	-	-	2,515,574	0.026
10. Mrs. Phanalee Norragitt	Chief Financial Officer	-	-	-	-	-
11. Ms. Rewadee Ard-harn	Senior Accounting Manager	63,200	-	-	63,200	0.001
Total of shares held by directors and executives		Total of shares including KPK 1999 Co., Ltd.			2,778,855,468	28.985
		Total of shares excluding KPK 1999 Co., Ltd.			66,058,154	0.689

Remark: (1) KPK 1999 Co., Ltd. is the company in which Mrs. Paichit Rattananon, Chairman of the Board, holds 50.50 per cent of shares.

(2) Mr. Smai Leesakul resigned on March 10, 2022.

#### ● Channels of Public Communication

The company places an importance on accurate, complete, timely, transparent and thorough disclosure of the company' s material information via various channels i.e. the company' s website <https://www.trc-con.com/th/home>, item "Investor Relation", public relation news, articles of executive interview via magazine, etc. The Board assigns Mr.Pasit Leesakul, director and Chief Executive Officer, Ms. Pavita Leesakul, director and Acting Chief Marketing Officer and the investor relations unit in disclosing material information and communicating

with shareholders and other stakeholders such as investors, securities analysts, reporters and concerned authorities. For more information, investors can contact the investor relations unit at telephone number +66 2022 7777 Ext. 4803, 4824 or email to [ir\\_trc@trc-con.com](mailto:ir_trc@trc-con.com)

#### **5. Director Responsibility**

The Board of Directors comprises knowledgeable and capable persons and has its role and duties in determining strategy and policy of operating business, monitoring, evaluating and overseeing the company's operating results. All directors perform their duties with responsibility, integrity and caution to protect the company's interests, realize significance of corporate governance to contribute confidence to shareholders and all stakeholders including governing the company's operations to comply with laws, objectives, article of association of the company for long-term value creation and highest interests of the company and shareholders.

- **Vision, Mission and Strategy**

The Board of Directors has its policy on regularly reviewing vision, missions and strategies on yearly basis and has the Corporate Strategy Department be responsible for encouraging executives and employees to participate in determining the company's goal and objectives. In addition, the Board also oversees the implementation of strategies to be concretely applied and evaluates whether it is in line with the defined objectives and/or goals. In 2022, the 1/2022 Board of Directors Meeting held on January 25, 2022 considered and reviewed the company's vision, missions, goals and core value and publicized for inclusive acknowledgement and disclosed on the company's website, item "About Us/Vision, Mission and Goal".

In addition, it is the Board of Directors' policy to have the management propose the annual goal to the Board meeting for approval with determination of the organizational key performance indicator in various terms (such as work value gained during the reported year, numbers of new customers, satisfaction level, etc.), weight proportion and criteria for scoring in each evaluation item in order to evaluate and calculate evaluation results in clear average scores. The Board of Directors also assigns the management to follow up and evaluate the implementation of defined strategies before proposing to the Board meeting and the evaluation results shall be considered as supportive factor for reviewing the company's vision, missions and goals, for salary increment consideration and bonus payment, and for determining the goals of the next year.

- **Structure, Director Qualifications and Directorship in Other Companies**

The Board of Directors consists of 7 directors having complete qualifications, no prohibited characteristics as prescribed in the Public Companies Act, diversity of occupational skills and no limitation of gender. The positions of Chairman of the Board and Chief Executive Officer are clearly segregated whereas the director structure consists of 3 independent directors that are exceeding than 1-third of a total number of directors enabling balance of power and management review.



Director nomination and appointment are preliminarily conducted through consideration on appropriateness by Remuneration and Nomination Committee and each year, at least one-third of directors shall retire by rotation. It is the company's policy to allow each director to hold directorship in not over than 4 listed companies whereas Chief Executive Officer is required to be approved by the Board before holding directorship in other companies except being a director of the group of companies and such a directorship must be subsequently informed to the Board. Since 2018 onwards, it has been the policy to review the director structure on yearly basis with an arrangement of skill matrix to consider director skills and experiences. In 2022, the 8/2022 Board of Directors Meeting held on December 16, 2022 was of the view that the company directors should have diversity of occupational skills and expertise so as to fruitfully advise for business operating. However, in pursuant to the corporate governance principle, it deems appropriated to have 2 more additional independent directors in order that the independent director proportion can reach over than 50 per cent.

Among existing directors, there is no anyone of them holding a directorship of over than 4 listed companies and in line with the SET's recommendations and the company's policy. Details of directorship of each director in other companies are as shown in the attachment 1 "Details of Directors, Executives, Controlling Persons and Company Secretary".

- **Separation of the positions of the Chairman of the Board of Directors. and Chief Executive Officer**

Chairman of the Board and Chief Executive Officer are not be the same person with clearly separated authority and duties as details shown in item "Management Structure" and the Chairman of the Board is Mrs. Paichit Rattananon, the representative of the major shareholder, who is not an independent director whereas Chief Executive Officer is Mr. Pasit Leesakul, the company's top executive.

- **Term of Independent Director**

The Board of Directors was appointed by the shareholders' meeting and has term as per the company's article of association; however, retiring directors can be re-elected. There has been no anyone of directors holding directorship longer than 9 years and independent directors who was re-elected have complete qualifications as per the definition of independent director and are capable with fruitful experience to perform duties independently, no conflict of interest against the company's interests and make decision based on highest interests of the company as well as being independent from the company's management and major shareholder.

- **Induction for New Director**

Upon new director appointment, the company shall arrange an induction for newly appointed directors and deliver them the charter of the Board, latest 56-1 One Report form, handbook of corporate governance, business code of conduct and anti-corruption policy. Moreover, new directors shall have an opportunity to see video clip presenting significant projects and also slide presentation for introduction to the company's business presented by Chief Executive Officer for their acknowledgement and discharge of duties as the company's directors.

- **Director Self-Assessment**

It is the policy of the Board to have all directors conduct the self-assessment in terms of overview and on individual basis through the self-assessment form provided by the Corporate Governance Development for Capital Market Department, the Stock Exchange of Thailand. In 2022, the SET' s assessment form as published in February 2015 was applied with additional updated information of the company in each item to be supportive for consideration of the Board. The followings are 6 items of the assessment ;

1. The Board' s Structure and Qualifications
2. The Board' s Roles, Duties and Responsibilities
3. The Board Meeting
4. Director Discharge of Duties
5. Relationship with the Company' s Management
6. Director Self-Development and Executive Development

In addition, there are also individual self-assessment of directors and 4 sub-committees; Audit Committee, Remuneration and Nomination Committee, Corporate Governance Committee and Risk Management Committee (assessment items; 1.structure and qualification, 2.meeting, and 3.role, duties and responsibilities). The summary of average scores gained from the assessment results as a whole and on individual basis as well as the sub-committees are proposed to the Board of Directors for acknowledgement and to be used as guideline for improvement of discharge of duties. In 2022, the score range of the whole Board' s performance was over than 90 per cent.

- **Performance Assessment for Chairman of Executive Committee and Chief Executive Officer**

As assigned by the Board, the Remuneration and Nomination Committee preliminarily assesses the performance and annual remuneration of Chairman of Executive Committee and Chief Executive Officer and then proposes the assessment results to the Board meeting for approval of their annual remuneration.

- **Record of Violation against the Stock Exchange of Thailand' s and Securities and Exchange Commission' s Rules and Regulations**

The company has never been any record of violation against the Stock Exchange of Thailand' s and Securities and Exchange Commission' s rules and regulations.

- **Sub-Committee**

The Board of Directors appoints 5 sub-committees in which the members of each committee consist of directors and executives to perform duties as assigned by the Board; Audit Committee, Remuneration and Nomination Committee, Corporate Governance Committee, Risk Management Committee and Executive Committee with determination of written duties and responsibilities of each committee as disclosed on the company' s website and 56-1 One Report Form. The captioned sub-committees have authority to order the company' s executives and

employees concerned or required persons to participate in the meetings for clarification and/or presentation and/or employment of advisor to execute required tasks as deemed appropriate.

Furthermore, in order to perform their duties in systematical, careful and proper manner and be capable to control risk maybe arisen in consistent with the good internal control system and decentralization, the Board has approved the enforcement of “ Delegation of Authority (or Table of Authority) ” to be used as a working guideline of all employees in which indicates division of authority and powers downwards to the subordinates for flexible and rapid discharge of duties and such a delegation has been regularly reviewed to match with the changing situations.

- **Audit Committee**

As of December 31, 2022, the Audit Committee comprised 3 independent directors having suitable qualifications as per the SEC’ s criteria with proportion of holding the company’ s shares at not exceeding than 0.75 per cent or strictly than 1 per cent as obliged by the SEC.

Since 2015, the company has appointed EL Business Advisory Co., Ltd. as the internal audit in replacement of the previous Internal Audit Department for independence of the internal audit tasks and directly report to the Audit Committee.

● **Remuneration and Nomination Committee**

As of December 31, 2022, the Remuneration and Nomination Committee comprised 5 members; 3 independent directors, Chief Executive Officer and an executive director who executes duties of director nomination and considered remuneration of directors, Chairman of Executive Committee and Chief Executive Officer. In 2022, there were 2 meetings held for consideration of the followings issues; the criteria of 2023 salary increment of the company and its subsidiary and bonus payment based on 2022 operating results, 2023 salary increment and 2022 bonus payment for Chairman of Executive Committee and Chief Executive Officer, director nomination in replacement of whom retiring by rotation based on their qualifications of having knowledge, experience and expertise suited to the company’ s business operations, including review on the charter of this captioned committee.

- **Corporate Governance Committee**

As of December 31, 2022, the Corporate Governance Committee comprised 2 independent directors and 2 executives who executed duties of overseeing the company’ s corporate governance. In 2022, there were 2 meetings held for consideration and conclusion of 2023 CSR activities, acknowledgement of the 2022 survey results on listed companies’ corporate governance and criteria of 2022 CGR under implementation/no implementation, including review on the charter of this committee and suitability of the company’s compliance with 2017 corporate governance code as per SEC’ s announcement.

- **Risk Management Committee**

As of December 31, 2022, the Risk Management Committee comprised 2 independent directors, Chief Executive Officer and an executive director who executed duties of risk management. In 2022, there were 2 meetings

held for acknowledgement of an overview of risk management, approval of risk management plan, and preparation of the annual report (56-1 One Report) for the part related to risk management, and review on the Board of Directors charter. Additionally, there were also the appointment of risk management committee and risk management team to handle tasks related to risk to be in compliance with the company's policy, vision and strategies as well as evaluation of risk types.

- **Executive Committee**

As of December 31, 2022, the Executive Committee comprised 4 executive directors and top executives who executed duties of planning and defining the company's policies, directions, strategies and main organizational structure of business operating as well as considering the company's profit and loss, proposing the interim dividend payment or annual one for consideration of the Board of Directors, and taking any actions as assigned by the Board.

● **Board of Directors Report**

The Board of Directors is responsible for the company's and its subsidiary financial statements that are prepared in accordance with the generally accepted accounting standards including adequate disclosure of information in the notes to financial statement. The Board appoints the Audit Committee consisting of independent directors to be responsible for quality of the financial reports and internal control system and the Audit Committee's opinions on the captioned reports and internal control system shall be presented in the Audit Committee's report and disclosed in the annual information disclosure form/2022 annual report (Form 56-1 One Report). The report on the Board's responsibility for the financial statements shall be proposed to the Board's meeting and disclosed in the annual information disclosure form/2022 annual report (Form 56-1 One Report) as well.

● **Succession Plan**

The Board of Directors had approved the policy of Chief Executive Officer selection and executive succession plan in emergency case or retirement to prevent any impact to the company's operations.

● **Director and Executive Liability Insurance**

As the company's business expansion has been increasingly diversified, the group of companies' directors and executives need to conduct a large number of business transactions and involve in consideration and approval, giving advices, certification and engagement on behalf of the company subject to their discharge of duties whereas some cases may have risk of claim from outsiders including shareholders and other stakeholders. The Board therefore assigned the management to propose and proceed the Directors and Officers Liability Insurance or D&O with the conditions, insurance limit and its annual premium on yearly basis to protect directors and executives from claims arising from their lawful decisions and actions on the company's matters except any fraudulent acts or corruption that the company shall not be responsible for arisen loss and all litigation expenses shall be regained from the corrupting directors or executives.

- **Balance of Power of Non-Executive Directors**

As of December 31, 2022, the Board of Directors comprised 7 directors as follows:

- Chairman of the Board	1	Person
Major Shareholder' s Representative		
- Independent Director	3	Persons
- Executive Director	3	Persons

- **Director and Executive Remuneration**

The Remuneration and Nomination Committee predetermines remuneration and bonus payment of directors and proposes to the Board of Directors Meeting to be further proposed to the shareholders' meeting for approval as well as proposing the remuneration of Chairman of Executive Committee and Chief Executive Officer to the Board of Directors Meeting for approval. The proposed remuneration has been preliminarily considered based on appropriateness and supportive information from the summary of director compensation survey on listed companies and such remuneration are provided in a form of monthly retainer, attendance fee, pension, bonus or other types of compensation. In addition, directors shall also gain allowance and welfares as per the company' s regulation whereas the compensation of executives are provided according to the principle and policy set by the Board in relation to the company' s operating results, their duties and responsibilities.

- **Director and Executive Development**

It is the policy of the Board of Directors to encourage directors and executives to constantly and continuously obtain training courses to enhance contributable knowledge for more effective discharge of duties i.e. training courses held by the Thai Institute of Directors, Securities and Exchange Commission, Thailand, Stock Exchange of Thailand, Thai Listed Companies Association, Thai Investors Association or other independent entities.

The company has its policy to officially arrange at least once a year the meeting or workshop seminar for the company' s executives to communicate the policy, goals, directions and strategies of business operating in which the expertise shall be invited as the guest speaker.

The Company Secretary shall inform announcements and rules of the Securities and Exchange Commission, Thailand, Stock Exchange of Thailand or relevant regulatory agencies for acknowledgement of the Board as well as publicizing the Board about seminars and/or activities useful for performing duties as a director of the company.

In 2022, the followings were trainings and seminars obtained by directors and executives:

- Mrs. Phanalee Norragitt, Chief Finance Officer attended e-learning CFO's Orientation Course held by the Stock Exchange of Thailand and the course of "Trends, Direction of M & A, Important Issues to Consider and Successful M & A Strategies" held by Thai Listed Companies Association.

Realizing that director and executive self-development is essential, the company therefore arranges training courses in which the expertise in specific fields are invited to be as the guest speakers to pass on knowledge and experience to enable directors and executives to apply the knowledge gained for the company' operations and be ready to cope with the company' s future growth. The training course arranged in 2022 are as shown in the “ Attachment 1 : Details of Directors, Executives, Controlling Persons and Company Secretary”.

- **Board of Directors Meeting**

The Board of Directors and sub-committees' meetings have been scheduled in advance on yearly basis whereas the Audit Committee' s meeting shall be held at least every 3 months and the extra meeting can be called as deemed necessary.

2022 Meeting Schedule of the Board of Directors and Sub-Committees			
Date	Time	Type of Meeting	Meeting Agenda
February 22, 2022	13.00 hrs.	The 1/2022 Remuneration and Nomination Committee Meeting	
	14.00 hrs.	The 1/2022 Audit Committee Meeting	Consideration of 2021 Financial Statements
	15.30 hrs.	The 1/2022 Board of Directors Meeting	Consideration of 2021 Financial Statements Consideration of Agenda for the 2022 Annual General Meeting of Shareholders
Wednesday, June 22, 2022	09.30 hrs.	The 2/2022 Board of Directors Meeting	Special Agenda
Tuesday, April 26, 2022	14.00 hrs.	The 2022 Annual General Meeting of Shareholders	
Friday, May 13, 2022	14.00 hrs.	The 2/2022 Audit Committee Meeting	Consideration of the 1 <sup>st</sup> Quarter of 2022 Financial Statements
	15.30 hrs.	The 3/2022 Board of Directors Meeting	Consideration of the 1 <sup>st</sup> Quarter of 2022 Financial Statements

2022 Meeting Schedule of the Board of Directors and Sub-Committees			
Wednesday, June 22, 2022	14.00 hrs.	The 1/2022 Risk Management Committee Meeting	
	15.00 hrs.	The 1/2022 Corporate Governance Meeting	
Friday, July 15, 2022	14.00 hrs.	The 4/2022 Board of Directors Meeting	
Wednesday, August 10, 2022	14.00 hrs.	The 3/2022 Audit Committee Meeting	Consideration of the 2 <sup>nd</sup> Quarter of 2022 Financial Statements
	15.30 hrs.	The 5/2022 Board of Directors Meeting	Consideration of the 2 <sup>nd</sup> Quarter of 2022 Financial Statements
Friday, September 16, 2022	14.00 hrs.	The 6/2022 Board of Directors Meeting	
Friday, November 11, 2022	14.00 hrs.	The 4/2022 Audit Committee Meeting	Consideration of the 3 <sup>rd</sup> Quarter of 2022 Financial Statements
	15.30 hrs.	The 7/2022 Board of Directors Meeting	Consideration of the 3 <sup>rd</sup> Quarter of 2022 Financial Statements
Wednesday, November 23, 2022	14.00 hrs.	The 2/2022 Remuneration and Nomination Committee Meeting	
	15.00 hrs.	The 2/2022 Risk Management Committee Meeting	
Friday, December 16, 2022	13.00 hrs.	The 2/2022 Corporate Governance Meeting	
	14.00 hrs.	Independent Directors Meeting	
	15.30 hrs.	The 8/2022 Board of Directors Meeting	

Chairman of the Board plays a role of presiding and monitoring the Board meetings, concluding discussed matters of the agenda for consideration, availing an opportunity for each director to independently express his/her opinions and allocating time of the meeting properly and effectively with supporting from the Company Secretary who prepares the meeting agenda, notice of the meeting and supporting documents to be delivered to all

directors 7 days in advance before the meeting date, organizes meeting arrangement, retains meeting documents, gives advice on director compliance with relevant obligations including informing all directors of relevant rules and training courses to be held by concerned agencies that will be contributable for their discharge of duties .

- All directors are encouraged to attend the Board meeting regularly or at least 80 % of the total Meeting held in each year and in 2022, there were 8 meetings of the Board held and the whole Board attended every meeting. Details of a number of the meetings and attendances of the Board and sub-committees are as disclosed in the item of “ Significant Performance Report on Corporate Governance”. Additionally, it is a policy that there shall be at least one Board meeting each year in which executive directors and management team do not join the Board meeting and in 2022, there was a meeting among independent directors in December.

The followings are additional activities of the company’ s corporate governance:

- Since 2012, it has been the policy to have a meeting at least once a year between the Audit Committee and auditors without participation of executive directors and management. In 2022, there was such a meeting held in February.
- Since 2016, it has been the policy that at least two-third of total directors are required to be constituted for vote casting in each agenda of the Board meeting.
- Since December 2018, it has been the policy to contain the agenda related to directors having vested interests (if any) as the first agenda for consideration of every Board meeting and the involved directors shall not attend the meeting during the involved agenda.

#### Significant Change and Development of Review on Policy, Code of Conduct and Business Governance in the Past Year

##### 1. Significant Change and Development of Review on Policy, Code of Conduct and Business Governance in the Past Year

The company strives to operate its business in consistent with the corporate governance with transparency and social, culture and environmental responsibility in parallel with good governance principle to strengthen and develop employees’ potential for excellence in all aspects. Additionally, realizing that employees are the valuable assets and key force in driving the company’ s operation, the company therefore emphasizes on human resource development to enable employees to be qualified with adherence to ethics, integrity, and organizational and social responsibility. Furthermore, all employees are also encouraged to participate in the corporate social responsibility activities since the company believes that developing employees to be capable ones shall promote the advance organizational growth with sustainability.

In 2022, there were significant changes and development of review on policy, code of conduct and business governance including charters of the Board of Directors and sub-committees to continuously promote and support the corporate governance within an organization and at all levels for target achievement and effective change &



development of sustainability. The Board of Directors' discharge of duties on the corporate governance can be concluded as follows:

1. Review on charters of the Board of Directors and sub-committees were made including policy and code of conduct related to the corporate governance especially the policy required for amendment to be proper and in compliance with the 2017 corporate governance principle for listed companies of the Securities and Exchange Commission, Thailand and Stock Exchange of Thailand, as details shown below:

- Corporate Governance Policy

2. The company approved the policy to allow minority shareholders to participate in raising questions, proposing meeting agenda and qualified person for consideration of 2022 director appointment in advance according to the defined criteria as disclosed on the company's website since September 30, - December 31, 2021.

3. There was a meeting between independent directors and auditors without participation of the company's management.

4. The 2022 meeting schedule of the Board of Directors and sub-committees were determined.

5. The protection of the use of inside information for the group of companies' directors, executives and employees' interests were determined and the Company Secretary Office is responsible for sending a reminder on reporting of changes to holding securities of directors and executives (Form 59-2) including details of black-out period that directors and employees are prohibited from buying or selling the company's shares or 1 month before disclosure of the company's financial statements or inside information to the public and within 24 hours after such a disclosure, it is prohibited to disclose the captioned financial information to outsiders including spouses and immature children of the directors, executives and employees as well.

6. The company communicates and emphasizes all employees on compliance with the company's corporate governance, business code of conduct, good internal control, rules and regulations by arranging trainings and an orientation on the captioned matters for all new employees.

7. The company communicates and arranges for all employees the training on the anti-corruption policy to have them acknowledge a guideline of practices for anti-corruption, receiving and handling complaints, investigation and penalty, including keeping confidentiality and protecting whistleblowers.

## 2. Compliance with the 2017 Corporate Governance Code

To comply with the 2017 corporate governance code for listed companies (CG Code) , the Board of Directors assigned the company's management to apply and implement the CG Code to be matched and proper with the business model including monitoring the implementation results as well.

In 2022, the CG Code was applied in line with the business model by establishing the written corporate governance policy to elevate the corporate governance practices according to standards of the 2017 CG Code and

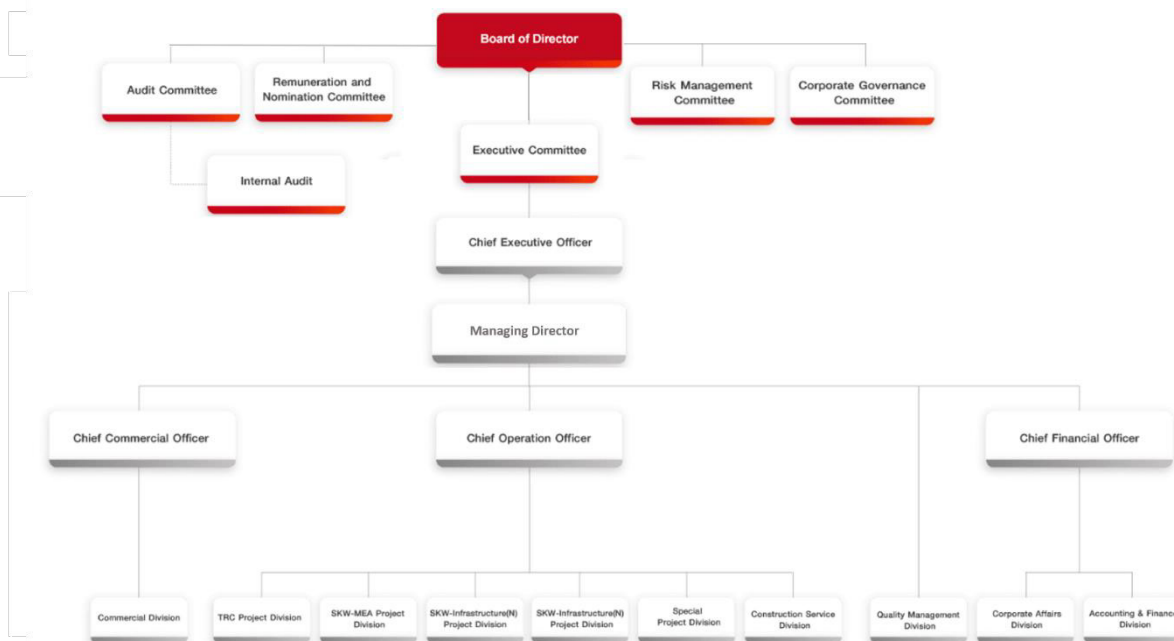
communication on this matter has been continuously conducted to the Board, executives and employees for adherence to together with publicizing this captioned policy on the company' s website.

### **3. Other Compliances with the CG Code**

In 2022, the company was evaluated and ranked by the 2021 survey results (the 2020 Corporate Governance Report of Thai Listed Companies or CGR Checklist) organized by Thai Institute of Directors with the average scores of 90 per cent or in "Excellence" level. Moreover, the company joins in the " 2021 Annual General Meeting (AGM) Assessment Project" or AGM Check-list organized by Thai Investors Association (TIA) having purposes of elevating Thai listed companies' AGM arrangement to be internationally standardized. The company had reached all criteria and obtained 100 scores of AGM Checklist or in "Excellence" level.

7. Corporate Governance Structure and Important Information on the Board of Directors, Subcommittees, Executives, Employees, etc.

Management Structure



1. Board of Directors

Composition of the Company’s Board of Directors

Board of Directors consists of knowledgeable, competent members whose qualifications fully meet the requirements as per Section 68 of the Public Company Limited Act B.E. 2535 (1992) and the relevant notifications of the Capital Market Supervisory Board. The Board of Directors plays an important role in determining the Company’s policies, overseeing, monitoring, assessing the Company’s operating performances, independently evaluating performance of the Company’s top management, and working with top management in developing both short-term and long-term operational plans, corporate vision, mission, and management targets.

As of December 31, 2022, the Board of Directors and the subcommittees are listed as follows:

Namelist of Directors and Executives	Authorized Director	Directors	Sub Committee				
			Audit Committee	Remuneration and Nomination Committee	Corporate Governance Committee	Risk Management Committee	Executive Committee
1. Mrs. Paichit Rattananon <sup>1</sup> Chairman of the Board	✓	<input checked="" type="checkbox"/>					
2. Mrs. Rachadaporn Rajchataewindra Independent Director and Chairman of the Audit Committee		✓	<input checked="" type="checkbox"/>	✓	✓	✓	
3. Assoc. Prof. Kamjorn Tatiyakavee, M.D. Independent Director, Chairman of the Risk Management Committee and Chairman of the Remuneration and Nomination Committee		✓	✓	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
4. Mrs. Puangthip Silpasart Independent Director and Chairman of the Corporate Governance Committee		✓	✓	✓	<input checked="" type="checkbox"/>		
5. Mr. Smai Leesakul Director and Chairman of the Executive Committee <sup>2</sup>							
6. Mr. Pasit Leesakul Director, Chairman of the Executive Committee <sup>3</sup> , Chief Executive Officer and Acting Managing Director <sup>3</sup>	✓	✓		✓		✓	<input checked="" type="checkbox"/>
7. Mrs. Podchane Phaosavasdi Director	✓	✓		✓	✓	✓	✓
8. Ms. Pavita Leesakul Director, Acting Chief Marketing Officer and Company Secretary <sup>4</sup>	✓	✓			✓		
9. Mr. Loh Eng Ki Chief Operating Officer							✓
10. Mrs. Phanalee Norragitt Chief Financial Officer							✓
Total number of directors and executives of each committee	4	7	3	5	4	4	4

Chairman of the Board of referee ✓

1. Chairman of the Board of Directors is represented by KPK 1999 Co., Ltd.

2. Mr. Smai Leesakul resigned from the director, Authorized Director and Chairman of Executive Committee effective since March 10, 2022.

3. Mr. Pasit Leesakul was appointed as Chief Executive Officer according to the resolution of the 2/2022 Board of Directors Meeting held on March 16, 2022.

4. Ms. Pavita Leesakul was appointed as Company Secretary according to the resolution of the 5/2022 Board of Directors Meeting held on August 10, 2022.

Authorized Directors consist of Mrs. Paichit Rattananon, Mr. Pasit Leesakul, Ms. Pavita Leesakul and Mrs. Podchane Phaosavasdi. Two of four directors sign together with the Company's seal.

### Summary of Appointment of Directors

Directors List	Year of appointment as a director	Last selected year	Types of Directors	Nomination/Appointment to be a director at the 2022 Annual General Meeting of Shareholders	Appointment at the next AGM
1. Mrs. Paichit Rattananon	2019	2022	Chairman of the Board	yes	2025
2. Mrs. Rachadaporn Rajchataewindra	2019	2021	Independent Director	no	2024
3. Assoc. Prof. Kamjorn Tatiyakavee, M.D.	2019	2022	Independent Director	yes	2025
4. Mrs. Puangthip Silpasart	2016	2020	Independent Director	no	2023
5. Mr. Pasit Leesakul	2013	2020	Executive Directors	no	2023
6. Mrs. Podchanee Phaosavasdi	2007	2021	Executive Directors	no	2024
7. Ms. Pavita Leesakul	2018	2022	Executive Directors	yes	2025

The Management Structure of the Company consists of 6 committees which are: Board of Directors, Audit Committee, Remuneration and Nomination Committee, Corporate Governance Committee, Risk Management Committee and Executive Committee as follows:

#### 1.1 Board of Directors as of December 31, 2022

- The Board of Directors of TRC Construction Public Company Limited consists of 7 directors:

1. Mrs. Paichit Rattananon\* Chairman of the Board of Directors  
Representatives from KPK 1999 Co., Ltd.,  
Major shareholder
2. Mrs. Rachadaporn Rajchataewindra Independent Director
3. Assoc. Prof. Kamjorn Tatiyakavee, M.D. Independent Director
4. Mrs. Puangthip Silpasart Independent Director
5. Mr. Pasit Leesakul Executive Director
6. Mrs. Podchanee Phaosavasdi Executive Director
7. Ms. Pavita Leesakul Executive Director

\* Mrs. Paichit Rattananon as Chairman of the Board of Directors is represented by KPK 1999 Co., Ltd.

The charter of the Board of Directors was published on the Company's website under "Sustainability/CG Report and Download/ Charter" consisting of 10 topics; composition, qualifications, scope of duties and responsibilities, scope of authority, terms of office, meetings, quorum, authorization, remuneration and performance appraisal.

### Scope of Duties and Responsibilities of the Board of Directors

1. To perform duties in accordance with laws, objectives, article of association as well as the resolutions of the shareholders' meeting except for the transactions that shall be approved by the shareholders' meeting such as the connected transaction, the acquisition and disposition of assets, the purchasing and selling of significant assets as per the regulations of the Stock Exchange of Thailand or any other relevant regulatory authorities.
2. To specify and review the Board of Directors structure with regards to number of directors, the proportion of independent directors, including diverse knowledge, skills, expertise which would be appropriate to the Company's business.
3. To appoint or change the authorized directors of the Company.
4. To specify the corporate vision and mission statements, policies, strategies, objectives, and direction of business operations and review them on yearly basis, supervise and monitor the management to ensure they operate effectively and productively in the same direction as the corporate policies, strategies, and objectives in order to achieve the most economic benefits for the shareholders and to support sustainable business growth. This excludes policies and operations which require prior shareholders' approval of the shareholders' meeting.
5. To review and approve the significant transactions such as business plan, budget, large investment, management's authorities, and any other transactions required by laws.
6. To monitor and ensure the Company's business strategies are being implemented accordingly, evaluate the outcomes of the business operations by requiring regular operations results reports, specify policy to develop / improve business operations while ensuring compliance to safety, health / sanitation, environmental regulations, and social responsibility obligations, as well as the Company's human resource development.
7. To oversee and support innovations which can create value-added products or service for the Company and stakeholders.
8. To ensure that the Company's information technology system is secured and properly managed.
9. To establish the Company's policy on risk management and ensure that the Company's risk management system is effective and review and evaluate the risk management system regularly to ensure effectiveness in dealing with changes of potential risks.
10. To ensure the Company's operations are in compliance with the listed companies' good corporate governance principle which can also help guide the Company's business operations and regularly monitor compliance with good corporate governance principle.
11. To encourage all employees to adhere to the Company's written Business Ethics and Code of Conduct, monitor to ensure strict compliance with the Business Ethics and Code of Conduct, as well as the Company's anti-fraud and anti-corruption policy.

12. To be responsible for the operating result and the management performance with good intention and care.
13. To ensure that the Company has reliable accounting system, financial reports, and auditing process as well as providing the measurement to assess the appropriateness of the internal control system and the efficiency and effectiveness of internal auditing, risk management and financial reporting.
14. To monitor the Company's financial liquidity position and ability to repay debts, including plans or mechanisms to tackle potential problems.
15. To ensure the shareholders are involved in decision-making process of important issues of the Company, treat major and minor shareholders, vested parties equally, in transparent manner and with the same respect, establish convenient channels for filing / receiving of complaints from informants, or stakeholders, and provide stakeholders with access to directly contact the Board of Directors about issues required to be resolved.
16. To consider the succession plan for the position of Chief Executive Officer and appointment of Chief Executive Officer, Executive Director and top executives in the lower level next to the Chief Executive Officer.
17. To establish annual performance evaluation process for the Chairman of the Board of Directors, Chief Executive Officer and top executives and approve the remuneration for the Chairman of the Board of Directors and the Chief Executive Officer.
18. To monitor the transparent process for the nomination, selection, and appointment of the Company's directors and determine the appropriate remuneration for directors and sub-committee's members.
19. To devote adequate time to perform duties and participate in the Board of Directors' meetings and shareholders' meetings. If the director cannot attend such a meeting due to any force majeure, he / she must notify the Chairman of the Board of Directors, or the Company Secretary prior to the commencement of the scheduled meeting.
20. To ensure that the conflict of interests between the Company and related persons does not exist,
21. To report the Board of Directors' responsibilities for financial reports together with external auditor's report in the Company's Annual Report and such a Board of Directors' report shall include all the subjects as specified in the code of conduct for directors of the listed company.
22. The Board of Directors shall be able to authorize the following transactions after they obtains the shareholders' meeting approval. For the transactions that might lead to any conflicts of interests, the director who might have such conflict of interest must not vote on that transaction.
  - (a) The transactions that are required by law to obtain the shareholders' meeting approval





Ms. Rewadee Ardham, Senior Accounting Manager, as the secretary to the Audit Committee.

Mrs. Rachadaporn Rajchataewindra, Chairman of the Audit Committee, had extensive experience in financial statement review.

Audit Committee has 3-year term.

The latest version of this committee's charter was posted on TRC Group's website. The charter contains 9 topics – objectives in forming the Audit Committee, the scope of authority and responsibilities, composition and qualifications, tenure, meeting, quorum, remuneration of the audit committee director, the responsible division, and maintaining of audit standards and quality.

#### **Scope of Duties and Responsibilities of the Audit Committee**

1. To review and ensure that the disclosure of information in financial statements is accurate and adequate by cooperating with the Company's external auditor and management who is responsible for the quarterly and annually financial statements. Moreover, to recommend the external auditor to review or audit any transactions as deemed significant during the auditing period.
2. To consider and approve the internal audit plan, budget, and manpower of the internal audit work or select / propose the appointment of an internal auditor in the case of using an outsourcing service.
3. To review the Company's internal control system and internal audit system to ensure appropriateness and effectiveness and consider the independence of the internal audit function as well as approving the appointment, transfer, recognition, and termination of the Head of Internal Audit and the change of internal auditor in the case of using an outsourcing service.
4. To review and ensure that the Company's operations are in compliance with the rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand, as well as relevant laws.
5. To consider, select, propose, appoint, or terminate an independent person to act as the auditor of the Company, consider the auditor's remuneration proposal, as well as attending meetings with the auditor without management's participation at least once a year.
6. To consider, select, and nominate the external auditor and propose the external auditor's remuneration including attending the meeting with the external auditor without participation of the Company's management at least once per year.
7. To perform any duties as assigned by the Board of Directors and agreed upon by the Audit Committee such as reviewing the financial management and risk management policy, compliance with business ethic of the management and review with the management the important reports required for disclosure to the public according to the laws i.e., Management's report and analysis, etc.

8. To prepare the corporate governance report of the Audit Committee for disclosure in the Company's Annual Report in which has been signed by the Chairman of the Audit Committee and consisting of at least:
    - 8.1 Comment on appropriateness, completeness and reliability of the Company's Financial Statements
    - 8.2 Comment on sufficiency of the Company's internal control system
    - 8.3 Comment on compliance with the rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand as well as relevant laws
    - 8.4 Comment on appropriateness of the auditors
    - 8.5 Comment on connected transactions
    - 8.6 Number of Audit Committee Meetings and attendances of each member
    - 8.7 Comment or overview observation from which the Audit Committee has been gained after performing in compliance with the charter
    - 8.8 Any reports which deem appropriate to be reported to the shareholders and other general investors under the scope of works and responsibility as assigned by the Board of Directors
  9. To report on activities done regularly so that the Board of Directors can know the activities of the Audit Committee as follows:
    - 9.1 The Audit Committee's Minutes of Meetings clearly specify the Committee's comment in various issues.
    - 9.2 The report of the Committee's comment on financial statements, internal audit, and internal audit process
    - 9.3 Any report which deems appropriate for acknowledgement of the Board of Directors.
  10. During performing their duties, if the Committee finds any doubtful transactions or behaviors as shown below which may cause a significant impact to the Company's financial status and operating result, the Committee should report to the Board of Directors for further improvement as deem appropriate.
    - 10.1 Conflict of interest transactions
    - 10.2 Suspicion or presumed fraud or irregularities or significant deficiencies in the internal control system
    - 10.3 Any suspicion that there is non-compliance with the rules and regulation of the Securities Exchange Commission and the Stock Exchange of Thailand or relevant laws.
- In case that the abovementioned report has been informed and submitted to and discussed among the Board of Directors, the Committee and the Company's management for further improvement, however, after the due date, should the Committee find that there is any negligence

without inappropriate reason, one of the Committee's members can further report this to the Securities Exchange Commission and the Stock Exchange of Thailand.

11. In case that the auditor finds any doubtful acts, which are noncompliance with the laws done by director, manager or any person who are responsible for the Company's operating and the matters of fact has been reported to the Committee for acknowledgement and prompt inspection. The Committee should then report the outcome of preliminary inspection to the Securities Exchange Commission, the Stock Exchange of Thailand, and the auditor for acknowledgement within 30 days after getting the auditor's report. Any doubtful acts required to be reported including the procedure to gain the matters of fact should be in line with the Capital Market Commission's regulation.
12. To have authorization to invite directors, management, department heads or employees for discussion or clarification on the Committee's inquiry.
13. To review the scope of works and responsibility as well as appraise the Committee's performance on yearly basis.
14. To perform any other duties as assigned by the Board of Directors and agreed upon by the Audit Committee.

### 1.3 Remuneration and Nomination Committee

As of December 31, 2022, the Remuneration and Nomination Committee consists of 3 independent directors and 2 executive directors, totaling 5 members as follows:

1. Assoc. Prof. Kamjorn Tatiyakavee, M.D.Chairman of the Remuneration and Nomination Committee
2. Mrs. Rachadaporn Rajchataewindra
3. Mrs. Puangthip Silpasart
4. Mr. Pasit Leesakul
5. Mrs. Podchane Phaosavasdi

Ms. Pavita Leesakul, Company Secretary, as the secretary to the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee has a 3- year term.

The latest version of this committee's charter was posted on TRC Group's website. The charter contains 6 topics – objectives of forming the Audit Committee, the scope of authority and responsibilities, composition, tenure, meeting, report the results of assigned job duties and work performance evaluation.

#### Scope of Duties and Responsibilities of the Remuneration and Nomination Committee

##### 1. Remuneration

- 1.1 To consider and set the scope of the budget for increase of monthly salary and annual bonus for the Company, subsidiaries and Sahakarn Wisavakorn Co., Ltd. at appropriate rates in line with the overall operating results of TRC Group.

- 1.2 To specify the performance evaluation criteria and participate in the annual performance evaluation of the Chairman of Executive Committee and Chief Executive Officer and submit the evaluation results to the Board of Directors to consider and approve the appropriate remuneration accordingly.
  - 1.3 To consider whether the remuneration form and criteria for directors, Chairman of Executive Committee and Chief Executive Officer are commensurate and reasonable to their obligations, performance, the Group's performance, and size of business operations relative to other companies in the same industry.
  - 1.4 To predetermine the annual remuneration rates for members of the Board of Directors and other committees, Chairman of the Executive Committee, and Chief Executive Officer before proposing the rates for Chairman of the Executive Committee and Chief Executive Officer to the Board of Directors for approval while the rates for members of the Board of Directors and other committees are to be approved by the meeting of shareholders after being presented to the Board of Directors for preliminary consideration.
  - 1.5 In case of public offering of securities or offering of warrants to directors and employees under the Employees Stock Option Program (ESOP), the Remuneration and Nomination Committee is responsible for considering the appropriateness of conditions and criteria for issuance and allotment of warrants to ensure fairness to both employees and shareholders and, in case where the warrant allotment to directors exceeds 5% of all warrants offered, giving endorsement to the transaction. In any circumstances, no members of the Remuneration and Nomination Committee shall be allowed to obtain warrants in a number larger than 5%.
2. Nomination of Directors and Executives
- 2.1 To set the qualifications of directors, Chairman of Executive Committee, and Chief Executive Officer and executives at one level lower than Chief Executive Officer, such as Chief Financial Officer, Chief Marketing Officer, Chief Operation Officer, and other executives (if any), in terms of knowledge, experience, and expertise in line with the Company's requirements. Any individual to be nominated as director shall be able to dedicate his / her time and effort to the fulfillment of directorship duties.
  - 2.2 To recruit, select person(s) with qualifications appropriate to serve as directors, Chairman of Executive Committee, and Chief Executive Officer and executives at one level lower than the Chief Executive Officer as mentioned in clause 2.1. Considerations for the appointment are as follows.
    - For consideration in case of vacancy due to expiration of term and/or addition of director, after the Board's consideration, the nominated candidate will be presented to the meeting of shareholders for official appointment.

- The Board of Directors' meeting shall consider for official appointment in case of vacancy due to resignation or inability to serve as director.
- To propose at the Board of Directors' meeting that the Board appoints the Chairman of Executive Committee, and Chief Executive Officer and management executives at one level lower than the Chief Executive Officer.

2.3 To consider the succession plan of Chief Executive Officer to further propose to the Board of Directors for approval.

In addition, the Remuneration and Nomination Committee shall perform any other duties as assigned by the Board of Directors. The Board of Directors has the right to adjust the scope of duties and responsibilities of the Remuneration and Nomination Committee as deemed necessary or appropriate.

#### 1.4 Corporate Governance Committee

As of December 31, 2022, the Corporate Governance Committee consists of 4 members; 2 independent directors and 2 executive directors as follows:

1. Mrs. Puangthip Silpasart Chairman of the Corporate Governance Committee
2. Mrs. Rachadaporn Rajchataewindra
3. Mrs. Podchaneer Phaosavasdi
4. Ms. Pavita Leesakul

Ms. Pavita Leesakul, Company Secretary, as the secretary to the Corporate Governance Committee. Corporate Governance Committee has 3-year term.

The Corporate Governance Charter was posted on TRC Group's website; comprising 6 topics – scope of authority and responsibilities, composition, tenure, meeting, report the results of assigned job duties and work performance evaluation.

#### Scope of Duties and Responsibilities of the Corporate Governance Committee

1. To review the corporate governance policy, business ethic including policy and guideline practice on corporate and social responsibility which has been reviewed and proposed by the Company's management in term of compliance with the good corporate governance practice prior to being proposed to the Board of Directors.
2. To propose the guideline and/or policy related to the good corporate governance to the Board.
3. To suggest the Board on the good corporate governance issues.
4. To monitor the Company's management to conduct the good corporate governance practically.
5. To follow up and report corporate social responsibility activities to the Board.

In addition, the Corporate Governance Committee must perform tasks as assigned by the Board of Directors and the Board of Directors has its authority to change scope of duties and responsibilities of the Committee as deemed necessary or appropriate.

### 1.5 Risk Management Committee

As of December 31, 2022, the Risk Management Committee consists of 4 members; 2 independent directors and 2 executive directors as follows:

1. Assoc. Prof. Kamjorn Tatiyakavee, M.D. Chairman of Risk Management Committee
2. Mrs. Rachadaporn Rajchataewindra
3. Mr. Pasit Leesakul
4. Mrs. Podchaneer Phaosavasdi

Ms. Pavita Leesakul, Company Secretary, as secretary to the Risk Management Committee.

Risk Management Committee has 3-year term.

The Risk Management Committee Charter was posted on TRC Group's website; comprising of 6 topics – composition, qualification, tenure, scope of authority and responsibilities, meeting, report the results of assigned job duties and work performance evaluation.

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

1. To formulate a risk management policy as well as a framework for managing the Company's overall exposure to a range of significant risks e.g., bid risk, risk related to supply of materials/equipment, construction risk, financial risk, personnel risk, etc. and to provide to the Board of Directors and the management the consultation, advice, and recommendations in relation to risk management.
2. To develop a risk management plan and to ensure the proper implementation of the plan.
3. To oversee the undertaking of tasks related to risk management and to develop a strategy in line with the corporate vision, mission, and goals.
4. To oversee, support, and encourage the cooperation of all units across the organization in managing risks and to review, on a regular and continual basis, the adequacy of the risk management system to ensure optimal efficiency.
5. To report and update the following matters to the meeting of Board of Directors: - a list of significant risks, risk assessment, risk management, impacts on business operation, preventive and remedial measures, and other events that materially affect the Company (the last matter must be immediately brought to the Board of Directors' attention without delay).
6. The Risk Management Committee has the authority to establish a working group responsible for executing risk management and reporting to the Risk Management Committee.
7. To perform other tasks as assigned by the Board of Directors.

### 1.6 Executive Committee

As of December 31, 2022, the Executive Committee consists of 5 executive directors as follows:

1. Mr. Pasit Leesakul Chairman of Executive Committee  
(Appointed according to the resolution of the 2/2022 Board of Directors Meeting held on March 16, 2022, and effective since March 16, 2022)

2. Mr. Smai Leesakul (resigned, effective from March 10, 2022.)
3. Mrs. Podchanee Phaosavasdi
4. Mr. Loh Eng Kee
5. Mrs. Phanalee Norragitt (Appointed according to the resolution of the 1/2022 Board of Directors Meeting held on February 22, 2022, effective since February 22, 2022)

Ms. Rungnapa Bupparit, the Executive Secretary, as Secretary to the Executive Committee.

#### Scope of Duties and Responsibilities of the Executive Committee

1. To set policies, targets, strategies, business, and operations plans, allocate annual expense and investment budgets, scope of authorization chart, scope of authority of management authority and management structure for the Company's core business operations, including consideration to revise / improve various functions to support changes in the economic and competitive environment, for proposal to the Board of Directors for consideration and approval.
2. To oversee to ensure business operations are proceeded efficiently and effectively in accordance with corporate polices, objectives, business plans / strategies and annual budgets approved by the Board of Directors and provide advice / suggestions to the management when necessary.
3. To be responsible for establishing current / savings, loan / credit line accounts, bank guarantee, collateral, mortgage, etc. with banks / financial institutions, including purchase / sale and registration of land plots in accordance with the corporate business operations' objectives required to obtain an approval of the Board of Directors.
4. To be responsible for entering into business contractual agreement on behalf of the Company, including contracts pertaining to purchase of assets, or rights to the use of assets for the benefits of the Company; specify how to negotiate in establishing such contractual agreements.
5. To consider profit and loss of the Company and propose the interim or annual dividend to further propose to the Board of Directors.
6. To review the actual operating results of the Company and subsidiaries on quarterly basis by comparing to the planned budget figures prior to proposing it to the Board of Directors.
7. To have the authority to hire, appoint, transfer, remove, terminate employment, set the remuneration, grant rewards, increase salaries, compensation, bonus for managerial employees (from the assistant division manager up). Nonetheless, the authority to hire, appoint, transfer, remove, terminate employment of top executive ( 1 level below the Chief Executive Officer) is the responsibility of the Remuneration and Nomination Committee.
8. To proceed with other matters to render support, or as assigned by the Board of Directors.
9. To consider and report to the Board of Directors the transactions which are in questions of fraud or illegitimate or irregular activities.
10. To perform any other duties as assigned by the Board of Directors.

The Executive Committee is authorized to empower the management of the Company to approve any financial transactions as appropriate.

#### Budget Authorization Authority of the Executive Committee and Chief Executive Officer

The Executive Committee and Chief Executive Officer are authorized to approve budgets for various expenses in accordance with the handbook on authorization of authority and implementation, such as:

Items	Executive Committee (Baht)	Chief Executive Officer (Baht)
- Approval of project budget	-	Unlimited
- Allowance for bad debts	5-10 million	≤ 5 million
- Advances	-	> 100,000/Time
- Accommodation budget, public relations, donations	-	> 50,000/Time
- Intercompany short-term loans	50-100 million	≤ 50 million

#### Policy for Chief Executive Officer and directors to hold director position in other companies

The Board of Directors had set up a policy that the Chief Executive Officer and directors holding director position in other companies should be followed the Company 's Article of Association, Section 13, paragraph 2 stating that

“A director is prohibited from being a partner or unlimited partner in a business entity or hold a director position in a private company or any other company that conducts a similar type of business or in competition against the Company's business activities, except where the General Meeting of Shareholders is notified prior to the appointment resolution.”

And it is required that each director holds a director position of not more than 4 listed companies. However, should a director and the Chief Executive Officer hold a director position in another company which does not fit the above case, they must notify the Board of Directors accordingly.

## 2. Executives

As of December 31, 2022, there were 4 executives of the Company as follows:

1. Mr. Pasit Leesakul                      Chairman of the Executive Committee, Chief Executive Officer and Acting Managing Director
2. Ms. Pavita Leesakul                    Acting Chief Marketing Officer
3. Mr. Loh Eng Ki                            Chief Operating Officer
4. Mrs. Phanalee Norragitt                Chief Financial Officer



### Scope of Duties and Responsibilities of the Chief Executive Officer

1. To support operations and administration of the Board by advising and informing Board members, intermediating between the Board and employees.
2. To set the work-system for product & service production and delivery including marketing, bidding, design, procurement.
3. To take responsibility in financial, tax, risk and facility management of the company and recommend yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations.
4. To effectively manage the human resources of the organization according to authorized personnel policies and procedures that fully conforms to current laws and regulations.
5. To manage the community and public relations by assuring that the organization and its mission, programs, products, and services are consistently presented in strong and positive image to relevant stakeholders.
6. To oversee fundraising planning and implementation, including identifying resource requirements, researching funding sources, establishing strategies to approach funders, submitting proposals and administrating fundraising records and documentation.
7. To perform any other duties as delegated by the Board of Directors

Chief Executive Officer shall be directed by and report to the Board of Directors. He will also consume the position of Chairman of the Executive Committee.

The Chief Executive Officer does not have the authority to undertake any of the Company's or its subsidiary's issues that might create conflict of interest for the Chief Executive Officer or other stakeholders. (According to the Company's regulations stipulated by the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand).

### Scope of Duties and Responsibilities of the Managing Directors

1. To manage and supervise the operations of the company to be in accordance with business policies, business plans, budgets, various administrative powers and business strategies. as well as setting a plan and following up the implementation of the plan in daily operations and management.
2. To set orders, rules, announcements, memos to ensure that operations are in line with business policies, business plans, budgets, administrative powers and business strategies for the benefit of the Company and maintain work discipline within the company.
3. To follow up and operate daily performance in order to plan, prepare, assess and prevent risks that may be arisen from external and internal factors.
4. To have authorization to approve legal transactions related to normal business transactions of the Company such as trading, expenses for normal transactions, investments for the benefit of the Company under the various management authority assigned for flexibility of the Company' s operations.

5. To have authorization to act and represent the company to third parties in necessary related activities and carry out normal commercial transactions for the benefit of the company.
6. To report to the Chief Executive Officer upon discovery or suspicion or receipt of a report on corruption indicating a practice that violates the law or any other abnormal actions.
7. To take any action (if any) as assigned by the Chief Executive Officer, from time to time and have the power to conduct any legal acts that may cause conflicts of interest between interested persons and the Company as required by laws and announcements of the Securities and Exchange Commission or of the Stock Exchange of Thailand and It is not considered within the scope of the Managing Director's authority to assign other persons to act on their own behalf. In this case, the juristic act must be proposed for approval through the Audit Committee to be later proposed to the Board of Directors and/or the shareholders' meeting as specified in the Company's Articles of Association and according to the law.
8. To perform other actions to support the above actions or as assigned by the Chief Executive Officer.

### 3. Remuneration of Executive Directors and Executives

- Monetary remuneration

(A) Executive's monetary remuneration

Remuneration	Year 2021		Year 2022	
	Number of people	Amount (Million Baht)	Number of people	Amount (Million Baht)
salary	5	19.29	4	16.36
bonus	0	0.00	0	0.00
<b>Total</b>		19.29		16.36

- Remark: 1. 4 executives consist of Mr. Pasit Leesakul, Mrs. Phanalee Norragitt, Mr. Loh Eng Ki and Ms. Pavita Leesakul
2. Executive's remuneration includes salary, bonuses, group life and accidents insurance, health insurance, social security and provident fund contributions, and herein excluding the remuneration of accounting managers and finance managers.

(B) Remuneration of Chairman of Executive Committee and Chief Executive Officer

The Remuneration and Nomination Committee evaluates the performance and considers the remuneration of the Chairman of Executive Chairman and the Chief Executive Officer and presents it to the Board of Directors for approval.

The remuneration of Chairman of the Executive Committee and Chief Executive Officer consists of salary, bonus, social security, provident fund contributions, health insurance, car, driver and fuel charges.

● Other Compensation

(a) Other Executive's Remuneration

Provident Fund Contributions

Contributions	Year 2021		Year 2022	
	Number of people	Number of people	Number of people	Amount (Million Baht)
Provident Fund	4	0.66	2	0.43

Note: 2 executives include: Mr. Pasit Leesakul and Ms. Pavita Leesakul.

Mr. Smai Leesakul resigned from the Provident Fund on June 30, 2021.

Mrs. Podchane Phaosawasdi resigned from the Provident Fund on February 28, 2021

4. Employee

Due to the Company's organizational restructuring in order to be able to manage more efficiently and there is a change in the line of work that is different from the original Therefore, the company would like to enumerate the number of personnel divided into 2 years as follows:

1. As of December 31, 2021, the Company and Sahakarn Wisavakorn Company Limited had a total of 1,150 employees, consisting of 311 permanent employees and 839 contracted employees which can be divided by work divisions as follows:

Work Division	Number of Employees (person)
	Year 2021
<b>Permanent Employee</b>	
Management (from director level or higher)	7
Marketing	10
Engineering	44
Operations	96
Construction Service	16
Corporate Affairs	88
Quality Management	29
Accounting and Finance	21
<b>Total</b>	<b>311</b>
<b>Contract Employee</b>	<b>839</b>
<b>Total Employees</b>	<b>1,150</b>

2. As of December 31, 2022, the Company and Sahakarn Wisavakorn Company Limited had a total of 1,028 employees, consisting of 258 permanent employees and 774 contracted employees which can be divided by work divisions as follows:

Work Division	Number of Employees (person)
	Year 2022
<b>Permanent Employee</b>	
Management (from director level or higher)	2
Marketing	12
TRC Project	9
SKW-Infrastructure (N)	7
SKW-Infrastructure (S)	7
Special Project	8
TRC Pipeline	11
Construction Service	127
Directly to the Chief Operating Officer	1
Corporate Affairs	38
Quality Management	9
Accounting and Finance	27
<b>Total</b>	<b>258</b>
<b>Contract Employee</b>	<b>770</b>
<b>Total Employees</b>	<b>1,028</b>

- **Employee Remuneration** in 2021, the Company and Sahakarn Wisavakorn Company Limited paid remuneration to employees totaling Baht 485.13 million. Remuneration includes salary, overtime payment, bonuses, social security, group life and accidental insurance, health insurance and provident fund contributions, etc.

(Unit: Million Baht)

Employee Remuneration (excluding directors and executives as shown in the previous section)	Year 2021	Year 2022
Permanent Employee	232.25	194.37
Contract Employee	252.88	244.33
<b>Total Remuneration</b>	<b>485.13</b>	<b>438.70</b>

- **Provident Fund**

The Company established a provident fund, TISCO Master Joint Venture, registered and managed by TISCO Securities Co., Ltd. for the purpose of providing employee willpower and motivating them for long-term work with the Company. More details as appeared in the section "Business Drive for Sustainability".

- **Employee Development Policy**

According to the Company's corporate philosophy, employees are considered the most valuable resource of the organization. The Company has always adhered to and focused on human resource management and has a policy on human resource management and development. More details as appeared in the section "Business Drive for Sustainability".

- **Major Labor Disputes in the Past 3 Years**

None

## 5. Company Secretary

In 2022, the Board of Directors resolved to appoint Ms. Pavita Leesakul as Company Secretary effective since 11 August 2022 to comply with Section 89/15 of the Securities and Exchange Act B.E. 2535 (the "Securities Act").

The Company Secretary has duties and responsibilities under Section 89/15 of the Securities Act and the Company's Good Corporate Governance Policy as follows:

1. To Prepare and maintain documents
  - Director Registration.
  - Notice of the Board of Directors Meeting including committees for which she acts as secretary to those committees, Remuneration and Nomination Committee and Corporate Governance Committee.
  - Minutes of the Meetings of the Board of Directors and those committees' meetings.
  - Notice and Minutes of Shareholder Meetings.
2. To keep record of conflict-of-interest report and independent certification letters of directors and executives and further inform Chairman of the Boards and Chairman of the Audit Committee within 7 days after receipt of such reports.
3. To handle any actions required as per the regulations of the Securities and Exchange Commission, Thailand and as assigned by the Company such as:
  - To give advice on the matters related to relevant laws and regulations including the code of conduct of corporate governance practice so that any activities of the Board of Directors are undertaken in compliance with those relevant laws.
  - To handle the Board of Directors Meetings, Remuneration and Nomination Committee Meetings, Corporate Governance Committee Meetings and Risk Management Committee Meetings.

- To act as contact person for completed information disclosure as required by relevant laws to the Securities and Exchange Commission and Stock Exchange of Thailand.
- To carry out any tasks as assigned by the Company.

More details are shown in "Attachment 1, Details on Directors, Executives, Authorized Persons and Company Secretary"

## 6. Investor Relations and CG Compliance

The Company arranges investor relations to disclose important information and communicate with investors, shareholders, analysts, reporters and other relevant agencies accurately, timely, transparently and thoroughly, with communications and public relations of the Company in various formats through various media including the Company's website <https://www.trc-con.com/th/home> on "Investor Relations", such as the Company's press releases and executive interviews in newspapers and magazines. It will coordinate with the data-owning agency responsible for providing the details to summarize as information and seek approval from the Chief Executive Officer or the person assigned before publication, as well as to be responsible for investor relations (IR), such as attending the Opportunity Day of the Stock Exchange of Thailand.

The Company's Investor Relations' activities in 2022 are as follows:

Activities	Date
Listed company meets investors (Opportunity Day)	For 2021 Financial Statements on March 30,2022
	For Financial Statements, Q1 of 2022 on June 15,2022
	For Financial Statements, Q2 of 2022 on September 14,2022
	For Financial Statements, Q3 of 2022 on December 21,2022

Investors can contact the Company for information about investor relations at +66 2022 7777 ext. 4803, 4824 or by email [ir\\_trc@trc-con.com](mailto:ir_trc@trc-con.com)

## 7. Accounting Controller

The Company has assigned Ms. Rewadee Ardhan, Senior Accounting Manager, to oversee accounting with qualifications and conditions to act as the Company' s accountant as per the criteria set out in the Announcement of the Department of Business Development and the Securities and Exchange Commission, Thailand. More details as shown in "Attachment 1, Details on Directors, Executives, Authorized Persons and Company Secretary"

## 8. Auditor Remuneration

### - Audit Fee

	Auditor	Audit fees for fiscal year 2022 (Baht)
TRC Construction Public Company Limited	Dharmniti Auditing Co., Ltd.	1,200,000
<b>Subsidiaries:</b>		
Sahakarn Wisavakorn Co., Ltd.	Dharmniti Auditing Co., Ltd.	955,000
TRC Utility Co., Ltd.	Dharmniti Auditing Co., Ltd.	285,000
SH Crossings Co., Ltd.	Dharmniti Auditing Co., Ltd.	410,000
Sahakarn-Underground Joint Venture	Dharmniti Auditing Co., Ltd.	80,000
Olive Technology Co., Ltd.	Dharmniti Auditing Co., Ltd.	80,000
Sahahydro Pattaya Joint Venture	Dharmniti Auditing Co., Ltd.	190,000

### - Other fees

Auditor' s travel expenses, overtime payment and others for 2022 audit.

TRC Construction Public Company Limited      Baht 111,917.00

- Sahakarn Wisavakorn Co., Ltd.      Baht 27,711.00

## 8. Report on Key Operating Results on Corporate Governance

### 8.1. Board of Directors Performance Report

#### 8.1.1. Nomination and Appointment of Director and Top Executive

##### (1) Independent Director

###### Nomination Criteria

###### ● Nomination Process

The Remuneration and Nomination Committee predetermined persons having qualifications matched with the criteria and notification of the SEC and SET with knowledge and capability to assist and fruitfully advise the company before proposing the qualified ones for consideration of the Board of Directors Meeting and appointment by the shareholders' meeting, respectively (to propose to the shareholders' meeting for approval in case of additional director and election of director in replacement of a director retiring by rotation).

###### ● Qualifications

The qualifications of an independent director are determined in consistent with the criteria and notification of the SEC as follows

1. Holding shares not exceeding 0.75 % of a total number of shares having the right to vote of the company, its parent company, subsidiaries, subsidiaries, joint venture company, major shareholder , or a person with a controlling power over the company by including all shares held by persons concerned with such an independent director as well;

2. Neither being nor used to be a Director involved in the management of the operations of, an employee of; or an advisor with a monthly retainer to; or a person with a controlling power over the company, its parent company, subsidiaries, joint venture company, major shareholder of, or a person with a controlling power over the company;

3. Not being a person who has a relationship, by blood or by legal registration, as a parent, spouse, sibling or children, as well as spouse of the children, of an executive of, a major shareholder of, a person with a controlling power over, as well as a person proposed to be appointed as an executive or as a person with a controlling power over, the company or subsidiaries;

4. Neither being nor used to be a person with a business relationship with the company, its parent company, subsidiaries, joint venture company, as well as a major shareholder of or a person with a controlling power over the company, that may be an obstacle to exercising judgments in a fully independent manner. This also includes not being or having been a significant shareholder of a party or having a controlling power over a party with a business relationship with the company, subsidiaries, joint venture company as well as a



major shareholder or a person with a controlling interest of the company. This is unless the person in question is no longer in such a position or has such a status for not less than 2 years prior to being appointed;

5. Neither being nor used to be an auditor of the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;

6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years.

#### 8.1.2. Nomination and Appointment of Director and Top Executive

- **Director Nomination**

Director nomination was undertaken by the Remuneration and Nomination Committee to predetermine qualifications of qualified persons having suitable knowledge, capability and experience before proposing to the Board of Directors and shareholders' meeting for consideration, respectively (to propose to the shareholders' meeting for approval in case of additional director and election of director in replacement of a director retiring by rotation), under the following criteria and process:

1. Each shareholder has one right to vote.
2. Voting is exercised for election of each director on individual basis.
3. The persons receiving the highest number of votes are those who are elected to be directors, in descending order, to elect the number of directors that are supposed to be or are to be elected at that time. If there is a tied vote for the last to be elected and this would result in the number of directors exceeding the required number of directors, the Chairman shall have an additional casting vote.

At each annual general meeting, at least one-third (1/3) of the total number of the directors at that time, or if the number is not a multiple of three, then the number nearest to one-third (1/3), must retire from office.

The directors retiring from office in the first and second years after the registration of the company shall be selected by means of drawing lots. In subsequent years, the director who has held office the longest shall retire. A retiring director is eligible for re-election.

- **Top Executive Nomination**

Top executive nomination consists of the positions of Chairman of the Board and Chief Executive Officer including top executive positions in the next level lower than Chief Executive Officer; Chief Financial Officer, Chief Operating Officer and Chief Marketing Officer that shall be handled by the Remuneration and Nomination Committee to select and nominate qualified persons having suitable knowledge, capability and experience to be proposed for consideration and approval of the Board of Directors. The Board of Directors has its policy to select the top executives and prepares the succession plan for an emergency case or retirement to avoid any impact to the company's business as follows;

- Approval of the succession plan of Chief Executive Officer and establishment of the policy for top executives at the division head level to prepare their succession plan and pass on knowledge of working to potential employees of the company in his/her replacement in case of emergency and retirement.

- Basic qualifications of Chief Executive Officer are as follows;

- Being graduated at not lower than a master's degree in engineering or business administration or other related fields. In case of graduation lower than a master's degree, consideration shall be made and under discretion of the Remuneration and Nomination Committee based on other supportive qualifications.

- Having at least 10-year experience in top executive position

- Having leadership skills and broaden vision

- Being capable of making strategic planning and organizational management

- Having thorough and prudent decision-making and problem-solving in considering the company's best interest

#### **8.1.2.1. Meeting Attendance and Remuneration Payment to Each Director**

#### **8.1.2.2. Board of Directors Meeting and Committee Meetings in 2022**

In 2022, there were 8 meetings of the Board of Directors with 100 per cent of the attendance rate including the meetings of each committee as details shown below:

Name-List of Directors	Numbers of Director Attendances in 2022						
	Shareholders Meeting	Board of Directors	Audit Committee	Remuneration and Nomination Committee	Corporate Governance Committee	Risk Management Committee	Executive Committee
1. Mrs.Paichit Rattananon	1/1	8/8	✕	✕	✕	✕	✕
2. Mrs. Ratchadaporn Rajchataewindra	1/1	8/8	4/4	2/2	2/2	2/2	✕
3. Assoc. Dr. Kamjorn Tatiyakavee M.D.	1/1	8/8	4/4	2/2	✕	2/2	✕
4. Mrs. Phuangthip Silapasart	1/1	8/8	4/4	2/2	2/2	✕	✕
5. Mr. Smai Leesakul (1)	-	1/8	-	-	-	-	3/14
6. Mr. Pasit Leesakul	1/1	8/8	✕	2/2	✕	2/2	14/14
7. Mrs. Phodchane Phaosavasdi	1/1	8/8	✕	1/2	2/2	1/2	12/14
8. Miss Pavita Leesakul	1/1	8/8	✕	✕	2/2	✕	✕
9. Mr. Loh Eng Kee	-	✕	✕	✕	✕	✕	13/14
10. Mrs. Phanalee Norajit (2)	-	✕	✕	✕	✕	✕	14/14

Remark 1. Mr. Smai Leesakul has resigned since 10 March 2022.

2. Mrs. Phanalee Norajit has been a member of Executive Committee since 7 February 2022.

### 8.1.2.3. Director Remuneration

- **Monetary Compensation**

Remuneration of directors in 2022 were as follows:

1. Monthly compensation : Chairman of the Board at 50,000 Baht, independent director being Chairman of the Audit Committee at 25,000 Baht, two independent directors at 20,000 Baht each and 4 executive directors at 10,000 Baht each.
2. Compensation or bonus : no bonus payment as per the 2022 Annual General Meeting of Shareholders
3. Attendance Fee : 10,000 Baht/person/meeting attendance (only for independent directors) for Audit Committee, Remuneration and Nomination Committee, Corporate Governance Committee and Risk Management Committee

4. For the company subsidiary, there was only Sahakarn Wisavakorn Co., Ltd. paying 2022 monthly compensation to 5 directors at the rate of 10,000 Baht each.

#### Summary of 2022 Director Compensation

TRC and Sahakarn Wisavakorn (SKW) 's Directors	TRC Directors					Sahakarn Wisavakorn Director Compensation	Total Compensation of both Companies
	Board of Directors ( 2022 monthly compensation)	Meeting Attendance					
		Audit Committee	Remuneration and Nomination Committee	Corporate Governance Committee	Risk Management Committee		
1. Mrs. Paichit Rattananon	600,000	✗	✗	✗	✗	120,000	720,000
2. Mrs. Ratchadaporn Rachthewin	300,000	40,000	20,000	20,000	20,000	✗	400,000
3. Assoc. Dr. Kamjorn Tatiyakavee M.D.	240,000	40,000	20,000	✗	20,000	✗	320,000
4. Mrs. Phuangthip Silapasart	240,000	40,000	20,000	20,000	✗	✗	320,000
5. Smai Leesakul	120,000	-	-	-	-	120,000	240,000
6. Mr. Pasit Leesakul	120,000	✗	Not eligible	✗	Not eligible	120,000	240,000
7. Mrs. Phodchane Phasavasdi	120,000	✗	Not eligible	Not eligible	Not eligible	120,000	240,000
8. Miss Pavita Leesakul	120,000	✗	✗	Not eligible	✗	120,000	240,000
Total of TRC Director Compensation = 2,120,000 Baht	1,860,000	120,000	60,000	40,000	40,000		
SKW Director Compensation						600,000	
Total compensation of both companies							2,720,000

- Other Compensation

- (a) Other Compensation of Director

The Chairman of the Board obtained the provident fund contributions (in 2022 totally of 42,000 Baht), life insurance, group accidental insurance, health insurance, company car, driver and fuel expenses.

- (b) Other Compensation of Independent Director

The Independent directors obtained the welfare of health insurance.

#### 8.1.3. Governance of Subsidiary and Associate Companies' Operations

The Board of Directors determined the governance policy for the subsidiary and associate companies' operations and delegate its power to the company' s management as follows;

- To consider qualified persons to act as the representatives of the company to be directors and/or executives in the subsidiary and associate companies at least according to the shareholding proportion to oversee and control the business.
- To report the appointment of representatives with their qualifications for acknowledgement of the Board.
- To oversee the subsidiary and associate companies to perform in compliance with the table of authority including information disclosure and any acts to comply with the Securities and Exchange Act, rules, notifications and orders or requirements of the Securities and Exchange of Thailand. This included compliance with the obligations of information disclosure, connected transactions and acquisition or disposal of assets as well.
- To report the operating results of the subsidiary and associate companies to the Board on quarterly basis and in case of having significant matters such as increase or reduction of capital, business liquidation, such matters were initially proposed to the Board for approval before proceeding any required actions.

#### 8.1.3.1. Monitoring Compliance with Corporate Governance Policy and Practices

- **Control of the Use of Inside Information**

The 7/2018 Board of Directors held on 12 November 2018 resolved the Control of the Use of Inside Information Regulation, 1<sup>st</sup> Revision B.E. 2561 in replacement of the previous one approved in 2005 to be in line with the Securities and Exchange Act, Vol. 5 B.E. 2559. The revised one has been the inclusion of work rules of both TRC and SKW as details shown below:

- **Consideration of the Principle of Inside Information**

The inside information prohibited to be preliminarily disclosed to any person rather than investors means the information that has not yet been disclosed to the general public and information that may have a material effect on the price or value of TRC securities or investment decision-making including information regarding listed company, major shareholder, controlling person or key executives of listed company that clearly sounds for investment decision-making of investors.

- **Control of the Use of Inside Information Regulation**

1. The company shall comply with the criteria of the SET listed company information disclosure by disclosing the information that may have a material effect on investment decision-making of investors through the SET prior to securities analysts or any other outside persons including no wide dissemination of information to investors through other channels. The Chief Executive Officer, division top executives and Company Secretary are responsible for being the company' s speakers for disclosure of company information.

2. Directors, executives, employees and outside persons working for the company who have

access to inside information of the group of companies must maintain such information carefully and securely to prevent information leakage to unauthorized persons or parties, conform with the announcement on “Guideline of Working Control and Information Security” comprising the information technology security policy, segregation of duties, control of server room access, damage prevention, etc., and not wrongfully disclose the inside information or exploit directly or indirectly such information for their own or other persons’ interests.

For outside persons working or proceeding any necessary works for the group of companies with access to the inside information that may affect the price movement of TRC securities such as financial advisor, legal advisor, etc. those persons are required to sign the confidentiality agreement prior to access to the inside information.

3. It is prohibited for directors, executive, employees and the group of companies’ employees who have access to confidential or inside information of the company that has not yet been disclosed to the general public and information that may have a material effect on the price of TRC securities to use such information for trading or offering or inviting other persons to trade the company’ or other company’ s (if any) securities both directly or indirectly regardless for their own or others’ interests or for reciprocal benefits.

Additionally, directors, executives, employees related to the inside information including his/her spouse or cohabiting couple or minor children must not trade TRC securities 1 month before disclosure of the quarterly and annual financial statements, and during 24 hours after such a disclosure.

In case the persons in the previous paragraph have access the inside information that may have a material effect on the price of TRC securities or other listed companies’ securities that has not yet been disclosed to the general public, they must not trade the captioned securities until completion of 24 hours after disclosure of such information to the public.

4. Directors, executives, auditors, interim executive, the plan preparer, the plan administrator and the interim plan administrator must report the changes of securities holding and future contracts related to TRC securities held by themselves and by close persons as per Section 59 of the Securities and Exchange Act, Vol. 5 B.E. 2559 via e-submission to the Securities and Exchange Commission, Thailand within 3 business days from the date of purchase, sale, transfer or acceptance of transfer and also inform the Company Secretary to further inform of such changes to the Board of Directors Meeting.

Failing to comply with Section 59, there shall be liable to a penalty as prescribed in Section 275 of the Securities and Exchange Act, B.E. 2535 (included the revised one).

5. Non-compliance with this regulation shall be deemed a serious disciplinary offense.

- **Anti-Corruption**

The anti-corruption policy approved by the 6/2016 Board of Directors Meeting held on August 11, 2016 was announced to communicate to directors, executives and employees at all levels indicating the required practices on anti-corruption in written as shown in the 2020 corporate governance code of conduct, Part 4 "Anti-Corruption Policy" separated into sub-items consisting of definition, policy, duty and responsibility, guideline of practices, measure and channel for whistleblowing, recommendation or claims as disclosed in the company' s website under the item of "Anti-Corruption Policy" in order that all working procedures of the company can be carried out accurately and strictly comply with regulatory obligations with integrity, transparency and fairness.

In 2022, there was no any whistleblowing related to misconduct or corruption.

- **Whistleblowing**

The Board establishes the designated whistleblowing channels of suspected wrongdoing and violation against laws, regulations, requirements, ethics and business code of conducts through the followings;

1. Directly contact to Chairman of Audit Committee

E-mail Address : chairman. auditor@trc-con.com or company' s website ( www.trc-con.com) and Click at \*send email to Chairman of Audit Committee"

Facsimile : +66 2022 7788

Mail to : Chairman of Audit Committee  
TRC Construction Plc.  
No. 8, Soi Sukhapiban 5, Soi 32  
Tha Raeng, Bangkhen District  
Bangkok 10220

2. Contact through Company Secretary via

E-mail Address : CorporetaSecretary@trc-con.com

Telephone : +6620227777

Facsimile : +6620227799

Mail to : Company Secretary  
TRC Construction Plc.  
No. 8, Soi Sukhapiban 5, Soi 32  
Tha Raeng, Bangkhen District  
Bangkok 10220

3. The company's website, item " Sustainability/Corporate Governance/Whistleblower" to send an email to Chairman of Audit Committee

For whistleblowing sent via the 2<sup>nd</sup> and 3<sup>rd</sup> channels, Company Secretary shall collect all received matters to propose to Chairman of Audit Committee for investigation according to the defined proceedings and significant matters shall be further reported to the Audit Committee and/or Board of Directors.

For employees, the company has been always open for their comments, suggestions or complaints with handling process to verify whether such complaints are within the scope of misconduct and the misconduct level to determine the penalty measure fairly and properly.

The channels for employee complaints are as follows:

1. comment box to be opened by Human Resource Manager once a month
2. complaint via their chain of command superiors

All complaints and suggestions shall be collected and considered and any significant ones require further actions shall be informed to the Welfare Committee in the Workplace.

In 2022, there was no any complaint or whistleblowing.



## 8.2. Summary of the Sub-Committee Performance Report

### 8.2.1. 2022 Audit Committee Report

TRC' s Audit Committee comprises 3 independent directors; Mrs.Rachadaporn Rajchataewindra, Assoc.Prof.Kamjorn Tatiyakavee, M.D. and Mrs. Puangthip Silpasart who have complete qualifications as obliged by the Stock Exchange of Thailand and are expertise in accounting and finance, energy industry, economics and business administration.

Audit Committee performs their duties independently as assigned by the Board of Directors and as stipulated in the charter of TRC' s Audit Committee provided in line with the requirements of the Securities and Exchange Commission, Thailand and Stock Exchange of Thailand.

In 2022, there were 4 Audit Committee meetings with the company' s management, internal auditor and certified auditor to consider and review the company' s financial statements and connected transactions, give suggestions beneficial to accuracy, completeness and reliability of the financial statements including improvement of the efficiency of internal control. The resolutions of each meeting shall be summarized and proposed to the Board of Directors for consideration and improvement. The Audit Committee' s significant performance in 2022 can be concluded as follows:

**1. Review of Financial Statements** Audit Committee considered and reviewed the company' s financial statements on quarterly basis and the annual one with discussion joined by auditors and Accounting and Finance Manager. Additionally, there was a meeting with the auditors without participation of the management to discuss on independence of discharge of duties and obtain the auditors' opinions and acknowledge the impact arisen from the change in the financial report standards to ensure that the financial statements were prepared based on the generally accepted accounting principles with accuracy, completeness and reliability.

**2. Review of Internal Control Assessment and Internal Audit Governance** Audit Committee constantly conducts review on the company' s internal control system to ensure its efficiency in the Board Meeting considering the financial statements and proposes the summary of internal audit results and significant impacted issues for discussion and improvement solution. Additionally, the committee also applies the internal control sufficiency evaluation form based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) before proposing to the Board meeting. In 2022, Audit Committee and the Board of Directors are concurrently of the view that the company and its subsidiary had the proper and adequate internal control and internal audit.

3. **Review of Regulatory Compliance** Audit Committee constantly reviews and governs the company to operate its business in compliance with the regulatory agencies related to the company's and subsidiary' s businesses and in 2022, there was no any violation against the concerned laws, rules and regulations.

4. **Review of Connected Transactions or Transactions Which Might Raise the Conflict of Interest** The connect transactions or transactions which might raise the conflict of interest are constantly reviewed by the Audit Committee as per the notifications of the Securities and Exchange Commission, Thailand and Stock Exchanges of Thailand and in 2022, the Audit Committee was of the view that the company and its subsidiary had conducted the connected transactions based on general trading conditions on equal and reasonable basis with adequate and complete information. disclosure.

5. **Consideration and Appointment of Auditor and Audit Fee** The appointment of 2022 auditor were made based on its qualifications, skills and professional experience in auditing with the Audit Committee' s comments before proposing for consideration of the Board meeting and approval of the 2022 annual general meeting of shareholders, respectively. In 2022 Dharmniti Auditing Co., Ltd was appointed with the audit fee of 1,200,000 Baht.

In 2022, the Audit Committee had performed its duties with knowledge and capability dedication with independence as obliged by the Charter of Audit Committee and was of the view that the company' s and its subsidiary' s financial statements contained accuracy, adequacy and compliance information according to the generally accepted accounting principle with risk management system and proper & efficient internal control including thoroughly conforming with all obligations of the related regulatory agencies.

- *Rachadaporn Rajchataewindra* -

(Mrs.Rachadaporn Rajchataewindra)

Chairman of Audit Committee

February 24, 2023

### 8.2.2. 2022 Remuneration and Nomination Committee Report

As appointed by the Board of Directors, Remuneration and Nomination Committee comprises 5 members; 3 independent directors and 2 executive directors or 60 per cent proportion of being independent directors, with the duties and responsibilities to review criteria and selection method, predetermine qualified persons to be appointed for a director position including predetermining director, top executives remuneration to be in compliance with relevant obligations and corporate governance principle.

In 2022, there were 2 meetings of Remuneration and Nomination Committee and the summary of the meetings are as follows:

Consider and review director and sub-committee remuneration by considering their assigned duties and responsibilities, performance results and compensation rate of other companies in similar industry before proposing for consideration of the Board of Directors Meeting and approval of the annual general meeting of shareholders.

Evaluate 2022 performance of Chairman of Executive Committee and Chief Executive Officer before proposing for approval of the Board of Directors Meeting.

Consider and determine the criteria and budget for 2023 salary increment and 2022 bonus payment of the company and its subsidiary at the proper rate in line with an overview of the operating results of the group of companies in order to propose for acknowledgement of the Board of Directors Meeting.

Consider, review and nominate qualified persons having qualifications as per regulatory obligations and requirements related to directorship in replacement of directors retiring by rotation in order to propose for consideration of the Board of Directors and approval of the annual general meeting of shareholders, respectively. The nomination has been conducted based on selected persons' knowledge, capabilities and experience that shall contribute to the company's operation and match with the nature of business.

Consider and review the charter of Remuneration and Nomination Committee including conducting self-evaluation and report the evaluation results to the Board of Directors Meeting.

Remuneration and Nomination Committee performs its duties with knowledge and capability dedication, and awareness with direct opinion expression based on the corporate governance principle for highest interests of the shareholders and all stakeholders.

- Kamjorn Tatiyakavee -

(Assoc.Prof. Kamjorn Tatiyakavee M.D.)

Chairman of Remuneration and Nomination Committee

February 24, 2023

### 8.2.3. 2022 Corporate Governance Committee Report

Corporate Governance Committee comprises 4 members; 2 independent directors and 2 executive directors performing duties as assigned by the Board of Directors and stipulated in the charter of this committee in overseeing the company's corporate governance to be conducted with transparency, disclosure and accountability based on equitable treatment to all stakeholders to ensure the company's sustainable growth.

In 2022, there were 2 meetings of Corporate Governance Committee and the summary of the meetings are as follows:

1. Considering and reviewing the company's corporate governance policy and business code of conduct and following up the results of compliance with the corporate governance code as well as promoting communication about the policy for acknowledgement of employees for accurate understanding and compliance with the policy.
2. Overseeing and encouraging the company to conform with the corporate governance principle and as a result, the company's corporate governance has been ranked in "Excellence" level consecutively for 6 years as per evaluation of the 2022 Survey on Corporate Governance of Thai Listed Companies Project organized by Thai Institute of Directors.
3. Considering the corporate social responsibility (CSR) activities by taking into account social, occupation health, safety and environmental responsibilities both internal and external terms that shall lead to the company's sustainable growth.
4. Reviewing the charter of this committee and finding that the current charter remains adequate and in line with the duties assigned by the Board of Directors and relevant policies and code of conduct.

The company commits to continually operate the company's business under the corporate governance principle by running operations in parallel with responsibility to economy, society, environment and all stakeholders including developing corporate governance practices and additionally adhering to maintaining quality of the company's corporate governance for stable and sustainable growth.

- Puangthip Silpasart -

(Mrs.Puangthip Silpasart)

Chairman of Corporate Governance Committee

December 16, 2022

#### 8.2.4. 2022 Risk Management Committee Report

Realizing that risk management is considerably essential for effective operations to ensure achievement of the business goals and create confidence and reliability towards investors and stakeholders including preventing and mitigating risk impact that might be arisen from internal and external changes, the Board of Directors therefore appointed the Risk Management Committee comprising 4 directors who all have knowledge, capability and experience suitable for the company' s operations.

In 2022, there were 2 meetings of Risk Management Committee attended by all members and the summary of the meetings are as follows;

1. Approving 2022 risk management implementation plan by considering the list of significant risk that shall impact the company' s operations, strategies, goals and changing environment,
2. Following up, evaluating and reviewing risk management implementation plan covering all significant types of risk i.e. strategic risk, operational risk and financial risk,
3. Monitoring the performance results of Risk Management Team to give fruitful advice for absolutely effective discharge of duties towards risk management,
4. Reviewing the charter of this committee including self-evaluation and reporting the evaluation results to the Board of Directors Meeting.

Risk Management Committee has overseen the risk management team to continually mitigate risk until the company has the risk appetite and the committee has confidence that the company risk management is conducted effectively and consistent with the corporate governance principle for listed companies. Additionally, the management has a policy to promote knowledge on risk management to executives and employees at all levels for their understanding and awareness on risk management and to work together to manage risk with risk appetite to achieve the company' s objectives, goals and sustainable operations.

- Kamjorn Tatiyakavee -

(Assoc.Prof. Kamjorn Tatiyakavee M.D.)

Chairman of Risk Management Committee

November 23, 2022

## 9. Internal Control and Connected Transaction

The Company places importance on the internal control and supervision in both executive and operational levels. The internal control system comprises policy and procedure that are determined to prevent and reduce potential risks from business operations in terms of operations, financial report and related rules and regulations. The internal control system plays an important role of ensuring smooth business operation and gaining trust from stakeholders by providing sufficient and appropriate internal control system resulting in business efficiency.

The Board of Directors assigned the Audit Committee to be responsible for reviewing the internal control system and internal audit. For 2022, the Company and Sahakarn Wisavakorn Company Limited (SKW) appointed EL Business Advisory Company Limited as internal auditor with duties and responsibilities to audit and assess internal control system according to the defined plan as well as monitoring the Company and SKW's compliance. The internal auditor reported audit results directly to Audit Committee on quarterly basis. Such report specifies audit objectives, scopes, procedures, summary of significant issues, recommendations and follow-up results for Audit Committee to consider and further report to the meeting of the Board of Directors for acknowledgement and further prepare report of auditor's comment on internal control system for the Board of Directors's consideration before being published in the Company's annual report.

During the 2/2023 Board of Directors' Meeting on 24 February 2023, with 3 independent directors' presence, the meeting assessed the adequacy of the Company and SKW's internal control system by asking for information from executives and conducting sufficiency evaluation according to COSO concept (The Committee of Sponsoring Organizations of the Treadway Commission) consisting of 5 components i.e. organization internal control, risk evaluation, operation control, information technology and communication system and monitoring system. In conclusion, the Board of Directors and Audit Committee were of the view that the Company and SKW had appropriate and adequate internal control system and implementation by providing sufficient manpower to run the system efficiently and having monitoring procedure for subsidiaries in order to protect the Company and subsidiaries' properties from fraud or unauthorized act or possible conflicted/connected transaction. There was no significant fault in the internal control system.

### The Company's Internal Auditor

EL Business Advisory Company Limited (ELBA) was appointed as the Company's and SKW's internal auditor during the 1/2022 Audit Committee Meeting on 22 February 2022 and ELBA has appointed Mr. Suwit Chanamporn, Managing Director, as the in-charge person for auditing the Company and SKW.

The Audit Committee considered that the internal auditor from ELBA and Mr. Suwit Chanamporn had sufficient and proper qualifications as they were independent, had internal audit experiences and understanding in the Company's similar business for 20 years and obtained trainings related to internal audit operation. Since

2016, the Audit Committee had appointed Ms. Rawadee Ardarn, Senior Accounting Manager, as Secretary to the Audit Committee and coordinator with the external auditor.

Nonetheless, the appointment, revocation or transfer of internal audit personnel must be approved by the Audit Committee. Qualification details of internal auditor can be found as follows;

<b>Name:</b>	Mr. Suwit Chanamporn
<b>Education: Master's degree:</b>	Faculty of Commerce & Accountancy, Chulalongkorn University
	Bachelors degree: Faculty of Law, Ramkhamhaeng University
	Bachelors degree: Business Administration (accounting), Assumption University
	Certificate: Accounting auditor, Chulalongkorn University
<b>Professional certification:</b>	Certified Public Accountant (CPA) of Thailand
<b>Work experience:</b>	
<b>Current:</b>	Managing Director, EL Business Advisory Co. Ltd.
<b>Previous:</b>	Assistant auditor, PricewaterhouseCoopers ABAS Ltd. Internal audit manager, IBM (Thailand) Co., Ltd. and Internal audit manager, IBM Corporation Co., Ltd. (U.S.) Senior director of internal audit division, UTAC Thai Co., Ltd.
<b>Training:</b>	<ul style="list-style-type: none"> <li>- COSO ERM</li> <li>- Risk Management</li> <li>- CIA Review curriculum project</li> <li>- Quality accounting audit operations</li> <li>- Prepare paperwork for anti-corruption in organization movement</li> <li>- Review of process for following up on and monitoring of activities</li> <li>- undertaken in accordance to strategic plans</li> <li>- Orientation course for Chief Accountants focusing on financial reporting</li> <li>- Thailand IFRS Conference</li> <li>- Prepare accounting to suit the current business environment in</li> <li>- accordance to the accepted accounting standards reports</li> <li>- Standard of financial report for listed companies</li> <li>- Quick law for shareholders's right protection</li> <li>- Sustainability Strategy for Business</li> <li>- Corporate IT Governance</li> <li>- Cyber Security</li> </ul>

## Connected Transaction

In 2022, the Company had connected transaction with related companies through buying/selling prices according to the contractual agreement as conducted in normal business condition practice. Details as shown below;

Name and Relationship	Transaction	2020	2021	2022	Necessity and Reasonableness
Sahakarn Wisavakorn Co., Ltd. (SKW) - Subsidiary, TRC holds 99.99% - Directors namely: Mrs. Paichit Rattananon Ms. Pavita Leesakul Mr. Pasit Leesakul Mrs. Podchane Phaosavasdi	Income : rental and services fee	19.95	3.07	6.98	Rental of machinery, warranty credit usage fee, labour wages and selling of trucks are common business support similar to market price and with normal business condition.  The Company took the loan for working capital. The loan would be due when claimed. Interest rate of 2.5% – 6.5% per year according to cost from financial institution plus additional expense.
	Construction cost	3.71	12.47	-	
	Selling of trucks	8.08	-	-	
	Interest payment	22.80	25.08	24.60	
	Account receivable / other receivable	59.44	20.72	66.57	
	Account payable	3.91	64.38	7.43	
	<u>Short-term loan payable</u>				
	Brought forward	748	642	693	
	Loan during the year	427	211	128	
	Payback during the year	533	160	202.50	
Balance (carry forward)	642	693	618.50		
Hydortek Sahakarn Joint Venture - Subsidiary, TRC group holds 49% - Mrs. Podchane Phaosavasdi - Mr. Pasit Leesakul TRC Director and Joint Venture authorized director	Income : rental and services fee	-	-	0.34	Car rental, warranty credit usage; fee were common business support similar to market price and with normal business condition.  The Company took the loan for working capital. The loan would be due when claimed. Interest rate of 2.5% per year.
	Interest payment	-	-	0.32	
	<u>Short-term loan payable</u>				
	Brought forward	-	-	-	
	Loan during the year	-	-	16.61	
	Payback during the year	-	-	7.20	
Balance (carry forward)	-	-	9.41		
TRC Utility Co., Ltd. - Joint Venture, TRC holds 49.97% - Mutual directors namely: Ms. Pavita Leesakul Mr. Pasit Leesakul Mrs. Phanalee Norragitt	Income : rental and services fee	0.22	0.13	0.93	Car rental and warranty credit usage fee were common business support similar to market price and with normal business condition.
	Other receivable	0.05	-	0.11	



Name and Relationship	Transaction	2020	2021	2022	Necessity and Reasonableness
SH Crossing Co., Ltd. - Joint Venture, TRC group holds 51% - Mutual directors namely: Mr. Pasit Leesakul Mrs. Podchane Phaosavasdi -Other shareholders have no potential conflict to TRC	Income : rental and services fee  Other receiveable	5.12  7.96	0.32  8.32	0.24  5.17	Rental of machinery, cars, labour wages and warranty credit usage fee were common business support similar to market price and with normal business condition.
Olive Technology Co., Ltd. - Subsidiary, TRC holds 49.97% - Mutual directors namely: Mr. Pasit Leesakul Mr. Pavita Leesakul -Other shareholders have no potential conflict to TRC	Income: services fee Interest expense  <u>Short-term loan payable</u> Brought forward Loan during the year Payback during the year Balance (carry forward)	0.30 -  0.05 - - -	0.74 0.02  0.05 0.85 0.90 -	0.74 0.07  13.00 2.00 11.00 -	Labour wages were common business support similar to market price and with normal business condition.  The Company provided loan for working capital. The loan would be due when claimed with proper interest rate.
ASEAN Potash Chaiyaphum Plc - TRC group holds 25.13%. - Mutual directors namely: Mrs. Podchane Phaosavasdi	Income : rental and services fee   Account receivable and other receivable Unbilled receivables Accounts receivable – retention under construction contracts	-   - - -	-   - - -	-      	In 2018, ASEAN Potash Chaiyaphum PLC. confronted with uncertainty in potash mining and liquidity problem.  Therefore the Company recorded doubtful debt of Baht 390.33 million in 2018 financial statement and another Baht 1.24 million in 2019.

#### Policy and Procedure of Connected Transaction Approval

The 2/2005 Board of Directors Meeting on 19 May 2005 had resolved to define the policy for future connected transaction that any connected one should be reviewed with comments of the Audit Committee and/or the Board of Directors on its requirement and reasonableness. Additionally, it is required to review and compare price and condition for each transaction to assure whether it is common business transaction as done for the connected transaction with outsiders. For effective business operation, the captioned Board of Directors Meeting had resolved to allow the Company to proceed the common business connected transactions or common business support transaction such as obtaining new awarded project, subcontracting of the project with work value of not over than Baht 30 million under the condition that such a transaction should be undertaken

under price and condition as normal practice and for highest benefit of the Company. The connected transaction should prior be proposed to the Audit Committee Meeting and/or the Board of Directors Meeting for acknowledgment and comment. The following connected transactions are required to be proposed for consideration of the Audit Committee Meeting and/ or the Board of Directors Meeting for further comment in terms of requirement and reasonableness and also for approval prior to proceeding.

- Uncommon business transaction or business support transaction
- Connected transaction with price and/or condition different from common business transaction done with outsiders.
- Common business transaction or business support with common business price and condition value of more than Baht 30 million.

Those who may have conflict of interest with the Company or subsidiaries in any cases (according to the Company's Articles of Association or the Securities and Exchange Commission, Thailand and Stock Exchange's notifications and regulations) will have no authority to proceed with any act in relation to the transaction in which such a conflict of interest may be arisen.

In addition, the Board of Directors shall monitor the Company to perform in accordance with the Securities and Exchange laws, regulations, notifications and rules as well as compliance with the Stock Exchange of Thailand's disclosure guideline concerning connected transaction and the acquisition and disposition of assets of the Company and subsidiaries (if any) as well as the accounting standard of the Federation of Accounting Professions.

In case the Audit Committee and/or the Board of Directors have no expertise to consider the connected transaction may be arisen, the Company shall seek for an independent expert or auditor's comment to obtain recommendations as supporting information for the Audit Committee's or the Board of Directors' and/or shareholders' decision as deemed appropriate.

#### **Approval in Principle of Common Business Transaction**

As per the Securities and Exchange Act (Vol. 4) B.E. 2008 announced on August 31, 2008, any common connected transaction is required to be proposed and approved by the Board of Directors or the Board of Directors is required to approve in principle such a connected transaction prior to proceeding. Formerly, the Company's management could proceed such transaction without prior approval of the Board of Directors according to the Stock Exchange of Thailand's announcement.

In 2005, the Board of Directors Meeting had passed its resolution in principle that any common connected transaction with value of more than Baht 30 million would require to obtain prior approval of the Board of Directors (as described hereinabove in item of "Policy and Procedure of Connected Transaction Approval"). This approval is in line with the principle of common connected transaction and also guideline of practice of the new act. However, the Company later raised this issue for acknowledgement of the 7/2008 Board of Directors Meeting held on August 7, 2008.

### **Review of Policy and Procedure on Connected Transaction Approval**

The Audit Committee and Board of Directors reviewed policy and procedure on connected transaction approval on yearly basis. The 4/2022 Audit Committee Meeting and 7/2022 Board of Directors Meeting on November 11, 2022 had considered the review of policy and procedure on connected transaction approval and resolved that in case there are no significant change, this matter should be considered every 3 years. Should there be any significant change, such a transaction should be immediately proposed to the Board of Directors Meeting.

### **Policy and Trend of Future Connected Transaction**

The Company forecasts that the connected transaction will continually incur such as construction service cost and property rental of which are normal business transaction and business support. There is no transfer of benefit between company, subsidiary or person with possible conflict. The Audit Committee or auditor or independent expert shall consider the appropriateness of price and reasonableness of transaction and disclose type, value and rationale of such transaction to shareholders with strict compliance to the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, the Company shall continuously promote understanding among all operating employees through holding of meetings to inform concerned parties of updates of regulations and written operating procedures to ensure full compliance with accuracy, transparency and protection of interests of stakeholders.

## PART 3 Financial Statements

## Directors' Responsibility Statement in relation to Financial Report

The board of directors is responsible to TRC Construction Public Company Limited and subsidiaries' separate and consolidated financial statements and financial information disclosed in the annual report. 2022 financial statement ended 31 December 2022 was prepared in accordance with Thailand's generally accepted accounting standard by using appropriate and consistently-used accounting policy. Attentive discretion, reasonable estimation and sufficient information disclosure in the note to financial statements were executed to reflect the company's financial status in a transparency manner and beneficial to investors. The mentioned financial statement was audited and unconditionally of the opinion by the independent CPA auditors.

In addition, the board of directors ensured proper, adequate and effective risk management and internal control system for the accounting information to be accurate, sufficient and able to preserve the company's properties and prevent frauds or other irregularities.

The board of directors appointed the audit committee consisted of independent directors to be responsible in supervising financial statement, evaluating internal control and internal audit system. The audit committee's opinion was specified in report of the audit committee disclosed in the Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report)

In conclusion, the board of directors is of the opinion that the company and subsidiaries' internal control and internal audit system were appropriate and reasonably assuring that TRC Construction Public Company Limited and subsidiaries' financial statements has shown accurate financial status, operating results and cashflow, in all material respects, in accordance to the financial reporting standard.

- Paichit Rattananon -

(Mrs. Paichit Rattananon)

Chairman

24 February 2023



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

## INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of  
TRC Construction Public Company Limited

### Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of TRC Construction Public Company Limited and its subsidiaries as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of TRC Construction Public Company Limited as at December 31, 2022, and its financial performance and its 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 describe 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 Matters

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

Revenue recognition, costs from construction agreement and provision of liabilities from construction project

As discussed in Note 4.1 Construction contract income, accounting policies for revenue and costs of construction services and Note 4.18 : Accounting policies in relation to significant accounting judgements and significant accounting estimates for estimated cost of construction projects and provision of liabilities from construction projects, I consider that revenue recognition, costs and estimates of possible loss from construction agreements are significant risks in the audit due to cost income from construction agreements recognised by the Group in each period has a significant amount when compared to total revenue, total cost of the Group. In addition, the valuation process includes an appropriate period for revenue recognition, costs and estimates of potential losses require the significant judgment of the management to assess the stage of completion of the construction and the possibility of loss and measure the loss that may arise. It may cause the risks related to the value of income, costs and estimates of possible losses from construction agreements.

Risk response by auditor

- To inquire the responsible management and understand the process of obtaining revenue from construction agreements, estimation and project cost adjustments, revenue and cost recognition, estimation the work completion and potential loss that may arise from construction agreements.
- To test the effectiveness of the internal control system established by the Group to control the contracting process, estimation and project cost adjustments, revenue recognition, costs and estimates of work completion and possible loss that may arise from construction agreements.
- To check the actual costs with the supporting documents and test the calculation of the stage of work completion from the actual costs incurred, check the project completion stages estimated by the project manager with the assessment reports submitted to the project owner including consideration of conformity with the assessment documentation and request a written certification from the responsible person of the project, review the management's supporting reasons for the differences between the success stages of work that are considered from the proportion of actual construction work assessed by project engineers and the stage of completion based on the actual construction cost incurred as at the end of the period and the estimated construction cost, visit the project and observe the measurement of the success of the work, comparative analysis of gross profit margin of construction with project cost estimate to assess the estimation of possible losses incurred, read the construction agreement and inquire the management about the conditions and risks of such agreements regarding revenue recognition and estimation of potential losses incurred.



### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct 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 consolidated financial statements and separate 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 consolidated financial statements and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, 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 a financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate 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 consolidated financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate 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 pany'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 consolidated financial statements and separate 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 consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate 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 we 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 consolidated financial statements and separate 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.

- *Peradate Pongsathiansak* -

(Mr. Peradate Pongsathiansak)

Certified Public Accountant

Registration No. 4752

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 24, 2023

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		ASSETS				
		Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2022	2021	2022	2021	
<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	6	15,709,111	52,941,566	7,037,598	29,688,610
	Trade and other current receivables	5, 7	247,033,193	408,603,965	144,069,405	237,712,425
	Contract assets	5, 8	2,742,292,286	2,285,558,174	552,995,810	745,770,767
	Short-term loans to related parties	5	17,969,257	21,200,000	2,778,001	-
	Advances paid to subcontractors under construction contracts	5	354,245,383	380,783,445	23,597,275	39,094,746
	Inventories	9	1,608,139	1,608,139	1,608,139	1,608,139
	Withholding tax deducted at source	10	122,855,647	69,109,599	79,856,996	44,803,582
	Other current assets	11	49,702,189	23,834,508	10,612,643	9,443,902
	<b>Total current assets</b>		<b>3,551,415,205</b>	<b>3,243,639,396</b>	<b>822,555,867</b>	<b>1,108,122,171</b>
<b>NON-CURRENT ASSETS</b>						
	Restricted deposits at banks	12	53,552,506	31,959,654	26,115,000	29,110,000
	Long-term loans to related parties	5	-	-	-	-
	Investments in subsidiaries	13	-	-	477,372,377	477,372,377
	Investments in associate	14	-	-	-	-
	Investments in joint ventures	15	123,990,703	138,889,063	115,375,287	109,375,237
	Property, plant and equipment	16	571,987,169	619,141,541	547,389,249	592,512,545
	Right-of-use assets	17	14,673,263	18,464,628	12,969,868	12,463,945
	Intangible assets	18	9,096,591	11,179,121	8,899,288	11,013,073
	Deferred tax assets	19	20,507,563	27,304,281	17,582,843	19,060,978
	Other non-current assets		8,168,265	4,754,903	1,574,294	1,564,175
	<b>Total non-current assets</b>		<b>801,976,060</b>	<b>851,693,191</b>	<b>1,207,278,206</b>	<b>1,252,472,330</b>
	<b>TOTAL ASSETS</b>		<b>4,353,391,265</b>	<b>4,095,332,587</b>	<b>2,029,834,073</b>	<b>2,360,594,501</b>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2022

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans					
from financial institutions	20	939,908,999	796,616,853	307,402,365	373,157,526
Trade and other current payables	5, 21	788,918,857	780,521,898	407,216,440	393,726,408
Unbilled payable		1,174,281,648	839,728,216	147,488,550	196,379,727
Contract liabilities	8	617,556,759	910,992,588	87,180,221	217,871,888
Short-term loans from related person or parties	5	73,300,000	-	712,213,933	693,000,000
Accounts payable - retention under construction contracts		284,929,835	229,606,454	32,842,708	27,812,921
Provision for liabilities under construction projects	22	64,486,304	75,994,205	61,462,896	59,226,119
Current portion of lease liabilities	23	10,378,697	13,051,464	6,784,394	7,349,231
Income tax payable		238,639	1,278,102	-	-
Other current liabilities	24	33,670,802	7,769,360	8,606,259	16,016,434
Total current liabilities		<u>3,987,670,540</u>	<u>3,655,559,140</u>	<u>1,771,197,766</u>	<u>1,984,540,254</u>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	23	7,803,892	8,212,242	7,493,936	6,763,266
Non-current provisions for employee benefits	25	38,705,103	61,266,224	27,187,876	37,048,617
Provision for litigation	34	2,493,836	2,493,836	2,493,836	2,493,836
Non-other current liabilities	5	13,890,006	-	-	-
Total non-current liabilities		<u>62,892,837</u>	<u>71,972,302</u>	<u>37,175,648</u>	<u>46,305,719</u>
<b>TOTAL LIABILITIES</b>		<u>4,050,563,377</u>	<u>3,727,531,442</u>	<u>1,808,373,414</u>	<u>2,030,845,973</u>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2022

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Share capital					
Registered					
9,587,146,838 ordinary shares of Baht 0.125 each		1,198,393,355	1,198,393,355	1,198,393,355	1,198,393,355
Issued and paid-up					
9,587,146,838 ordinary shares of Baht 0.125 each		1,198,393,355	1,198,393,355	1,198,393,355	1,198,393,355
Share premium		-	-	-	-
Other deficit		-	(2,955,890)	-	-
Retained earnings (deficits)					
Appropriated - statutory reserve					
The Company	27	-	-	-	-
Subsidiary		-	4,108,018	-	-
Unappropriated		(913,844,821)	(816,251,759)	(976,932,696)	(868,644,827)
Other components of shareholders' equity		15,818,224	16,118,120	-	-
Equity attributable to owners of the Company		300,366,758	399,411,844	221,460,659	329,748,528
Non-controlling interests of the subsidiaries		2,461,130	(31,610,699)	-	-
Total shareholders' equity		302,827,888	367,801,145	221,460,659	329,748,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,353,391,265	4,095,332,587	2,029,834,073	2,360,594,501

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>REVENUES</b>					
	5				
Construction services income		3,283,819,565	3,819,469,458	1,020,766,172	1,664,261,128
Other services income		57,870,217	17,484,325	-	-
Sales income		1,600,263	8,395,789	-	-
Interest income		1,211,743	487,116	70,038	28,853
Other income		28,518,894	42,423,684	22,800,534	46,847,865
Total revenues		3,373,020,682	3,888,260,372	1,043,636,744	1,711,137,846
<b>EXPENSES</b>					
Cost of construction services	5	3,067,463,106	3,625,751,623	913,209,684	1,622,712,851
Cost of other services		52,045,242	10,240,815	-	-
Cost of sales		1,222,402	8,163,411	-	-
Administrative expenses		258,320,791	260,212,754	199,381,886	199,695,199
Loss from business dissolution in the subsidiary	13	36,845,368	-	-	-
Total expenses		3,415,896,909	3,904,368,603	1,112,591,570	1,822,408,050
Profit (loss) from operating activities		(42,876,227)	(16,108,231)	(68,954,826)	(111,270,204)
Finance cost	5	(42,550,115)	(35,060,048)	(45,129,400)	(41,185,926)
Share of profit (loss) from investments in associate	14.2	-	-	-	-
Share of profit (loss) from investments in joint venture	15.1	(21,036,979)	2,561,625	-	-
Profit (loss) before income tax expenses		(106,463,321)	(48,606,654)	(114,084,226)	(152,456,130)
Income tax income (expenses)	29	(6,091,248)	(10,693,103)	(23,237)	12,513,309
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>(112,554,569)</b>	<b>(59,299,757)</b>	<b>(114,107,463)</b>	<b>(139,942,821)</b>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Other comprehensive income:					
Components of other comprehensive income to be reclassified to profit or loss					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(3,631,811)	(1,956,467)	-	-
Components of other comprehensive income not to be reclassified to profit or loss					
Actuarial gains - net of income tax	25	14,367,755	22,025,368	5,819,594	30,929,309
Other comprehensive income for the year - net of income tax		10,735,944	20,068,901	5,819,594	30,929,309
Total comprehensive income for the year		<u>(101,818,625)</u>	<u>(39,230,856)</u>	<u>(108,287,869)</u>	<u>(109,013,512)</u>
Profit (loss) attributable to:					
Equity holders of the Company		(111,960,817)	(57,387,519)	(114,107,463)	(139,942,821)
Non-controlling interests of the subsidiaries		(593,752)	(1,912,238)	-	-
		<u>(112,554,569)</u>	<u>(59,299,757)</u>	<u>(114,107,463)</u>	<u>(139,942,821)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		(97,892,958)	(36,637,099)	(108,287,869)	(109,013,512)
Non-controlling interests of the subsidiaries		(3,925,667)	(2,593,757)	-	-
		<u>(101,818,625)</u>	<u>(39,230,856)</u>	<u>(108,287,869)</u>	<u>(109,013,512)</u>
Earnings per share	30				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.0117)</u>	<u>(0.0060)</u>	<u>(0.0119)</u>	<u>(0.0146)</u>



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

	Baht												
	Consolidated financial statements												
	Equity attributable to the parent's shareholders											Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Other deficit		Retained earnings (deficit)			Other components of equity			Total equity attributable to shareholders of the Company			
Deficit on revaluation of investment in subsidiaries		Total other deficit	Appropriated - The Company	Statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Share of other comprehensive income from associate	Total other components of shareholders' equity					
Balance as at January 1, 2021	1,198,393,355	(2,955,890)	(2,955,890)	-	4,108,018	(780,889,608)	16,493,294	899,774	17,393,068	436,048,943	(29,016,942)	407,032,001	
Profit (loss) for the year	-	-	-	-	-	(57,387,519)	-	-	-	(57,387,519)	(1,912,238)	(59,299,757)	
Other comprehensive income for the year	-	-	-	-	-	22,025,368	(1,274,948)	-	(1,274,948)	20,750,420	(681,519)	20,068,901	
Total comprehensive income for the year	-	-	-	-	-	(35,362,151)	(1,274,948)	-	(1,274,948)	(36,637,099)	(2,593,757)	(39,230,856)	
Balance as at December 31, 2021	1,198,393,355	(2,955,890)	(2,955,890)	-	4,108,018	(816,251,759)	15,218,346	899,774	16,118,120	399,411,844	(31,610,699)	367,801,145	
Balance as at January 1, 2022	1,198,393,355	(2,955,890)	(2,955,890)	-	4,108,018	(816,251,759)	15,218,346	899,774	16,118,120	399,411,844	(31,610,699)	367,801,145	
Profit (loss) for the year	-	-	-	-	-	(111,960,817)	-	-	-	(111,960,817)	(593,752)	(112,554,569)	
Other comprehensive income for the year	-	-	-	-	-	14,367,755	(299,896)	-	(299,896)	14,067,859	(3,331,915)	10,735,944	
Total comprehensive income for the year	-	-	-	-	-	(97,593,062)	(299,896)	-	(299,896)	(97,892,958)	(3,925,667)	(101,818,625)	
Effective loss from business dissolution in the subsidiary	-	2,955,890	2,955,890	-	(4,108,018)	-	-	-	-	(1,152,128)	37,997,496	36,845,368	
Balance as at December 31, 2022	1,198,393,355	-	-	-	-	(913,844,821)	14,918,450	899,774	15,818,224	300,366,758	2,461,130	302,827,888	

Note

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

		Baht			
		Separate financial statements			
		Issued and paid-up share capital	Retained earnings (deficit) Appropriated - Statutory reserve	Unappropriated	Total shareholders' equity
	Note				
Balance as at January 1, 2021		1,198,393,355	-	(759,631,315)	438,762,040
Profit (loss) for the year		-	-	(139,942,821)	(139,942,821)
Other comprehensive income for the year		-	-	30,929,309	30,929,309
Total comprehensive income for the year		-	-	(109,013,512)	(109,013,512)
Balance as at December 31, 2021		1,198,393,355	-	(868,644,827)	329,748,528
Balance as at January 1, 2022		1,198,393,355	-	(868,644,827)	329,748,528
Profit (loss) for the year		-	-	(114,107,463)	(114,107,463)
Other comprehensive income for the year		-	-	5,819,594	5,819,594
Total comprehensive income for the year		-	-	(108,287,869)	(108,287,869)
Balance as at December 31, 2022		1,198,393,355	-	(976,932,696)	221,460,659

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit (loss) before tax	(106,463,321)	(48,606,654)	(114,084,226)	(152,456,130)
Adjustments to reconcile profit (loss) before tax				
to net cash provided by (paid from) operating activities				
Depreciation and amortisation	69,579,435	71,699,035	62,262,757	59,805,279
The expected credit loss allowance	979,227	-	979,227	-
Unrealised (gain) loss on exchange rate	344,179	(87,134)	344,179	(87,134)
Gain on disposal of equipment	(475,049)	(1,222,799)	(442,050)	(1,170,975)
Loss on write-off of equipment	1,931,353	9,780,265	1,926,638	120,304
(Gain) loss from cancellation of lease agreement	-	1,260,970	-	(92,581)
Loss from business dissolution in the subsidiary	36,845,368	-	-	-
Gain from the loss of control in the subsidiary	-	(5,170,200)	-	-
Share of (profit) loss from investments in joint venture	21,238,410	(3,135,349)	-	-
Loss on write-off of withholding tax	-	470,606	-	1,500
Provision for liabilities under construction projects	28,037,174	113,263,210	3,500,000	113,263,210
Non-current provisions for employee benefits	7,884,501	12,777,511	5,864,767	9,204,118
Interest income	(1,211,743)	(487,116)	(70,038)	(28,853)
Interest expenses	42,550,115	35,060,048	45,129,400	41,185,926
Profit (loss) from operating activities before changes in				
operating assets and liabilities	101,239,649	185,602,393	5,410,654	69,744,664
(Increase) decrease in operating assets				
Trade and other current receivables	161,254,198	(124,589,580)	92,700,707	(99,702,932)
Contract assets	(456,734,112)	(585,823,727)	192,774,957	(115,125,080)
Advance paid to subcontractors under construction contracts	26,538,062	117,519,228	15,497,471	136,665,379
Inventories	-	67,816	-	-
Other current assets	(25,867,681)	20,724,010	(1,168,741)	4,882,325
Other non-current assets	(3,413,362)	(1,324,860)	(10,119)	117,150

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Increase (decrease) in operating liabilities				
Trade and other current payables	9,888,990	70,883,251	(10,176,011)	(18,875,991)
Unbilled payables	334,553,432	385,337,486	(48,891,177)	183,496,716
Contract liabilities	(293,435,829)	(12,926,820)	(130,691,667)	(53,492,930)
Accounts payable - retention under construction contracts	55,323,381	70,647,266	5,029,787	18,225,414
Other current liabilities	25,901,442	(8,082,015)	(7,410,175)	4,944,961
Other non-current liabilities	13,890,006	-	-	-
Cash flows from provide by (used in) operating activities	(50,861,824)	118,034,448	113,065,686	130,879,676
Cash paid for provision for liabilities under construction projects	(39,545,075)	(168,141,457)	(1,263,223)	(57,565,966)
Cash paid for non-current provision for employee benefits	(12,485,928)	(6,086,650)	(8,451,016)	(1,832,681)
Cash paid for non-current provision for Litigation	-	(17,506,164)	-	(17,506,164)
Cash paid for income tax	(115,447,956)	(68,317,854)	(92,765,920)	(44,803,581)
Received from withholding tax refund	57,775,976	172,158,439	57,712,506	123,408,425
Net cash flows provided by (used in) operating activities	(160,564,807)	30,140,762	68,298,033	132,579,709
Cash flows from investing activities				
Decrease (increase) in restricted deposits at bank	(21,592,852)	238,841	2,995,000	240,000
Decrease (increase) in short-term loans to related parties	3,230,743	(21,200,000)	(2,778,001)	50,000
Cash paid for investing in subsidiaries	-	-	-	(1,423,920)
Cash paid for investing in joint venture	(6,340,050)	(6,999,750)	(6,000,050)	(6,750,050)
Interest income	549,090	(229,467)	33,124	29,040
Cash received from disposal of equipment	475,056	1,973,202	442,056	1,170,981
Cash paid for purchase of property, plant and equipment	(15,608,854)	(74,689,050)	(15,218,641)	(70,693,981)
Cash paid for purchase of intangible assets	(224,470)	(145,700)	(153,470)	(78,000)
Net cash flows provided by (used in) investing activities	(39,511,337)	(101,051,924)	(20,679,982)	(77,455,930)

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CASH FLOWS (CONT.)  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	143,292,146	87,156,959	(65,755,161)	(41,502,368)
Cash receive from short-term loans from person or related parties	75,300,000	-	232,913,933	279,000,000
Cash paid for short-term loans from person or related parties	(2,000,000)	-	(213,700,000)	(228,000,000)
Interest expenses	(38,364,083)	(33,200,891)	(16,088,272)	(26,943,914)
Decrease in lease liabilities	(11,752,563)	(17,931,852)	(7,639,563)	(10,237,468)
Net cash flows provided by (used in) financing activities	166,475,500	36,024,216	(70,269,063)	(27,683,750)
Increase (decrease) in translation adjustment	(3,631,811)	(1,956,467)	-	-
Net increase (decrease) in cash and cash equivalents	(37,232,455)	(36,843,413)	(22,651,012)	27,440,029
Cash and cash equivalents at the beginning of the year	52,941,566	89,784,979	29,688,610	2,248,581
Cash and cash equivalents at the end of the year	15,709,111	52,941,566	7,037,598	29,688,610
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in purchase of fixed assets				
that have yet to be paid	(5,082,478)	(8,970,098)	(5,036,916)	(6,963,658)
Lease liabilities	7,731,682	10,131,233	7,123,048	8,565,700

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. GENERAL INFORMATION

TRC Construction Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in construction service and its registered address is No. 8, Soi Sukhapiban 5 soi 32, Kwang Tha Raeng, Khet Bang Khen, Bangkok.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 The accompanying consolidated financial statements include the financial statements of TRC Construction Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company.

Name	Business type	Country of registration	Percentage of shareholding (%)	
			As at December 31,	
			2022	2021
<u>Held by the Company</u>				
Sahakarn Wisavakorn Company Limited	Construction service - basic infrastructure	Thailand	99.99	99.99
TRC Investment Limited	Holding company	The Republic of Mauritius	100.00	100.00
TRC Utility Company Limited **	To produce and distribute tap water	Thailand	-	50.00
AT Energy Solution Company Limited	Energy production and distribution	Thailand	50.00	50.00
Olive Technology Company Limited	Data management and processing	Thailand	49.97	49.97
<u>Held by the Company's subsidiaries</u>				
Hydrotek Sahakarn Joint Venture (held by Sahakarn Wisavakorn Company Limited)	Construction services	Thailand	49.00	49.00
TRC International Limited (held by TRC Investment Limited)	Holding company	Hong Kong	100.00	100.00
TRC Middle East LLC * (held by TRC International Limited)	Construction services	Sultanate of Oman	-	70.00
TRC Engineering LLC * (held by TRC International Limited)	Construction services	Sultanate of Oman	-	70.00
Mahat Company Limited (held by Olive Technology Company Limited)	Data management and processing	Thailand	59.98	59.98
SAHAHYDRO PATTAYA Joint Venture (held by Sahakarn Wisavakorn Company Limited)	Construction services	Thailand	100.00	100.00

\* On September 30, 2022, the subsidiary has dissolved the business and undergone the liquidation process.

\*\* From August 16, 2021 the status of such company changed from the Subsidiary to the Joint venture with 50% shareholding.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

- 2.2 The Company is deemed to have control over an investee or subsidiaries 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.
- 2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using yearly 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.
- 2.6 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.8 The separate financial statements present investments in subsidiaries, associate and joint ventures under the cost method.

**3. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS****3.1 Basis for the preparation of financial statements**

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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

All financial information presented has been rounded to the nearest thousand unless otherwise stated.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## 3.2 Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 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 practices, accounting guidance and disclosures in the notes to the financial statements and, for some standards, providing temporary reliefs or temporary exemptions to users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

## 3.3 Revised Financial Reporting Standards that will become effective for the financial statements with the accounting period beginning on or after January 1, 2023

The Federation of Accounting Professions has announced to apply several revised financial reporting standards in the Royal Gazette. This will become effective for the financial statements with the accounting period beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards adopted before 2023.

The management of the Group believe that this revision of the standards will not significantly affect the financial statements.

## 3.4 New Financial Reporting Standards

The Federation of Accounting Professions has announced to apply the Financial Reporting Standard No.17 on "Insurance Contract" in the Royal Gazette. This standard requires to comply with the defined criteria of the international reporting standards including various related improvements. The effective date is to apply on the financial statements for the accounting period beginning on or after January 1, 2025.



## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES

## 4.1 Revenue and expense recognition

## Services income and service cost from construction

The Group considered that most of the construction agreement had involved a single performance obligation. The Group recognized the revenue from rendering services under construction agreement throughout the construction period by using the outcome method to measure the success of work which assessed the ratio of work completed by the project engineer. The percentage of work completed had been considered and calculated by comparing the actual construction costs incurred until the end of the year with the total cost of construction that was expected to be used in the construction agreement. The allowance for losses would be provided for the construction project in full amount when it was clear that the construction project would suffer a loss.

The likelihood of contract variations claims and liquidated damages, delays in delivery or contractual penalties are taken into account in determining the 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.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Costs of construction contracts comprise the costs of supply, subcontractors' charges, other services and overheads which are recognized on the percentage-of-completion method.

The recognised cost of construction which have not yet been due have been shown under the caption of "Unbilled payable" in the statements of financial position.

## Revenue and cost of system development services

Revenue from system development services of subsidiaries is recognized over time when services have been rendered taking into account the stage of completion. by measuring from the ratio of the services cost completed until present compared to the total estimate of services cost.

Revenue from system maintenance and equipment maintenance services of subsidiaries is recognized as revenue over the service period under the contract on a straight-line basis.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## Sales income

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

## Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis.

## Other income and expense

The Group have recognised the other income and expenses based on the accrual basis.

## 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and highly liquid short-term investment with an original maturity of three months or less and not subject to withdrawal restrictions.

## 4.3 Financial Instruments

## Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Group' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs of financial assets are recognized as expense in profit or loss. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement of debt instruments by 3 methods depends on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.

- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

#### Classification and valuation of financial liabilities

The Group are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

#### Derecognition of financial instruments

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Group use the general approach in considering the allowance for loss on impairment. For trade receivables, the Group apply a simplified approach in calculating ECLs. The Group recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

## Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Group intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

## 4.4 Inventories

Finished goods are valued at the lower of cost or net realizable value. Cost price is determined by the weighted average method.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## 4.5 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements. The Company recognizes gain or loss on sale in the statement of income in the period which sale of investment occurred. In the case of impairment on investment, the Company will recognize loss from impairment of investment as expense in the statement of comprehensive income. The Company recognizes dividends when the subsidiaries announce to pay dividends.

## 4.6 Investment in associates

Associates are all entities over which the Group has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognized at cost and presented in the consolidated financial statements by the equity method.

Investments in associates are presented in the separate financial statements and stated at cost net from allowance on decline in value (if any).

## 4.7 Investment in joint ventures

Investment in joint ventures is presented in the separate financial statements by stating at cost net of the allowance for impairment (if any). Joint venture is recorded by the equity method in the consolidated financial statements. Investment in joint venture is initially measured at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses on the portion that belongs to the Company and movements in other comprehensive income. When the Company's share of losses on the portion that belongs to the Company in a joint venture equals or exceeds its interests in the joint ventures, the Company will recognise such losses as an obligation of the Company's interest in the joint ventures.

## 4.8 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Building and structures	3 - 30 years
Tools and equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicle	5 years

The Group have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

The Group have written off the property, plant and equipment at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

#### 4.9 Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Computer software	3 - 10 years
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The useful lives are reviewed by the Group every year.

The amortization is included in the determination of income.

#### 4.10 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## 4.11 Leases

At inception of a contract, the Group assess whether the 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 assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

**Right-of-use assets-as a lessee**

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

**Lease liabilities**

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also 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 the option to terminate.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

In calculating the present value of lease payments, the Group use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, 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**

The Group apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

The Group recognized the lease payments from operating leases as revenue on a straight-line basis over the term of the lease agreement.

**4.12 Foreign currencies**

Transactions in foreign currencies are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currency outstanding at the statement of financial position date are translated into Baht at the rates ruling on the statement of financial position date.

Exchange gains and losses are included in determining earnings.



## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## 4.13 Impairment of assets non-financial assets

As at the statement of financial position date, the Group have assessed whether there is an indication of asset impairment. If any such indication exists, the Group will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell. In determining fair value costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transactions between knowledgeable, willing parties, after deducting the costs of disposal.

## 4.14 Employee benefits

## Short-term employment benefits

The Group recognizes salary, wage, bonus and contributions to social security fund as expenses when incurred.

## 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 Company's contributions are recognized as expenses when incurred.

## Post-employment benefits (Defined benefit plans and other long-term employee benefits)

The Group have obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. Moreover, the Group have prepared for other long-term employee benefit programs, such as reward project for completion of work plans.

The Group have calculated the liabilities under employee post-employment benefits plan and other long-term employee benefits using the Projected Unit Credit Method, which an independent expert evaluated such obligations in accordance with actuarial principles. Such estimation principle requires various assumptions including assumptions about discount rates, future salary increase rates, staff turnover rate, mortality rate and gold price.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## 4.15 Income tax (income) expense

Income tax

Income tax comprises current income tax 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 tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Group will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Group expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Group will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Group offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## 4.16 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

## 4.17 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## 4.18 Significant accounting judgements 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 amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

Construction contracts

The Group recognises revenue from construction contracts over time taking into account the stage of completion. The management has exercised judgement in measuring the progress towards satisfaction of the performance obligation, with reference to information provided by project engineers or project managers and relying on their expertise and past experience.

The expected credit loss allowance

In determining the expected credit loss allowance, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Estimated construction project costs

Management applied judgement in estimating the 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.

Provision for liabilities under construction projects

Provision for liabilities under project warranties

The Group recognized a provision for expected warranty claims in respect of construction projects completed during the year, based on repair expenses expected to be paid in the future, actual costs incurred in the past and the contract value. The Group expected that most of these costs will be incurred in the next financial year and all will have been incurred within two years of the end of the reporting period.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## Provision for losses on construction projects

The Group recognized a provision for the loss expected to be realised on each construction project, based on estimates of anticipated costs by taking into account of the progress of the project and actual costs incurred to the completion date.

## Provision for penalties due to project delays

The Group are recognized a provision for the loss expected to be realised on construction projects that cannot be completed within the stipulated timeframe. The loss is estimated based on the penalty rate stipulated in the contract and the amount expected to be paid in the future.

## Impairment of investments

The Group treat these investments as impairment when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

## Property, plant and equipment/Depreciation and right of use assets and amortisation of intangible assets

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

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

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

## Determining the lease term of contracts with renewal and termination options

The Group determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

## Deferred tax assets

Deferred tax assets are recognized 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 utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

## Post-employment benefits under defined benefit plans and other long-term employee benefits defined benefit plan

The obligation under the defined benefit plan and other long-term employee benefit defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, staff turnover rate and gold price, etc.

## Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess the results of the litigation and believed that it will win the case. However, for prudent reason, the management has displayed judgement to set up certain provision for litigation as at the end of the reporting period.

## Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Group are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

5. RELATED PARTY TRANSACTIONS

During the year, 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 Company, its subsidiaries and those related parties.

Details of relation between the Company and its related parties and companies are summarized as follows:

Company's name	Country of incorporation	Type of relation
Sahakarn Wisavakorn Company Limited	Thailand	Subsidiary company
TRC Investment Limited	The Republic of Mauritius	Subsidiary company
TRC Utility Company Limited	Thailand	Subsidiary company from August 16, 2021 the status of such company changed from the Subsidiary to the Joint venture with 50% shareholding
Hydrotek Sahakarn Joint Venture	Thailand	Subsidiary company
TRC International Limited	Hong Kong	Subsidiary company
TRC Middle East LLC *	Sultanate of Oman	Subsidiary company
TRC Engineering LLC *	Sultanate of Oman	Subsidiary company
Olive Technology Company Limited	Thailand	Subsidiary company
Mahat Company Limited	Thailand	Subsidiary company
SAHAHYDRO PATTAYA Joint Venture	Thailand	Subsidiary company
ASEAN Potash Chaiyaphum Public Company Limited	Thailand	Associated company
Sinopec-TRC Joint Venture	Thailand	Joint venture
SH Crossing Company Limited	Thailand	Joint venture
AT Energy Solution Company Limited	Thailand	Joint venture
Sahakarn Underground Joint Venture	Thailand	Joint venture
XSENSE - OLIVE Joint Venture	Thailand	Joint venture
EXPRESS WORLD TRACKING Joint Venture	Thailand	Joint venture
Pasit Leesakul	Thailand	Director
Paichit Rattananon	Thailand	Chairman of the Board of Directors

\* On September 30, 2022, the subsidiary has dissolved the business and undergone the liquidation process.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Significant transactions with person or related companies for the years ended December 31, 2022 and 2021 are as follows :

	In Million Baht				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	2022	2021	2022	2021	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of construction services	-	-	29	3	Cost plus margin
Finance cost	-	-	25	26	At rate of 2.5% - 6.25% p.a.
Other income	-	-	15	14	Cost plus margin
<u>Transactions with person or related parties</u>					
Finance cost	4	-	4	-	At rate of 8.00% p.a.
Services income	53	-	-	-	Contract price
Other income	5	2	4	-	Cost plus margin
Interest income	1	-	-	-	At rate of 2.5% - 6.25% p.a.

The significant outstanding balances with person or related parties and companies as at December 31, 2022 and 2021 are as follows :

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Trade and other current receivables - related parties</u>				
Subsidiary companies	-	-	528,838	486,158
Associated company	383,420	383,420	383,420	383,420
Joint venture	35,876	22,572	7,583	8,471
Total	419,296	405,992	919,841	878,049
<u>Less</u> The expected credit loss allowance	(383,420)	(383,420)	(841,010)	(803,786)
Trade and other current receivables - related parties - net	35,876	22,572	78,831	74,263



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Account receivable - retention under</u>				
<u>construction contracts - related parties</u>				
Associated company	7,854	7,854	7,854	7,854
Joint venture	-	-	-	-
Total	7,854	7,854	7,854	7,854
<u>Less</u> : The expected credit loss allowance	(7,854)	(7,854)	(7,854)	(7,854)
Total account receivable - retention under				
<u>construction contracts - related parties - net</u>	-	-	-	-
<u>Advances paid to subcontractor under</u>				
<u>construction contract - related party</u>				
Joint venture	42,528	33,294	-	-
Total	42,528	33,294	-	-
<u>Short-term loans to related parties</u>				
Subsidiary companies	-	-	4,595	64,784
Joint venture	17,969	21,200	2,778	-
Total	17,969	21,200	7,373	64,784
<u>Less</u> : The expected credit loss allowance	-	-	(4,595)	(64,784)
Total short-term loans to related parties - net	17,969	21,200	2,778	-
<u>Long-term loans to related parties</u>				
Subsidiary companies	-	-	1,306,517	1,306,517
Total	-	-	1,306,517	1,306,517
<u>Less</u> : The expected credit loss allowance	-	-	(1,306,517)	(1,306,517)
Total long-term loans to related parties - net	-	-	-	-
<u>Trade and other current payables - person or</u>				
<u>related parties</u>				
Subsidiary companies	-	-	77,704	22,255
Joint ventures	41,741	11,092	44	-
Director and Chairman of the Board of	3,347	-	3,347	-
Directors				
Total	45,088	11,092	81,095	22,225

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Short-term loans from person or related parties</u>				
Subsidiary companies	-	-	638,914	693,000
Joint ventures	7,000	-	7,000	-
Director and Chairman of the Board of Directors	66,300	-	66,300	-
<b>Total</b>	<b>73,300</b>	<b>-</b>	<b>712,214</b>	<b>693,000</b>
<u>Non-other current liabilities - related parties</u>				
Joint ventures	13,890	-	-	-
<b>Total</b>	<b>13,890</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at December 31, 2022 and 2021, the balance of loans and short-term loans between the Company and related companies and the movements are as follows:

		In Thousand Baht			
		Consolidated Financial Statements			
Loans to	Related by	Balance as at	Increase	Decrease	Balance as at
		December 31, 2021			December 31, 2022
<u>Short-term loans</u>					
Sahakarn Underground Joint Venture	Joint Venture	9,200	-	(6,009)	3,191
TRC Utility Company Limited	Joint Venture	12,000	-	-	12,000
XSENSE - OLIVE Joint Venture	Joint Venture	-	2,778	-	2,778
<b>Total</b>		<b>21,200</b>	<b>2,778</b>	<b>(6,009)</b>	<b>17,969</b>
Less : The expected credit loss allowance		-	-	-	-
<b>Short-term loans - net</b>		<b>21,200</b>	<b>2,778</b>	<b>(6,009)</b>	<b>17,969</b>

		In Thousand Baht			
		Consolidated Financial Statements			
Loans from	Related by	Balance as at	Increase	Decrease	Balance as at
		December 31, 2020			December 31, 2021
<u>Short-term loans</u>					
Sahakarn Underground Joint Venture	Joint venture	-	9,200	-	9,200
TRC Utility Company Limited	Joint venture	-	12,000	-	12,000
<b>Total</b>		<b>-</b>	<b>21,200</b>	<b>-</b>	<b>21,200</b>
Less : The expected credit loss allowance		-	-	-	-
<b>Short term loans - net</b>		<b>-</b>	<b>21,200</b>	<b>-</b>	<b>21,200</b>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

		In Thousand Baht				
		Separate Financial Statements				
Loans to	Related by	Balance as at December 31, 2021	Increase	Decrease	Exchange rate adjustment	Balance as at December 31, 2022
<u>Short-term loans</u>						
TRC Investment Limited	Subsidiary company	3,986	594	-	15	4,595
TRC Engineering LLC	Subsidiary company	56,858	95	(56,953)	-	-
TRC Middle East LLC	Subsidiary company	3,940	142	(4,082)	-	-
XSENSE - OLIVE Joint Venture	Joint Venture	-	2,778	-	-	2,778
Total		64,784	3,609	(61,035)	15	7,373
Less : The expected credit loss allowance		(64,784)	(831)	61,035	(15)	(4,595)
Short-term loans - net		-	2,778	-	-	2,778
<u>Long-term loans</u>						
TRC Investment Limited	Subsidiary company	1,260,508	-	-	-	1,260,508
TRC International Limited	Subsidiary company	46,009	-	-	-	46,009
Total		1,306,517	-	-	-	1,306,517
Less : The expected credit loss allowance		(1,306,517)	-	-	-	(1,306,517)
Long-term loans - net		-	-	-	-	-
		In Thousand Baht				
		Separate Financial Statements				
Loans to	Related by	Balance as at December 31, 2020	Increase	Decrease	Exchange rate adjustment	Balance as at December 31, 2021
<u>Short-term loans</u>						
TRC Investment Limited	Subsidiary company	3,615	329	-	42	3,986
TRC Engineering LLC	Subsidiary company	56,704	154	-	-	56,858
TRC Middle East LLC	Subsidiary company	3,940	-	-	-	3,940
Olive Technology Company Limited	Subsidiary company	50	850	(900)	-	-
Total		64,309	1,333	(900)	42	64,784
Less : The expected credit loss allowance		(64,259)	(483)	-	(42)	(64,784)

Short-term loans - net			50	850	(900)	-	-
<u>Long-term loans</u>							
TRC Investment Limited	Subsidiary company		1,260,508	-	-	-	1,260,508
TRC International Limited	Subsidiary company		46,009	-	-	-	46,009
Total			1,306,517	-	-	-	1,306,517
Less : The expected credit loss allowance			(1,306,517)	-	-	-	(1,306,517)
Long-term loans - net			-	-	-	-	-

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Loans to related parties carried interest at rate of 2.5% - 5.0% per annum (December 31, 2021 : 3.5% - 7.0% per annum) due for repayment on demand and no security to guarantee.

The purpose of loans to TRC Investment Limited and TRC International Limited are long-term investments in ordinary share of ASEAN Potash Chaiyaphum Public Company Limited as described in Note 14 The Company classified these loans as long-term loans to related parties in the separate financial statements.

		In Thousand Baht			
		Consolidated Financial Statements			
Short-term loans from	Related by	Balance as at December 31, 2021	Increase	Decrease	Balance as at December 31, 2022
XSENSE - OLIVE Joint Venture	Joint Venture	-	7,000	-	7,000
Pasit Leesakul	Director	-	25,300	(2,000)	23,300
Paichit Rattananon	Chairman of the Board of Directors	-	43,000	-	43,000
<b>Total</b>		<b>-</b>	<b>75,300</b>	<b>(2,000)</b>	<b>73,300</b>

		In Thousand Baht			
		Separate Financial Statements			
Short-term loans from	Related by	Balance as at December 31, 2021	Increase	Decrease	Balance as at December 31, 2022
Sahakarn Wisavakorn Company Limited	Subsidiary company	693,000	128,000	(202,500)	618,500
SAHAHYDRO PATTAYA Joint Venture	Subsidiary company	-	16,614	(7,200)	9,414
Olive Technology Company Limited	Subsidiary company	-	13,000	(2,000)	11,000
XSENSE - OLIVE Joint Venture	Joint Venture	-	7,000	-	7,000
Pasit Leesakul	Director	-	25,300	(2,000)	23,300
Paichit Rattananon	Chairman of the Board of Directors	-	43,000	-	43,000
<b>Total</b>		<b>693,000</b>	<b>232,914</b>	<b>(213,700)</b>	<b>712,214</b>

		In Thousand Baht			
		Separate Financial Statements			
Short-term loans from	Related by	Balance as at December 31, 2020	Increase	Decrease	Balance as at December 31, 2021
Sahakarn Wisavakorn Company Limited	Subsidiary company	642,000	211,000	(160,000)	693,000
SAHAHYDRO PATTAYA Joint Venture	Subsidiary company	-	68,000	(68,000)	-
<b>Total</b>		<b>642,000</b>	<b>279,000</b>	<b>(228,000)</b>	<b>693,000</b>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Short-term loans from related parties carried interest at rate of 2.5% - 8.00% per annum (December 31, 2021 : 2.5% - 6.25% per annum) and due for repayment on demand and no security to guarantee.

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 33.4 and 33.5

Management benefit expenses

Management benefit expenses represent the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act.

Management benefit expenses for the years ended December 31, 2022 and 2021, are as follows :

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Management				
Management benefit expenses				
Short-term employee benefits	20	22	18	15
Post-employment benefits	1	1	1	1
Total	21	23	19	16

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Cash	1,377	1,620	180	453
Deposits at banks (saving and current account)	14,332	51,322	6,858	29,236
Total	15,709	52,942	7,038	29,689

Savings accounts carry interest at the floating rates which are set by the bank.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
Up to 3 months	16,668	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	383,420	383,420	383,420	383,420
Total trade accounts receivable - related parties	400,088	383,420	383,420	383,420
Less : The expected credit loss allowance	(383,420)	(383,420)	(383,420)	(383,420)
Total trade accounts receivable - related parties - net	16,668	-	-	-
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	94,901	222,400	33,973	112,141
Past due				
Up to 3 months	43,368	82,854	23,631	23,686
3 - 6 months	10,564	214	-	214
6 - 12 months	4,956	-	-	-
Over 12 months	214	12,972	214	-
Total trade accounts receivable - unrelated parties	154,003	318,440	57,818	136,041
Less : The expected credit loss allowance	(214)	(11,928)	(214)	-
Translation adjustment	-	(1,044)	-	-
Total trade accounts receivable - unrelated parties - net	153,789	305,468	57,604	136,041
Total trade accounts receivable - net	170,457	305,468	57,604	136,041
<u>Other current receivables</u>				
Advance to related parties	18,161	22,187	78,795	76,280
Interest receivable from related parties	1,047	385	457,627	418,349
Others	58,202	80,564	8,468	27,408
Total other current receivables	77,410	103,136	544,890	522,037
Less : The expected credit loss allowance	(834)	-	(458,425)	(420,366)
Total other current receivables - net	76,576	103,136	86,465	101,671
Total trade and other current receivables - net	247,033	408,604	144,069	237,712

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

The Group transferred rights to receive payment from accounts receivable under construction contracts to secure the credit facilities with banks. Pledged trade accounts receivable amounting to Baht 84 million included in the trade accounts receivable balance as at December 31, 2022 (the Company only : Baht 46 million) (December 31, 2021 : Baht 268 million, the Company only : Baht 99 million).

8. CONTRACT ASSETS / CONTRACT LIABILITIES

8.1 Contract balances

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Contract assets				
Unbilled receivable	2,472,845	2,042,845	494,535	675,299
Accounts receivable - retention under construction contracts	277,301	250,567	66,315	78,326
Less : The expected credit loss allowance	(7,854)	(7,854)	(7,854)	(7,854)
Total contract assets	<u>2,742,292</u>	<u>2,285,558</u>	<u>552,996</u>	<u>745,771</u>
Contract liabilities				
Unearned construction - revenue	3,280	54,289	3,280	54,289
Advances received from customers under construction project	614,276	856,704	83,900	163,583
Total contract liabilities	<u>617,556</u>	<u>910,993</u>	<u>87,180</u>	<u>217,872</u>

8.2 Unbilled receivable

As at 31 December 2022 and 2021, the Group had balance of unbilled receivables of Baht 2,391 million and Baht 1,960 million respectively. (Separate financial statements: Baht 413 million and Baht 593 million, respectively) was expected to be billed within one year.

As at 31 December 2022 and 2021, the Group had balance of unbilled receivables of Baht 82 million (Separate financial statements: Baht 82 million) was expected to be billed after one year as the Company was suing the party for breaching the terms of employment agreement according to the detail of Note 34 (the second case of the company).

8.3 Revenue recognised in relation to contract balances

During the years 2022 and 2021, the Group recognised contract liabilities at the beginning of the year of Baht 387 million and Baht 381 million, respectively. (Separate financial statements: Baht 192 million and Baht 212 million respectively) as revenue.



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

8.4 Revenue to be recognised for the remaining performance obligations

As at December 31, 2022 and 2021, the Group expected to recognise revenue totaling Baht 4,460 million and Baht 6,861 million, respectively. (Separate financial statements: Baht 586 million and Baht 1,065 million, respectively) in the future in respect of performance obligations under contracts with customers that have not been satisfied or partially unsatisfied. The Group expects to satisfy these performance obligations within 1-2 years.

9. INVENTORIES

Inventories are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Raw materials and construction supplies	2,302	2,302	2,302	2,302
Less Allowance for decline in value of inventories	(694)	(694)	(694)	(694)
Inventories - net	1,608	1,608	1,608	1,608

10. WITHHOLDING TAX DEDUCTED AT SOURCE

Withholding tax deducted at source are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Year 2019	566	566	-	-
Year 2020	-	64	-	-
Year 2021	68,480	68,480	44,804	44,804
Year 2022	53,810	-	35,053	-
	122,856	69,110	79,857	44,804

The Group record withholding tax deducted at source as an asset since they are entitled to claim for a refund of such tax. However, the net realisable value of tax refund is subject to the exercise of the claim right and the result of tax audit of the Group by Government Agency.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

11. OTHER CURRENT ASSETS

Other current assets are as follows :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Prepaid expenses	15,115	14,014	9,175	9,444
Account receivable - Revenue	21,845	8,921	-	-
Department				
Undue Input Vat	12,742	638	1,438	-
Other current assets	-	262	-	-
Total other current assets	49,702	23,835	10,613	9,444

12. RESTRICTED DEPOSITS AT BANKS

These balances represent saving deposit and fixed deposits that the Group pledged with bank guarantee facilities issued by the banks on behalf of the Group, as described in Note 33.4

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the separate financial statements which use the cost method are as follows:

Company's name	Business type	Country of registration	Shareholding percentage (%)		Paid-up capital		In Baht							
							Cost method		Allowance for loss on impairment of investment		Cost - net			
							As at December 31,		As at December 31,		As at December 31,		As at December 31,	
							2022	2021	2022	2021	2022	2021	2022	2021
Sahakarn Wisavakorn Company Limited	Construction services - basic infrastructure	Thailand	99.99	99.99	500,000,000	500,000,000	620,894,691	620,894,691	(145,071,416)	(145,071,416)	475,823,275	475,823,275		
					Baht	Baht								
TRC Investment Limited	Holding company	The Republic of Mauritius	100.00	100.00	1 USD	1 USD	32	32	-	-	32	32		
Olive Technology Company Limited	Data management and processing	Thailand	49.97	49.97	3,100,000	3,100,000	1,549,070	1,549,070	-	-	1,549,070	1,549,070		
					Baht	Baht								
Total							622,443,793	622,443,793	(145,071,416)	(145,071,416)	477,372,377	477,372,377		

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

TRC Utility Company Limited

According to the Extraordinary Shareholders' Meeting No. 2/2021, it had a resolution to increase the registered capital of the Company in the amount of Baht 49,000,000 as the new registered capital amounting Baht 50,000,000 by issuing 490,000 capital increase ordinary shares at Baht 100 per share.

TRC Construction Public Company Limited had a resolution to waive the right to purchase some of the newly issued ordinary shares of TRC-UT for 249,851 shares or 49.97% of the total capital increase ordinary shares of TRC-UT to Planet Utility Company Limited as the new investor. at the price below fair value. The estimated fair value of the ordinary shares of TRC Utility Company Limited is calculated by an independent appraiser as at the right offering at Baht 48.68 per share which is higher than the exercise price to purchase shares Baht 23.68 per share. TRC Utility Company Limited has recognised the expense from the share-based payment in profit and loss along with recognising the capital surplus from the share-based payment in shareholder's equity in the amount of Baht 5.92 million.

From such transaction, the Company then had lost control in TRC Utility Company Limited and now held the Joint venture status of the Company from August 16, 2021, onwards. The Company had changed the shareholding in TRC Utility Company Limited from 99.97% to 50% of the total number of ordinary shares. According to the agreement in the joint venture agreement, the Board of Directors of TRC Utility Company Limited has to consist of directors who are from both parties at equal number. The meeting resolution requires to receive the majority votes of all directors. At least, consent votes must be received from the directors of TRC Construction Public Company Limited and directors of Planet Utility Company Limited at least 1 director from each side. The Company had recognised the difference incurred from the loss of control in the subsidiary stated as profit (loss) for the period in the consolidated financial statements "Other income" as follows:

	Baht
The fair value of the retained investment (50%)	12,169,951.00
(Less) Net assets in the subsidiary that are derecognized	<u>(8,204,731.47)</u>
Loss from the loss of control in the subsidiary	<u><u>3,965,219.53</u></u>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS  
SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Olive Technology Company Limited

On December 11, 2019, the Board of Directors' Meeting No. 10/2019 had a resolution to approve the Company entering into a joint venture agreement with Xsense Information Service Company Limited. to conduct the business in providing research and development of inspection systems to government agencies, state enterprises and public education controlled through IOT system at the shareholding 50%. The registered date was on March 9, 2020 with the registered capital of Baht 1 million and the paid-up capital of Baht 0.25 million. The Company invested Baht 0.13 million.

According to the agreement in the joint venture agreement, the Board of Directors of Olive Technology Company Limited. consists of 5 directors - 3 from TRC Construction Public Company Limited. and 2 from Xsense Information Service Company Limited. The meeting resolution on various matters has to receive majority votes of all directors. This means TRC Construction Public Company Limited. will have control over the operation of Olive Technology Company Limited. Therefore, the Company considered the investments in Olive Technology Company Limited. as a subsidiary.

On August 14, 2020, the Board of Directors' Meeting of the Company No. 4/2020 had a resolution for Olive Technology Company Limited. to enter into the investment agreement with 2 partner companies to establish MAHAT Company Limited. to operate the business of providing research services, development of audit systems to government agencies, state enterprises and the private sectors in education controlled through IOT system with a registered capital of Baht 1 million and paid-up the shares in full amount. The subsidiary had invested at the total amount of Baht 0.60 million, or 60% in accordance with the agreement in the joint venture agreement of the Board of Directors' of MAHAT Company Limited. that consisted of 3 directors, from 2 subsidiaries and from 1 joint venture appointment. The resolution of the Board of Directors' meeting on various matters required the majority vote of all directors. This means the subsidiary will have power to control the operations of MAHAT Company Limited. Therefore, the subsidiary had decided to invest in MAHAT Company Limited. as a subsidiary.

During January 14-18, 2021 Olive Technology Company Limited. has called for capital increase from the shareholders Baht 0.60 million. Later, on October 22, 2021 the Extraordinary Shareholders Meeting No. 1/2021 of Olive Technology Company Limited. had a resolution to approve increasing the registered capital for 90,000 shares in the amount of Baht 9,000,000 from former ordinary shares 10,000 shares. The registered capital Baht 1,000,000 is 100,000 ordinary shares in the amount of Baht 10 million. The Company invested in the same ratio in total year 2021 in the amount of Baht 1,424,145.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Sahakam Wisavakorn Company Limited

On April 29, 2020, the subsidiary had entered into joint venture agreement with 2 partner companies on behalf of Saha Hydro Pattaya Joint Venture to participate in the bidding and work together on the East Railway Road Drainage Project, Phase 1 at Pattaya City. After the joint venture was the winner of the tender, the three joint venture members had signed a memorandum of understanding to assign a subsidiary (Sahakam Wisavakorn), which had a 50% investment shareholding in the joint venture, was solely responsible for all projects operation and receiving the outcome of the project operation (investment-profit-loss). Both partner companies do not invest in project working capital, not receive the shares of profit and loss, including not responsible for any damage that may occur from the project operation. Therefore, the subsidiary considers Saha Hydro Pattaya Joint Venture as a subsidiary.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

Details of investments in subsidiaries which are held by the Company's subsidiaries are as follows:

Company's name	Business type	Country of registration	Shareholding percentage (%)		Paid-up capital		In Baht					
							Cost method		Allowance for loss on impairment of investment		Cost method - net	
							As at December 31,		As at December 31,		As at December 31,	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Held by Sahakam Wisavakom Company Limited</u>												
Hydrotek Sahakam Joint Venture	Construction services	Thailand	49.00	49.00	1,000,000	1,000,000	490,000	490,000	-	-	490,000	490,000
					Baht	Baht						
SAHAHYDRO PATTAYA Joint Venture	Construction services	Thailand	100.00	100.00	200,000	200,000	200,000	200,000	-	-	200,000	200,000
					Baht	Baht						
<u>Held by TRC Investment Limited</u>												
TRC International Limited	Holding company	Hong Kong	100.00	100.00	10	10	33	33	-	-	33	33
					HKD	HKD						
<u>Held by TRC International Limited</u>												
TRC Middle East LLC	Construction services	Sultanate of Oman	-	70.00	-	150,000	-	12,322,330	-	(12,322,330)	-	-
					Omani Rial	Omani Rial						
TRC Engineering LLC	Construction services	Sultanate of Oman	-	70.00	-	250,000	-	13,654,506	-	(13,654,506)	-	-
					Omani Rial	Omani Rial						
<u>Held by Olive Technology Company Limited</u>												
Mahat Company Limited	Data management and processing	Thailand	59.98	59.98	1,000,000	1,000,000	599,800	599,800	-	-	599,800	599,800
					Baht	Baht						
Total							1,289,833	27,266,669	-	(25,976,836)	1,289,833	1,289,833

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Hydrotek Sahakarn Joint Venture

Sahakarn Wisavakorn Company Limited, which is the Company's subsidiary, and Hydrotek Public Company Limited agree that the subsidiary will be responsible for project execution of Hydrotek Sahakarn Joint Venture whereas Hydrotek Public Company Limited will not share any gain and loss as well as damage maybe arisen from this project. Later, on October 31, 2019, the Board of Directors' Meeting No.2/2019 approve to cease the business operation. As at December 31, 2022 such subsidiary is under liquidation process.

TRC Middle East LLC and TRC Engineering LLC

On March 10, 2016, the Meeting No. 3/2016 of the Company's Board of Directors passed a resolution to approve the closure of TRC Middle East LLC and TRC Engineering LLC. As at December 31, 2022 both subsidiary's business had been dissolved undergone the liquidation process and ended the status of the subsidiary. Both subsidiaries had been operating at loss so the Company has to recognize the loss from the subsidiary's business dissolution in the amount of Baht 36.85 million as stated in the statement of comprehensive income.

SAHAHYDRO PATTAYA Joint Venture

On April 29, 2020, the subsidiary had entered into joint venture agreement with 2 partner companies on behalf of SAHAHYDRO PATTAYA Joint Venture to participate in the bidding and work together on the East Railway Road Drainage Project, Phase 1 at Pattaya City. After the joint venture had been awarded the project, the three joint venture members had signed a memorandum of understanding to assign a subsidiary (Sahakarn Wisavakorn), which had a 50% investment shareholding in the joint venture, was solely responsible for all projects operation and receiving the outcome of the project operation (investment-profit-loss). Both partner companies will not invest in project working capital, Also, they will not share any gain and Loss as well as damage may be arisen from this project. Therefore, the subsidiary considers SAHAHYDRO PATTAYA Joint Venture as a subsidiary.

On March 10, 2021, the capital increase fund from the subsidiary had been received amounted Baht 0.2 million, or 100%.



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

14. INVESTMENTS IN ASSOCIATE

14.1 Details of associate

Investments in associate in the consolidated financial statements which use the equity method are as follows:

Company's name	Business type	Country of registration	Shareholding percentage (%)		Paid-up capital (Thousand Baht)		In Thousand Baht							
							Carrying amounts based on equity method		Allowance for loss on impairment of investment		Carrying amounts based on equity method - net			
							As at December 31,		As at December 31,		As at December 31,		As at December 31,	
							2022	2021	2022	2021	2022	2021	2022	2021
<u>Held by TRC Investment Limited</u>														
ASEAN Potash Chaiyaphum Public Company Limited	Mining Industries	Thailand	22.46	22.46	2,805,797	2,805,797	1,126,742	1,126,742	(1,126,742)	(1,126,742)	-	-		
<u>Held by TRC International Limited</u>														
ASEAN Potash Chaiyaphum Public Company Limited	Mining Industries	Thailand	2.67	2.67	2,805,797	2,805,797	85,989	85,989	(85,989)	(85,989)	-	-		
Total							1,212,731	1,212,731	(1,212,731)	(1,212,731)	-	-		

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

ASEAN Potash Chaiphum Public Company Limited

According to the concession application agreement between the associated company and the Department of Primary Industries and Mines, Ministry of Industry, in January 2015. The associated company was obligated to pay the special benefits in 8 installments amounting to Baht 433 million per installment with interest at the rate of 6.5% per annum, totaling Baht 569 million. It had started from 2018 and had an obligation to pay various fund payments every year throughout the concession certificate period. In addition, the associated company received a letter from the Chaiphum Provincial Industrial Office requesting payment of the first installment of the special benefits of Baht 569 million, including a fine at the rate of 15% per annum within 90 days from the date of receipt of the letter which was due in August 2018, otherwise the concession certificate might be revoked in accordance with Section 128 of the Minerals Act B.E. 2560.

In April 2018, the associated company had allocated and called for payment of newly issued ordinary shares No. 1, amounting to no more than 29 million shares, by offering the newly issued ordinary shares to the existing shareholders at the price of Baht 68.43 per share. The subscription and payment of shares will be made in July 2018. After the subscription and payment period had expired, there was no shareholder paid for the capital increase shares.

Such associated company was unable to pay the first installment of the special benefit payment according to such special benefit payment agreement as it was in the process of seeking the funding sources from both capital increase from shareholders and/or from requesting a credit line from commercial banks. In November 2018, the associated company was notified to the Company to pay the second installment of the special benefits amounting to Baht 569 million by January 15, 2019. If the payment deadline was overdue, the associated company would be required to pay a fine of 15 percent per annum of the amount of special benefit payments for the benefit of the state. At present, the associated company is unable to comply with such special benefit payment agreement.

According to the 2019 Annual General Meeting of Shareholders of the associated company, it had the resolutions to approve the amendment of the offering price of newly issued shares from the price of Baht 68.43 per share to the price of Baht 15.00 per share and consider approving the call for payment of shares by offering shares to the existing shareholders at the rate of 4 existing shares per 5 new shares at the offering price of Baht 15.00 per share and the subscription and payment period between May 27 - 31 and June 3 - 7, 2019 and had extended the subscription period to June 4 to August 5, 2019. When the subscription period and payment for the capital increase shares had expired, then there were 5 shareholders who paid for the newly issued shares amounting to Baht 18.38 million, but the amount received for the payment of the newly issued ordinary shares from the allotment of the newly issued ordinary shares was not complied to the planned operation. As a result, the associated company was unable to continue as planned, therefore, it had to return the payment for the newly issued ordinary shares to the shareholders on September 9, 2019.

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Therefore, the Board of Directors' Meeting No. 3/2019 dated February 12, 2019, it had the resolutions to approve the Company not to take any additional action in relation to investment in associated company. It was included not accepting any construction work from the associated company until there was a reliable source of funding for project development and approve the Company's subsidiary to record an allowance for impairment of investment in full amount with the total value of Baht 1,361 million. Due to the associated company had significant uncertainty, such as the obligation to pay the special benefits in both installments, it had then resulted in the risk of being revoked the concession certificate. There was still uncertainty about seeking additional funding to develop potash mining projects both in the part of the capital increase and there was no progress in finding new investors from both the public and private sectors and/or obtaining credit from commercial banks. As a result, the associated company had problems with working capital resulting in the delay in the project development plan of the associated company. The Company had to recognize the loss of the associated company by the equity method in the consolidated operating results for consecutive years. It would be more recognized in the future from recording the fine from the associated company's failure to pay the special benefits that had to pay every year. Although the Company's management had recorded full provision for loss for assets related to the associated company's potash mining project, the Company continued to have the duty and responsibility to do the best to restore the value of those assets as much as possible. In the future, if the value of those assets is returned, the Company will then be able to reverse the excess loss reserve and can recognize the future profits to compensate for losses from such reserves.

As at December 31, 2022, the associated company was still unable to settle payment for the special state benefits installment 1 - 6 of Baht 3,412 million, including the penalty fee at the rate of 15% per annum as the associated company is in the process of procuring additional funding sources in term of both calling for capital increase from the existing shareholders of the associated company and recruiting the new potential investors and the associated company has suspended the mine construction project temporary.

During the year 2022, the associated company had been sued from the parties on the breach of agreement according to the details in Note 34 (case No.3 of the associated company).

#### 14.2 Share of Profit (loss)

During the year ended December 31, 2022 and 2021, the Company has stop recognised its share of loss from investments in ASEAN Potash Chaiyaphum Public Company Limited in the consolidated financial statements as the share of loss in that ASEAN Potash Chaiyaphum Public Company Limited has the value equal to the value of the interest of the ASEAN Potash Chaiyaphum Public Company Limited. The Company did not guarantee for the debt obligation of the associated company.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

14.3 Summary of significant financial information on associate

ASEAN Potash Chaiyaphum Public Company Limited

Summary of information about financial position as at December 31, 2022 and 2021

	In Million Baht	
	2022	2021 (Restated)
Current assets	6	5
Non-current assets	6,579	6,593
Current liabilities	(5,632)	(4,585)
Non-current liabilities	(1,376)	(1,890)
Net assets	(423)	123
Shareholding percentage (%)	25.13	25.13
Share of net assets	(106)	31
Elimination entries	-	-
Goodwill	847	847
Total	741	878
Less: Allowance for loss on impairment of investment	(1,213)	(1,213)
Carrying amounts of associate based on equity method	(472)	(335)

Summary of information about comprehensive income for the year ended December 31, 2022 and 2021

	In Million Baht	
	2022	2021 (Restated)
Revenue	5	3
Profit (loss)	(545)	(498)
Other comprehensive income	-	-
Total comprehensive income	(545)	(498)

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

15. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures in the consolidated financial statements which use the equity method are as follows:

Company's name	Business type	Shareholding percentage (%)		Cost (Thousand Baht)		Carrying amounts based on equity method		Allowance for loss on impairment of investment		Carrying amounts based on equity method - net	
		As at December 31,		As at December 31,		As at December 31,		As at December 31,		As at December 31,	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Held by the Company</u>											
Sinopec-TRC Joint Venture	Construction service	30	30	2,376	2,376	2,376	2,376	-	-	2,376	2,376
AT Energy Solution Company Limited	Energy production and distribution	50	50	100,000	100,000	90,334	102,839	-	-	90,334	102,839
TRC Utility Company Limited	To produce and distribute tap water	50	50	12,999	6,999	15,238	9,424	-	-	15,238	9,424
<u>Held by Sahakarn Wisavakorn Company Limited</u>											
SH Crossing Company Limited	Construction service	51	51	20,400	20,400	15,225	23,704	-	-	15,225	23,704
Sahakarn Underground Joint Venture	Construction service	50	50	200	200	-	546	-	-	-	546
<u>Held by Olive Technology Company Limited</u>											
XSENSE - OLIVE Joint Venture	Data management and processing	40	-	40	-	818	-	-	-	818	-
EXPRESS WORLD TRACKING Joint Venture	Data management and processing	30	-	300	-	-	-	-	-	-	-
Total				<u>136,315</u>	<u>129,975</u>	<u>123,991</u>	<u>138,889</u>	<u>-</u>	<u>-</u>	<u>123,991</u>	<u>138,889</u>

Investments in joint ventures in the separate financial statements which use the cost method are as follows:

Company's name	Business type	Shareholding percentage (%)		In Thousand Baht					
				Cost method		Allowance for loss on impairment of investment		Cost method – net	
		As at December 31,		As at December 31,		As at December 31,		As at December 31,	
		2022	2021	2022	2021	2022	2021	2022	2021
Sinopec-TRC Joint Venture	Construction service	30	30	2,376	2,376	-	-	2,376	2,376
AT Energy Solution Company Limited	Energy production and distribution	50	50	100,000	100,000	-	-	100,000	100,000
TRC Utility Company Limited	To produce and distribute tap water	50	50	12,999	6,999	-	-	12,999	6,999
Total				<u>115,375</u>	<u>109,375</u>	<u>-</u>	<u>-</u>	<u>115,375</u>	<u>109,375</u>

## TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

SH Crossings Company Limited

On August 7, 2017, the Board of Directors had a resolution to approve the Subsidiary to establish of SH Crossings Company Limited (SHC) with a registered capital of 40 million baht (400,000 common shares with a par value of 100 baht per share) for the construction of underground manhole and electrical conduit construction project. The Subsidiary's share proportion was at 51%, totaling 203,998 shares with a par value of 100 baht per share. Since the Subsidiary and partner jointly participated in the financial and operating policies therefore the Subsidiary classified SHC as a joint venture and recognize as equity method.

AT Energy Solution Company Limited

On August 14, 2019, the Board of Directors' Meeting No.8/2019 had a resolution for the company to sign the joint venture agreement with Asia Green Energy Public Company Limited. and Appliance Technology Supply Company Limited to operate the energy production and distribution business at the shareholding 45%, 45%, 10%, respectively. The registered date was on August 14, 2019 with the registered capital of Baht 1 million. The Company invested Baht 449,900. Later Appliance Technology Supply Company Limited intended to sell all of the shares to the former joint investor : TRC Construction Public Company Limited and Asia Green Energy Public Company Limited On November 27, 2019, AT Energy Solution Company Limited. had increased its registered capital from Baht 1 million to Baht 200 million. On January 14, 2020, AT Energy Solution Company Limited had called for the payment of the remaining capital increase shares, resulting in an investment AT Energy Solution Company Limited for 99,999 shares at Baht 99,999,900 or shareholding of 50%.

According to the agreement in the joint venture agreement, the Board of Directors of AT Energy Solution Company Limited. consists of 4 directors appointed 2 from TRC Construction Public Company Limited. and 2 from Asia Green Energy Public Company Limited. The meeting resolution requires to receive the majority votes of all directors. At least, consent votes must be received from the directors of TRC Construction Public Company Limited. and directors of Asia Green Public Company Limited. at least 1 director from each side. Therefore, the Company considered the investments in AT Energy Solution Company Limited. as an joint venture.

Sahakarn Underground Joint Venture

On April 20, 2020, the subsidiary had entered into the joint venture agreement with a company on behalf of Sahakarn Underground Joint Venture. This is to join the tender and co-operate in the Undergroud manhole and electrical conduit construction project under the investment proportion of the subsidiary at 50%. The subsidiary had applied the equity method in account recording of the investment in Sahakarn Underground Joint Venture in the consolidated financial statements of the Company.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

TRC Utility Company Limited

The Company has changed the status of investment in TRC Utility Company Limited from the previous subsidiary that it has control to the Joint venture since August 16, 2021 onwards. In the consolidated financial statements, the Company has initially recognized the retained investment in the former subsidiary that it once has control at the fair value at Baht 48.68 per share in the total amount of Baht 12.17 million (as discussed in the notes to interim financial statements Note 13).

EXPRESS WORLD TRACKING Joint venture

During the year, Olive Technology Co., Ltd. (a subsidiary) and 2 partners have cooperated to establish the EXPRESS WORLD TRACKING Joint Venture to jointly operate the THP Core System Project in the 30% of investment proportion, amounting to 300,000 Baht. The subsidiary and partners jointly manage and oversee the joint venture which consisting of 2 nominee directors from each party. The resolution of the Board of Directors' Meeting on various matters must receive a majority vote of all directors and there must be at least one vote of support from each representative. Consequently, the subsidiary has considered its investment in joint venture.

XSENSE-OLIVE Joint Venture

During the year, Olive Technology Co., Ltd. (a subsidiary) and a partner have cooperated to establish the XSENSE-OLIVE Joint Venture to jointly operate the THPD Load Board Management System Project in the 40% of investment proportion, amounting to 40,000 Baht. The subsidiary and partner jointly manage and oversee the joint venture which consisting of 2 nominee directors from the Subsidiary and 3 nominee directors from partner. The resolution of the Board of Directors' Meeting on various matters must receive a majority vote of all directors and there must be at least one vote of support from each representative. Consequently, the subsidiary has considered its investment in joint venture.



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

15.1 Share of profit (loss)

During the year, the Company has recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements as follows:

Company's name	In Thousand Baht			
	Share of profit (loss) from investments in joint ventures		Share of other comprehensive income from investments in joint ventures	
	For the years ended December		For the years ended December	
	31,		31,	
	2022	2021	2022	2021
SH Crossings Company Limited	(8,479)	(37)	-	-
AT Energy Solution Company Limited	(12,303)	4,999	(202)	574
Sahakarn Underground Joint Venture	(546)	345	-	-
TRC Utility Company Limited	(186)	(2,745)	-	-
XSENSE - OLIVE Joint Venture	778	-	-	-
EXPRESS WORLD TRACKING Joint Venture	(300)	-	-	-
<b>Total</b>	<b>(21,036)</b>	<b>2,562</b>	<b>(202)</b>	<b>574</b>

15.2 Summary of significant financial information on joint venture

SH Crossings Company Limited

Summary information about financial position

	In Million Baht	
	2022	2021
Cash and cash equivalent	0	0
Other current assets	166	173
Non-current assets	5	9
Current liabilities	(142)	(136)
Net assets	29	46
Shareholding percentage (%)	51	51
Share of net assets	15	24

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Summary information about comprehensive income

	In Million Baht	
	For the years ended December 31,	
	2022	2021
Revenue	73	165
Depreciation and amortization	(4)	(2)
Income tax expense	-	(0)
Profit (loss)	(17)	(0)
Other comprehensive income	-	-
Total comprehensive income	(17)	(0)

AT Energy Solution Company Limited

Summary information about financial position

	In Million Baht	
	2022	2021
Cash and cash equivalent	19	45
Other current assets	27	14
Non-current assets	333	330
Current liabilities	(29)	(22)
Non - current liabilities	(168)	(157)
Net assets	182	210
Shareholding percentage (%)	50	50
Share of net assets	91	105

Summary information about comprehensive income

	In Million Baht	
	For the years ended December 31,	
	2022	2021
Revenue	54	52
Depreciation and amortization	17	6
Income tax expense	(4)	(2)
Profit (loss)	(25)	14
Other comprehensive income	(0)	1
Total comprehensive income	(25)	15

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

16. PROPERTY, PLANT AND EQUIPMENT

	Consolidated financial statements (In Thousand Baht)				
	Balance as at January 1,2022	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31,2022
<b>Cost</b>					
Land	142,062	-	-	-	142,062
Building	395,504	-	-	5,251	400,755
Tools and equipment	632,554	4,297	(6,997)	13,848	643,702
Furniture, fixtures and office equipment	89,805	283	(243)	-	89,845
Vehicles	81,282	-	(3,457)	-	77,825
Construction in progress	31,606	6,022	(1,902)	(19,099)	16,627
Total cost	<u>1,372,813</u>	<u>10,602</u>	<u>(12,599)</u>	<u>-</u>	<u>1,370,816</u>
<b>Accumulated depreciation</b>					
Building	(78,001)	(20,014)	-	-	(98,015)
Tools and equipment	(510,878)	(32,859)	6,969	-	(536,768)
Furniture, fixtures and office equipment	(85,364)	(2,311)	240	-	(87,435)
Vehicles	(79,428)	(639)	3,456	-	(76,611)
Total accumulated depreciation	<u>(753,671)</u>	<u>(55,823)</u>	<u>10,665</u>	<u>-</u>	<u>(798,829)</u>
Property, plant and equipment	<u>619,142</u>				<u>571,987</u>

	Consolidated financial statements (In Thousand Baht)					
	Balance as at January 1,2021	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Decrease of loss control in subsidiary	Balance as at December 31, 2021
<b>Cost</b>						
Land	142,062	-	-	-	-	142,062
Building	343,414	111	-	52,011	(32)	395,504
Tools and equipment	603,385	16,983	(2,923)	39,288	(24,179)	632,554
Furniture, fixtures and office equipment	97,230	610	(7,609)	-	(426)	89,805
Vehicles	87,409	161	(6,288)	-	-	81,282
Construction in progress	75,127	47,778	-	(91,299)	-	31,606
Total cost	<u>1,348,627</u>	<u>65,643</u>	<u>(16,820)</u>	<u>-</u>	<u>(24,637)</u>	<u>1,372,813</u>
<b>Accumulated depreciation</b>						
Building	(59,567)	(18,440)	-	-	6	(78,001)
Tools and equipment	(495,804)	(31,492)	2,089	-	14,329	(510,878)
Furniture, fixtures and office equipment	(90,035)	(3,246)	7,565	-	352	(85,364)
Vehicles	(84,520)	(1,196)	6,288	-	-	(79,428)
Total accumulated depreciation	<u>(729,926)</u>	<u>(54,374)</u>	<u>15,942</u>	<u>-</u>	<u>14,687</u>	<u>(753,671)</u>
<b>Less</b> Allowance for impairment	<u>(344)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344</u>	<u>-</u>
Property, plant and equipment	<u>618,357</u>					<u>619,142</u>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Separate financial statements (In Thousand Baht)				
	Balance as at January 1, 2022	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2022
<b>Cost</b>					
Land	140,472	-	-	-	140,472
Building	386,584	-	-	5,251	391,835
Tools and equipment	457,848	3,982	(475)	13,848	475,203
Furniture, fixtures and office equipment	79,687	253	(239)	-	79,701
Vehicles	64,019	-	(2,830)	-	61,189
Construction in progress	31,606	6,022	(1,902)	(19,099)	16,627
Total cost	<u>1,160,216</u>	<u>10,257</u>	<u>(5,446)</u>	<u>-</u>	<u>1,165,027</u>
<b>Accumulated depreciation</b>					
Building	(77,634)	(19,613)	-	-	(97,247)
Tools and equipment	(352,163)	(31,104)	452	-	(382,815)
Furniture, fixtures and office equipment	(75,713)	(2,106)	236	-	(77,583)
Vehicles	(62,193)	(630)	2,830	-	(59,993)
Total accumulated depreciation	<u>(567,703)</u>	<u>(53,453)</u>	<u>3,518</u>	<u>-</u>	<u>(617,638)</u>
Property, plant and equipment	<u>592,513</u>				<u>547,389</u>

	Separate financial statements (In Thousand Baht)				
	Balance as at January 1, 2021	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2021
<b>Cost</b>					
Land	140,472	-	-	-	140,472
Building	343,381	111	-	43,092	386,584
Tools and equipment	405,337	15,310	(2,087)	39,288	457,848
Furniture, fixtures and office equipment	86,130	423	(6,866)	-	79,687
Vehicles	70,164	143	(6,288)	-	64,019
Construction in progress	66,318	47,668	-	(82,380)	31,606
Total cost	<u>1,111,802</u>	<u>63,655</u>	<u>(15,241)</u>	<u>-</u>	<u>1,160,216</u>
<b>Accumulated depreciation</b>					
Building	(59,561)	(18,073)	-	-	(77,634)
Tools and equipment	(327,079)	(27,085)	2,001	-	(352,163)
Furniture, fixtures and office equipment	(79,519)	(3,026)	6,832	-	(75,713)
Vehicles	(67,292)	(1,189)	6,288	-	(62,193)
Total accumulated depreciation	<u>(533,451)</u>	<u>(49,373)</u>	<u>15,121</u>	<u>-</u>	<u>(567,703)</u>
Property, plant and equipment	<u>578,351</u>				<u>592,513</u>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	In Thousand Baht			
	Consolidated financial		Separate financial statements	
	statements		statements	
	For the years ended December		For the years ended December	
	31,		31,	
	2022	2021	2022	2021
Depreciation charged to the statements of comprehensive income				
Cost of sales and services	11,310	9,601	8,332	6,069
Administrative expenses	44,513	44,773	45,121	43,304
Total	<u>55,823</u>	<u>54,374</u>	<u>53,453</u>	<u>49,373</u>

As at December 31, 2022 and 2021, the Group's certain equipment items have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation of those assets, amounted to approximately Baht 567 million and Baht 560 million, respectively. (The company only : 442 million and 429 million, respectively)

As at December 31, 2022 and 2021, the Group has tools and motor vehicles acquired under finance lease agreements, with net book value amounting to approximately Baht 1 million and Baht 2 million, respectively. (The company only : 1 million and 2 million, respectively)

As at December 31, 2022 and 2021, the Company has mortgaged land and building which has book value amounting to Baht 100 million with banks to be collateral against credit facilities received from the bank.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

17. RIGHT-OF-USE ASSETS

17.1 Right-of-use assets consists of:

	In Thousand Baht			
	Consolidated financial statements			
	Balance as at January 1, 2022	Transactions during the year		Balance as at December 31, 2022
	Addition/re assessment lease term	Change in conditions/writt en-off		
<u>At cost</u>				
Land and land improvement	9,820	-	(4,333)	5,487
Building and building improvement	810	-	(810)	-
Furniture, fixture and office equipment	20,760	7,123	(6,189)	21,694
Vehicles	9,188	609	(696)	9,101
Total	40,578	7,732	(12,028)	36,282
<u>Less Accumulated depreciation</u>				
Land and land improvement	(6,364)	(3,128)	4,333	(5,159)
Building and building improvement	(743)	(67)	810	-
Furniture, fixture and office equipment	(9,876)	(6,084)	6,189	(9,771)
Vehicles	(5,130)	(2,245)	696	(6,679)
Total	(22,113)	(11,524)	12,028	(21,609)
Right-of-use assets - net	18,465			14,673

	In Thousand Baht				
	Consolidated financial statements				
	Balance as at January 1, 2021	Transactions during the year			Balance as at December 31, 2021
	Addition/re assessment lease term	Change in conditions/writt en-off	Decrease of loss control in subsidiary		
<u>At cost</u>					
Land and land improvement	16,345	-	(2,411)	(4,114)	9,820
Building and building improvement	1,296	-	-	(486)	810
Furniture, fixture and office equipment	17,855	6,791	(3,886)	-	20,760
Vehicles	5,848	3,340	-	-	9,188
Total	41,344	10,131	(6,297)	(4,600)	40,578
<u>Less Accumulated depreciation</u>					
Land and land improvement	(3,773)	(5,656)	1,639	1,426	(6,364)
Building and building improvement	(459)	(486)	-	202	(743)
Furniture, fixture and office equipment	(5,258)	(6,015)	1,397	-	(9,876)
Vehicles	(2,231)	(2,899)	-	-	(5,130)
Total	(11,721)	(15,056)	3,036	1,628	(22,113)
Right-of-use assets - net	29,623				18,465

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	In Thousand Baht				Balance as at December 31, 2022
	Separate financial statements				
	Balance as at January 1, 2022	Transactions during the year			
		Addition/reas essment lease term	Change in conditions/written -off	Transfer-in (Transfer-out)	
<u>At cost</u>					
Land and land improvement	1,386	-	-	-	1,386
Furniture, fixture and office equipment	19,765	7,123	(6,039)	-	20,849
Vehicles	3,863	-	-	-	3,863
Total	25,014	7,123	(6,039)	-	26,098
<u>Less Accumulated depreciation</u>					
Land and land improvement	(731)	(462)	-	-	(1,193)
Furniture, fixture and office equipment	(9,424)	(5,836)	6,039	-	(9,221)
Vehicles	(2,395)	(319)	-	-	(2,714)
Total	(12,550)	(6,617)	6,039	-	(13,128)
Right-of-use assets - net	12,464				12,970

	In Thousand Baht				Balance as at December 31, 2021
	Separate financial statements				
	Balance as at January 1, 2021	Transactions during the year			
		Addition/reas essment lease term	Change in conditions/written -off	Transfer-in (Transfer-out)	
<u>At cost</u>					
Land and land improvement	3,418	-	(2,032)	-	1,386
Furniture, fixture and office equipment	15,727	6,791	(2,753)	-	19,765
Vehicles	2,088	1,775	-	-	3,863
Total	21,233	8,566	(4,785)	-	25,014
<u>Less Accumulated depreciation</u>					
Land and land improvement	(778)	(1,308)	1,355	-	(731)
Furniture, fixture and office equipment	(4,755)	(5,737)	1,068	-	(9,424)
Vehicles	(1,215)	(1,180)	-	-	(2,395)
Total	(6,748)	(8,225)	2,423	-	(12,550)
Right-of-use assets - net	14,485				12,464

The Group lease several assets including land and land improvement of which lease term 3 years, office buildings, equipment and vehicles of which average lease term during 3 years.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2021

18. INTANGIBLE ASSETS

	Consolidated financial statements (In Thousand Baht)				
	Balance as at	Additions	Disposals /	Transfer in/	Balance as at
	January		Written-off	(Transfer out)	December
	1, 2022				31, 2022
<b>Cost</b>					
Computer software	31,118	150	-	-	31,268
Total cost	31,118	150	-	-	31,268
<b>Accumulated amortisation</b>					
Computer software	(19,939)	(2,232)	-	-	(22,171)
Total accumulated amortisation	(19,939)	(2,232)	-	-	(22,171)
Intangible assets - net	11,179				9,097

	Consolidated financial statements (In Thousand Baht)					
	Balance as at	Additions	Disposals /	Transfer in/	Decrease of	Balance as at
	January		Written-off	(Transfer	loss control in	December
	1, 2021			out)	subsidiary	31, 2021
<b>Cost</b>						
Computer software	30,968	221	(7)	-	(64)	31,118
Total cost	30,968	221	(7)	-	(64)	31,118
<b>Accumulated amortisation</b>						
Computer software	(17,695)	(2,268)	-	-	24	(19,939)
Total accumulated amortisation	(17,695)	(2,268)	-	-	24	(19,939)
Intangible assets - net	13,273					11,179

	Separate financial statements (In Thousand Baht)				
	Balance as at	Additions	Disposals /	Transfer in/	Balance as at
	January		Written-off	(Transfer out)	December
	1, 2022				31, 2022
<b>Cost</b>					
Computer software	30,543	78	-	-	30,621
Total cost	30,543	78	-	-	30,621
<b>Accumulated amortisation</b>					
Computer software	(19,530)	(2,192)	-	-	(21,722)
Total accumulated amortisation	(19,530)	(2,192)	-	-	(21,722)
Intangible assets - net	11,013				8,899



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Separate financial statements (In Thousand Baht)				
	Balance as at January 1, 2021	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2021
<b>Cost</b>					
Computer software	30,390	153	-	-	30,543
Total cost	30,390	153	-	-	30,543
<b>Accumulated amortisation</b>					
Computer software	(17,323)	(2,207)	-	-	(19,530)
Total accumulated amortisation	(17,323)	(2,207)	-	-	(19,530)
Intangible assets - net	13,067				11,013

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Amortisation charged to the statements of comprehensive income				
Cost of sales and services	31	23	17	10
Administrative expenses	2,201	2,245	2,175	2,197
Total	2,232	2,268	2,192	2,207

19. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

19.1 Deferred tax assets and deferred tax liabilities are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	20,777	27,591	17,869	19,394
Deferred tax liabilities	(269)	(287)	(286)	(333)
	20,508	27,304	17,583	19,061

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2022 and 2021, were as follows:

	In Thousand Baht				Balance as at December 31, 2022
	Consolidated financial statements				
	Balance as at December 31, 2021	Recognized in Profit and Loss		Recognized in Other Comprehensive Income	
		Additions	Utilized/ Reversal		
Deferred tax assets resulted from					
Allowance for decline in value in inventories	139	-	-	-	139
Employee benefit obligations	12,253	1,577	(2,497)	(3,592)	7,741
Other provision	15,199	5,873	(8,175)	-	12,897
Total	27,591	7,450	(10,672)	(3,592)	20,777
Deferred tax liabilities from					
Financial lease	(287)	-	18	-	(269)
Total	(287)	-	18	-	(269)
Net	27,304	7,450	(10,654)	(3,592)	20,508

	In Thousand Baht				Balance as at December 31, 2021
	Consolidated financial statements				
	Balance as at December 31, 2020 (Restated)	Recognized in Profit and Loss		Recognized in Other Comprehensive Income	
		Additions	Utilized/ Reversal		
Deferred tax assets resulted from					
Allowance for decline in value in inventories	139	-	-	-	139
Employee benefit obligations	16,364	2,613	(1,218)	(5,506)	12,253
Other provision	26,260	23,232	(34,293)	-	15,199
Total	42,763	25,845	(35,511)	(5,506)	27,591
Deferred tax liabilities from					
Financial lease	(280)	(7)	-	-	(287)
Total	(280)	(7)	-	-	(287)
Net	42,483	25,838	(35,511)	(5,506)	27,304

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	In Thousand Baht				Balance as at December 31,2022
	Separate financial statements				
	Balance as at December 31,2021	Recognized in Profit and Loss		Recognized in Other Comprehensive Income	
		Additions	Utilized/ Reversal		
Deferred tax assets resulted from					
Allowance for decline in value					
in inventories	139	-	-	-	139
Employee benefit obligations	7,410	1,173	(1,691)	(1,455)	5,437
Other provision	11,845	700	(252)	-	12,293
Total	19,394	1,873	(1,943)	(1,455)	17,869
Deferred tax liabilities from					
Financial lease	(333)	-	47	-	(286)
Total	(333)	-	47	-	(286)
Net	19,061	1,873	(1,896)	(1,455)	17,583

	In Thousand Baht				Balance as at December 31,2022
	Separate financial statements				
	Balance as at December 31,2021  (Restated)	Recognized in Profit and Loss		Recognized in Other Comprehensive Income	
		Additions	Utilized/ Reversal		
Deferred tax assets resulted from					
Allowance for decline in value					
in inventories	139	-	-	-	139
Employee benefit obligations	13,668	1,841	(367)	(7,732)	7,410
Other provision	791	23,232	(12,178)	-	11,845
Total	14,598	25,073	(12,545)	(7,732)	19,394
Deferred tax liabilities from					
Financial lease	(318)	(15)	-	-	(333)
Total	(318)	(15)	-	-	(333)
Net	14,280	25,058	(12,545)	(7,732)	19,061

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

20. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank Overdrafts and short-term loans from financial institutions are as follows :

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Interest rate (% per annum)		As at December 31,		As at December 31,	
		2022	2021	2022	2021
Bank overdrafts	5.84 - 7.60 (2021 : 6.00 - 6.03)	13,458	6,256	6,333	1,184
Trust receipts	4.47 - 5.97 (2021 : 4.47)	171,804	4,474	39,370	4,474
Promissory note	3.00 - 6.00 (2021 : 2.26 - 6.00)	754,647	785,887	261,700	367,500
<b>Total</b>		<b>939,909</b>	<b>796,617</b>	<b>307,403</b>	<b>373,158</b>

21. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables were as follows:

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
		2022	2021	2022	2021
Trade accounts payable - related parties		41,357	11,092	27,219	-
Trade accounts payable - unrelated parties		653,128	701,797	289,576	319,545
Advances from related parties		340	-	8,322	5,081
Fixed assets payable		2,057	7,482	1,994	7,378
Accrued interest expense - person or related parties		3,391	-	45,554	17,174
Accrued expenses - unrelated parties		88,646	60,151	34,551	44,548
<b>Total trade and other current payables</b>		<b>788,919</b>	<b>780,522</b>	<b>407,216</b>	<b>393,726</b>

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 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

22. PROVISION FOR LIABILITIES UNDER CONSTRUCTION PROJECTS

Provision for liabilities under construction projects are as follows:

	In Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Warranties	Loss on construction	Total	Warranties	Loss on construction	Total
As at January 1, 2022	3,455	72,539	75,994	-	59,226	59,226
Increase during the year	3,500	25,864	29,364	3,500	-	3,500
Decrease from occurrence of actual expense	(1,658)	(37,887)	(39,545)	(500)	(763)	(1,263)
Reversal of provisions	(1,327)	-	(1,327)	-	-	-
As at December 31, 2022	<u>3,970</u>	<u>60,516</u>	<u>64,486</u>	<u>3,000</u>	<u>58,463</u>	<u>61,463</u>

	In Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Warranties	Loss on construction	Total	Warranties	Loss on construction	Total
As at January 1, 2021 - Reatated	7,101	123,771	130,872	-	554	3,529
Increase during the year	-	116,158	116,158	-	116,158	116,158
Decrease from occurrence of actual expense	(751)	(167,390)	(168,141)	(80)	(57,486)	(57,566)
Reversal of provisions	(2,895)	-	(2,895)	(2,895)	-	(2,895)
As at December 31, 2021	<u>3,455</u>	<u>72,539</u>	<u>75,994</u>	<u>-</u>	<u>59,226</u>	<u>59,226</u>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2022

23. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2022 and 2021 are presented below

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2022	2021	2022	2021
Lease liabilities, beginning	21,264	32,382	14,112	17,213
Addition	7,732	10,131	7,123	8,566
Accretion of interest	939	1,653	682	1,025
Payments	(11,752)	(17,932)	(7,639)	(10,238)
Decrease from cancel of lease agreement	-	(3,343)	-	(2,454)
Decrease of loss control in subsidiary	-	(1,627)	-	-
Lease liabilities, ending	18,183	21,264	14,278	14,112
<u>Less</u> : current portion	(10,379)	(13,052)	(6,784)	(7,349)
Lease liabilities - net	<u>7,804</u>	<u>8,212</u>	<u>7,494</u>	<u>6,763</u>

The following are the amounts recognized in profit or loss :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Depreciation of right-of-use assets	11,524	15,056	6,617	8,225
Interest expense on lease liabilities	939	1,653	682	1,025
Expense relating to short-term lease	7,262	7,038	5,246	5,029
Leases of low - value assets	668	1,200	154	660
Total	<u>20,393</u>	<u>24,947</u>	<u>12,699</u>	<u>14,939</u>

The Group had total cash outflows for leases of Baht 12 million (the separate: Baht 8 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 8 million (the separate: Baht 7 million).

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

24. OTHER CURRENT LIABILITIES

Other current liabilities are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Undue output VAT	-	-	-	7,631
VAT payable	-	-	1,788	6,068
Accrued withholding tax	33,348	7,463	6,503	2,057
Others	323	306	315	260
Total	33,671	7,769	8,606	16,016

25. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

25.1 Movements in the non-current provision for employee benefits are as follows:

	Consolidated Financial Statements (In Thousand Baht)					
	2022			2021		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Non-current provisions for employee benefits, beginning	52,807	8,459	61,266	74,166	7,941	82,107
Gain estimation over actuarial principles	(14,603)	(3,357)	(17,960)	(26,433)	(1,099)	(27,532)
Current service cost and Interest cost	6,304	1,581	7,885	10,913	2,021	12,934
Non-current provisions for employee benefits paid	(11,624)	(862)	(12,486)	(5,683)	(404)	(6,087)
Decrease of loss control in subsidiary	-	-	-	(156)	-	(156)
Non-current provisions for employee benefits, ending	32,884	5,821	38,705	52,807	8,459	61,266

	Separate Financial Statements (In Thousand Baht)					
	2022			2021		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Non-current provisions for employee benefits, beginning	31,934	5,115	37,049	61,551	6,787	68,338
Gain estimation over actuarial principles	(5,545)	(1,730)	(7,275)	(35,923)	(2,739)	(38,662)
Current service cost and Interest cost	4,808	1,057	5,865	7,938	1,267	9,205
Non-current provisions for employee benefits paid	(7,886)	(565)	(8,451)	(1,632)	(200)	(1,832)
Non-current provisions for employee benefits, ending	23,311	3,877	27,188	31,934	5,115	37,049

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NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

25.2 Expenses recognized in the statement of comprehensive income for the year ended December 31, 2022 and 2021 are as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
<b>The statement of comprehensive income</b>				
<b>Recognized in profit or loss</b>				
Cost of construction services Administrative expenses	4,370	6,053	2,664	4,400
	3,515	6,881	3,201	4,805
<b>Total</b>	<b>7,885</b>	<b>12,934</b>	<b>5,865</b>	<b>9,205</b>
<b>Recognized in other comprehensive income</b>				
Gain on actuarial gain loss - net of income tax	(14,368)	(22,025)	(5,820)	(30,929)
<b>Total</b>	<b>(6,483)</b>	<b>(9,091)</b>	<b>45</b>	<b>(21,724)</b>

25.3 Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2022 and 2021 arise from

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
<b>Recognized in other comprehensive income</b>				
Population assumption	595	2,054	248	2,637
Financial assumption	3,446	8,247	2,182	5,481
Improvement from experience	13,919	17,231	4,845	30,544
<b>Total</b>	<b>17,960</b>	<b>27,532</b>	<b>7,275</b>	<b>38,662</b>



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NOTES TO FINANCIAL STATEMENTS (CONT.)

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25.4 The main assumptions in the assessment financial assumptions

	(% per annum)			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
	Discount rate (% per annum)	2.22 - 2.31	0.81 - 0.94	2.22
Salary increase rate (% per annum)	1.00	1.00	1.00	1.00
Employee turnover rate (depending on age) (% per annum)	0 - 37.00	0 - 42.00	0 - 37.00	0 - 34.00
Mortality rate	Table of death B.B.2017	Table of death B.B.2017	Table of death B.B.2017	Table of death B.B.2017
Gold price (Baht)	30,350	27,350	30,350	27,350

25.5 Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2022 and 2021 are summarized below :

	In Million Baht							
	Consolidated Financial Statements				Separate Financial Statements			
	2022		2021		2022		2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (Changing 1%)	(2.4)	2.7	(3.6)	3.5	(1.6)	1.8	(2.2)	2.3
Future salary increase rate (Changing 1%)	2.5	(2.3)	4.3	(3.8)	1.7	(1.6)	2.6	(2.4)
Employee turnover rate (Changing 1%)	(2.5)	0.7	(3.8)	1.3	(1.7)	0.5	(2.3)	0.8
Mortality rate (Changing 1 year)	0.2	(0.2)	0.2	(0.2)	0.1	(0.1)	0.1	(0.1)
Gold price (1,000 Baht)	0.1	(0.1)	0.2	(0.1)	0.1	(0.1)	0.1	(0.1)

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NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

26. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the consolidated statements of financial position as at December 31, 2022 and 2021, the Group's debt-to-equity ratio was 13.38 : 1 and 10.13 : 1, respectively.

According to the separate statements of financial position as at December 31, 2022 and 2021, the Company's debt-to-equity ratio was 8.17 : 1 and 6.16 : 1, respectively.

27. LEGAL RESERVE

Company

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Local subsidiaries

according to the thai civil and commercial code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least 5% of its net profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment.

Overseas subsidiaries

according to the civil and commercial code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least 10% of its net profit until such reserve reach one-third of the company's capital.

28. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2022 and 2021 are as follow:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Construction materials and consumables				
used and subcontractors costs	2,234,702	2,770,796	538,656	1,030,394
Salary and wage and other employee benefits	443,132	451,741	368,198	345,101
Depreciation	67,347	69,430	60,070	57,598
Amortisation expenses	2,232	2,268	2,192	2,207
Rental expenses from operating lease Agreements	99,486	83,705	60,334	54,704

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29. INCOME TAX EXPENSE (INCOME)

29.1 Major components of tax expense (income)

For the years ended December 31, 2022 and 2021 consisted of:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Income tax expense (income) shown in profit or loss :				
Current tax expense :				
Income tax expense for the year	2,886	3,247	-	-
Deferred tax expense (income) :				
Changes in temporary differences relating to the original recognition and reversal				
	3,205	7,446	23	(12,513)
Total	6,091	10,693	23	(12,513)

29.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2022 and 2021 which are summarized as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit (loss) for the year	(106,463)	(48,607)	(114,084)	(152,456)
The applicable tax rate (%)	12% - 20%	12% - 20%	20%	20%
Tax expense (income) at the applicable tax rate	(15,377)	(9,721)	(22,817)	(30,491)
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:	4,815	2,673	-	-
Tax effect of intercompany transactions				
- Expenses not allowed as expenses in determining taxable profit	11,787	1,548	17,501	15,370
- Expenses allowed increase in determine taxable	-	(391)	-	(120)
- Share of (gain) loss from investment in joint venture	4,208	(512)	-	-
The amount of previously unrecognized tax losses for a prior period that is used to reduce current tax expense	(6,383)	-	-	-
Unused tax losses which may net utilise	7,041	17,096	5,339	2,728
Total reconciliation items	21,468	20,414	22,840	17,978
Total tax expense (income)	6,091	10,693	23	(12,513)

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NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

29.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2022 and 2021 are summarized as follows:

	Consolidated financial statements			
	2022		2021	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(106,463)		(48,607)	
Tax expense (income) at the applicable tax rate	(15,377)	(12 - 20)	(9,721)	(12 - 20)
Reconciliation items	21,468	20.16	20,414	42.00
Tax expense (income) at the average effective tax rate	6,091	5.72	10,693	22.00

	Separate financial statements			
	2022		2021	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(114,084)		(152,456)	
Tax expense (income) at the applicable tax rate	(22,817)	(20.00)	(30,491)	(20.00)
Reconciliation items	22,840	20.02	17,978	11.98
Tax expense (income) at the average effective tax rate	23	0.02	(12,513)	(8.02)

Corporate income tax of overseas subsidiaries company is calculated at the rate 12% on taxable profit in excess of 30,000 Omani Rial.

As at December 31, 2022, the Group have deductible temporary differences totaling Baht 2,268 million (the Company only: Baht 2,268 million) (2021: Baht 2,331 million, the Company only: Baht 2,331 million), on which deferred tax assets have not been recognised as the Company believes that it may not utilise the temporary differences in the future.

As at December 31, 2022, the Group have unused tax losses totaling Baht 599 million, USD 41 million (the Company only: Baht 412 million) (2021: Baht 573 million, USD 43 million and Omani Rial 1 million, (the Company only: Baht 363 million) will expire by 2027.

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NOTES TO FINANCIAL STATEMENTS (CONT.)

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30. EARNINGS PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings (loss) per share:

	For the years ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit (loss) for the year (Thousand Baht)	(111,961)	(57,388)	(114,107)	(139,943)
Weighted average number of ordinary shares (Thousand shares)	9,587,147	9,587,147	9,587,147	9,587,147
Earnings per share (Baht per share)	(0.0117)	(0.0060)	(0.0119)	(0.0146)

31. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rate of 3% - 7% of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 5 million (Separate financial statements: Baht 3 million) (2021 : Baht 6 million, Separate financial statements: Baht 4 million) were recognised as expenses.

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NOTES TO FINANCIAL STATEMENTS (CONT.)

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32. 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.

For management purposes, the Group are organized into business units based on its products and services and have four reportable segments as follows:

- Pipeline system construction segment
- Engineering system installation and factory construction for energy and petrochemical business segment
- Civil work construction segment
- Sales and other services

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group' operating segments for the year ended December 31, 2022 and 2021, respectively.

	In Thousand Baht						Consolidated
	For the year ended December 31, 2022						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	
Revenues from external customers	724,846	-	2,256,144	387,738	3,368,728	(25,438)	3,343,290
Revenues from subsidiary	-	-	-	-	-	-	-
Revenues from associate	-	-	-	-	-	-	-
Depreciation	(31,405)	-	(19,366)	(18,030)	(68,801)	1,454	(67,347)
Administrative expense	(104,365)	-	(92,659)	(61,647)	(258,671)	350	(258,321)
Segment profit (loss)	(54,736)	-	(14,468)	13,161	(56,043)	20,282	(35,761)
Other income							28,519
Interest revenue							1,212
Loss from business dissolution in the subsidiary							(36,846)
Financial cost							(42,550)
Share of profit (loss) from investments in joint ventures							(21,037)
Profit (loss) before income tax expense							(106,463)
Income tax income (expense)							(6,091)
Profit (loss) for the year							(112,554)

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	In Thousand Baht						
	For the year ended December 31, 2021						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	Consolidated
Revenues from external customers	1,569,575	(27,390)	2,204,953	100,915	3,848,053	(2,703)	3,845,350
Revenues from subsidiary	-	-	-	-	-	-	-
Revenues from associate	-	-	-	-	-	-	-
Depreciation	(46,912)	819	(18,701)	(5,203)	(69,997)	1,481	(68,516)
Administrative expense	(122,302)	2,130	(82,251)	(10,002)	(212,425)	(28)	(212,453)
Segment profit (loss)	(52,626)	(69,530)	41,186	2,392	(78,578)	19,559	(59,019)
Other income							42,424
Interest revenue							487
Financial cost							(35,060)
Share of profit (loss) from investments in joint ventures							2,562
Profit (loss) before income tax expense							(48,606)
Income tax income (expense)							(10,693)
Profit (loss) for the year							(59,299)

Geographic information

The Group operated in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2022, the Group have revenue from two major customers in amount of Baht 726 million and Baht 550 million, respectively arising from pipeline system segment and engineering system segment (2021 : Baht 842 million and Baht 793 million, two major customers from pipeline system segment and civil work segments).

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Purchase construction materials and subcontracted work commitments

As at December 31, 2022, the Group have outstanding commitments of Baht 3,734 million and USD 1 million in respect of purchase construction materials and subcontracted work (the Company only: Baht 391 million and USD 1 million ) (December 31, 2021 : Baht 4,944 million and USD 1 million in respect of purchase construction materials and subcontracted work (the Company only: Baht 407 million and USD 1 million )).

33.2 Operating lease commitments

The Group have entered into lease agreements in respect of the lease of land, machines, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Payable :				
In up to 1 year	4	3	2	1
In over 1 and up to 5 years	-	-	-	-

33.3 Service agreement commitments

The Group have entered into service agreements in respect of the consultant and security. The terms of the agreements are generally between 1 and 2 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Payable :				
In up to 1 year	1	1	1	1



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

33.4 Bank guarantees

As at December 31, 2022 and 2021, bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business were as follows.

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Guarantee of construction contract and bidding	1,330	1,372	424	421
Guarantee of advance payment bond and retention	1,511	1,682	192	194
Guarantee of others	153	187	108	118
<b>Total</b>	<b>2,994</b>	<b>3,241</b>	<b>724</b>	<b>733</b>

As at December 31, 2022, the Group had the obligations from related parties to use the letter of guarantee of the Group amounted Baht 341 million (December 31, 2021 : Baht 337 million).

33.5 Guarantees

- (a) As at December 31, 2022, the Company has commitments from guarantee of credit facilities of the subsidiary amounting to Baht 985 million (December 31, 2021 : Baht 995 million).
- (b) As at December 31, 2022, the Group have commitment from cross guarantee of credit facilities of the Group amounting to Baht 3,230 million (December 31, 2021 : Baht 3,230 million).

33.6 Other commitments

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<b>Other commitments</b>				
Construction material purchase	50	-	48	-
<b>Total</b>	<b>50</b>	<b>-</b>	<b>48</b>	<b>-</b>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

34. LITIGATIONS

As at December 31, 2022, The Group have a total of 27 lawsuits with significant changes during the year as follow :

	Amount (Million Baht)	Status of the Cases	Remark
<u>The Company</u>			
Case 1	20	Under the consideration of the Supreme Administrative Court. (The Company : plaintiff)	<p>The Company had filed the litigation against the government agency and others to reclaim the bank guarantee and repay the damages. Since the government agency had issued the letter, dated 6 December 2011, to the bank to enforce the bank guarantee, which the Company had submitted to the government agency in accordance with the trade proposal for 20 million Baht due to their consideration that the Company could not fulfil such proposal. The Administrative Court adjudged the government agency to return the bank guarantee to the Company and the Company to repay the damage for 10 million Baht with interest at 7.5% p.a. to the government agency. The government agency had appealed to the court. On 30 December 2021, the Company repaid the damage with interest at 15% p.a. in accordance with the court verdict for totally of 17.51 million Baht to the Administrative Court and requested the court to inform the government agency to collect the proceeds. On February 14, 2022, the Company had filed to the court to order the government agencies to return the letter of guarantee to the Company.</p> <p>On December 1, 2022, the Company filed a charge to the Administrative Court for money return as the government agency does not pick up the money placed at court to compensate for damage. On February 2, 2023, the Company received back the money from the Administrative Court.</p> <p>At presently, the case is under appointment scheduling for the judgment hearing of the Supreme Administrative Court.</p>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Amount (Million Baht)	Status of the Cases	Remark
<u>The Company (Cont.)</u>			
Case 2	118	Under waiting for the judgment of the Arbitrator. (The Company : claimant)	The Company sued the counterparty to pay the fee and damage due to breach of hiring contract on July 30, 2021 in the amount of Baht 121.18 million with interest at 7.5% p.a. On September 16, 2021, the counterparty filed an objection to counterclaim Baht 232.14 million. On December 22, 2021, the appointment and dispute topic were set. Later, the dispute date was postponed on March 1, 2022 and the first witness investigation on July 26, 2022. Due to the withdrawal of the arbitrator, the witness investigation date was cancelled. Later, name list was proposed to appoint a new arbitrator committee. On September 20, 2022 it was scheduled to set a new witness investigation time frame during February 13 - 20, 2023. the witness had been investigated. The case is currently under waiting for the judgment of the Arbitrator and then the case was not finalized. The management of the Company was confident that the information in the defense of the case was sufficient and there was a chance of winning the case. Therefore, the Company had not considered the outcome of the damage that might incur in the financial statements.
<u>The Subsidiary</u>			
Case 1	28.6	Under filing to the Supreme Court pending government agency defendant 2 to correct the appeal (The Subsidiary : plaintiff)	The Subsidiary had filed the litigation against 2 government agencies to repay the additional works, expenses and damage for totally of 28.6 million Baht due to the breach of contract. On 25 September 2020, the Civil Court adjudged the government agencies to repay the Subsidiary for 4.4 million Baht with interest at 7.5% p.a. and also repay the court and lawyer fees. On 22 January 2021, the Subsidiary had appealed to the Appeal Court for the additional damage compensation. On 11 November 2021, the Appeal Court adjudged to dismiss 1 of 2 government agencies. The court fees of both Civil Court and Appeal Court were waived and maintained the verdict of the Civil Court. On 10 January 2022, the Subsidiary had submitted the claim to the Supreme Court. On April 18, 2022, the subsidiary had filed to the permission for the petition. On January 16, 2023, the Supreme Court ordered to permit accepting the petition for consideration and have the government agency defendant 2 corrected the petition within 15 days from January 16, 2023. At presently, the case is under Supreme Court's consideration.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Amount (Million Baht)	Status of the Cases	Remark
<u>The Subsidiary (Cont.)</u>			
Case 2	14.15	Under investigation of the Civil Court (The Subsidiary : objector)	<p>The Subcontractor of the construction project had filed the litigation against the Subsidiary for claims as per the subcontractor contract for 14.15 million Baht (VAT included) with interest at 7.5% p.a. from the claiming date till the proposed date for total dispute amount 16.30 million Baht. This case was under the consideration of the Arbitrators. The Arbitrators determined the judgement day on 10 March 2022 for subsidiary to pay 9.62 million Baht with interest rate 3% from the judgment date with the responsibility for expenses incurred as the subsidiary did not agree with the judgment. The subsidiary proceeded to withdraw the judgment of the arbitrator to the Central Intellectual Property and International Trade Court. On June 24, 2022, the litigant filed a petition to the court to enforce the final judgment of arbitrator to the Civil Court and requested the subsidiary pay the sum in accordance with the arbitrator's judgment. The Court ordered to investigate the petition on August 30, 2022. On July 12, 2022, the subsidiary filed a petition to the Civil Court to postpone the case consideration as the final judgment of the arbitrator is under the process to withdraw the case by the Central Intellectual Property and International Trade Court. On August 8, 2022, the court has scheduled the hearing for the order to temporarily wait for the court judgment of the case. As the petitioner has filed an objection to court to judge whether the case is governed by the Intellectual Property and International Trade Court. Later, to temporarily wait for court judgment and it was proposed to the Appeal Court of the special case for judgment. On October 17, 2022, the case was judged by the President of the Special Court of Appeal and proposed to transfer the case to the Civil Court. On December 8, 2022, the court permitted the subsidiary to appoint a lawyer. Later, on December 26, 2022, the witness investigation of 2 parties took place between the petitioner and the subsidiary. On February 11, 2023, the court carried out the witness investigation and petition hearing of both parties and scheduled for the hearing on June 24, 2023. Presently, the case is under court investigation.</p> <p>The case is not final. The management of the subsidiary believes the information to fight the case is adequate and stands a chance to win the case. The subsidiary has not considered providing a provision in the financial statements.</p>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

	Amount (Million Baht)	Status of the Cases	Remark
<u>The Subsidiary (Cont.)</u>			
Case 3	66.8	Pending settlement of issues and define the guidelines in taking legal action or witness investigation of the contractor.	<p>On January 14, 2022, the project contractor of the subsidiary filed a charge against the subsidiary on breaches of product and installation service agreement and claiming damages from the subsidiary Baht 66.88 million with interest at 15 percent per annum Baht 61.77 million from the filing date until payment is completely made to plaintiff. The court scheduled for settlement of issues and define the guidelines in taking legal action or witness investigation on April 4, 2023.</p> <p>The case is under settlement of issues and define the guidelines to take legal action or witness investigation. The management of the subsidiary believes the information to fight the case is adequate and stands a chance to win the case. The subsidiary has not considered providing a provision in the financial statements.</p>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Amount (Million Baht)	Status of the Cases	Remark
<u>The associated company</u>			
Case 1	-	Under the consideration of the Supreme Administrative Court (The associated company : claimant)	<p>On October 16, 2017, the Nakhon Ratchasima Administrative Court accepted a lawsuit between litigant and the government agencies, requesting the Court to issue an order as relating to the following issues;</p> <p>1) Requesting that the government agencies revoke the permission to use the water from a reservoir that had been granted to the associate.</p> <p>2) Requesting the revocation of the Environmental Impact Assessment Report for the associate's potash and rock salt mining project, and</p> <p>3) Requesting the revocation the report on changes in project details and the associate's environmental impact prevention and mitigation measures and environmental impact monitoring and inspection measure for the potash and rock salt mining project.</p> <p>On December 24, 2021, the Administrative Court of Nakhonratchasima had an opinion that the associated company did not use the water a Bueng Talay Sidor and dismissed the cases. On January 27, 2022, the suing did not agree with the judgment of the Administrative Court from dismissed the case. Later, the claimant disagreed with the judgment of the first class Administrative Court and filed an appeal to object the judgment of the first class Administrative Court that ordered to dismiss the case. On April 18, 2022, the associate requested to extend the period for giving a statement to correct the appeal that the court permitted the extension. On May 19, 2022, the associate filed a request to extend the period for correction of the appeal again. Later, On June 16, 2022, the associate filed to correct the appeal to the Supreme Court to consider the dismissal of case.</p>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Amount (Million Baht)	Status of the Cases	Remark
<u>The associated company (Cont.)</u>			
Case 2	-	Under the consideration of the Supreme Administrative Court (The associated company : claimant)	<p>On June 28, 2018, the Nakhon Ratchasima Administrative Court accepted a lawsuit between a litigant and government agencies, requesting the Court to issue an order to revoke the environmental impact assessment report for the Cogeneration Power Plant for the associate's Potash and rock salt mining project.</p> <p>On October 11, 2018, the associate filed an interpleading to be the counterparty in the case to be able to explain the fact to the court. On March 20, 2019, the court permitted the associate to be a party as the defendant that determined defendant no. 6 and having right as same the former defendant. On September 26, 2019, the litigant has objected and the associate gave additional testimony and filed to the court on January 21, 2020.</p> <p>On June 10, 2022 the court scheduled the first trial on July 27, 2022 and the hearing of judgement on August 4, 2022.</p> <p>On August 4, 2022, the Nakhon Ratchasima Administrative Court believes that the associate is entitled to prepare the report and act according to the criteria, method, and conditions as stipulated in the law. Thus, the case is dismissed.</p> <p>Later, on October 18, 2022, the petitioner filed an appeal to object the court of first instance's judgment to dismiss the case. The affiliate ordered to correct the appeal within 30 days. On November 21, 2022, the affiliate filed to extend the appeal correction period and the Supreme Administrative Court ordered to permit the request of the affiliate. Later, on December 16, 2022, the affiliate filed to extend the appeal correction period and the court ordered to permit as requested. Later, on January 6, 2023, the associate filed to correct the appeal to the Supreme Court to consider the dismissal of case.</p>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Amount (Million Baht)	Status of the Cases	Remark
<u>The associated company</u> (Cont.)			
Case 3	3,971.47	Under the consideration of the Central Administrative Court (The associated company : defendant)	On September 9, 2022, the government agency intends to sue the affiliate on the breach of agreement claiming compensation for damages and interest with the capital amount Baht 3,971,473,851.25. The penalty is 15 percent per annum of the principal special state benefits outstanding No.1 - 5 Baht 2,843,475,069.00 and to return court fees in filing charges to the suer. The central administrative court testified to correct the petition with evidence filed to court within 30 days from November 1, 2022. During November 25 - December 27, 2022, the affiliate filed a petition to extend the appeal correction 2 times and central administrative court ordered to permit the affiliate to extend the period for another 30 days from the original due date. On January 23, 2023, the associated company has filed an answer to the plaint. At presently, The case is under consideration by the court. The associated company has recorded a provision in the financial statements.

35. FINANCIAL INSTRUMENTS

Financial risk management

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade and other current receivables, and loans to. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables, other current receivable and loans to as stated in the statement of financial position.

Classification and measurement the financial assets and liabilities

As at December 31, 2022 and 2021 the financial assets and liabilities are classified and measured at the amortised cost method.

Interest rate risk

The Group exposure to interest rate risk relates primarily to its deposits at banks, loans to/from and lease liabilities. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.



TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

As at December 2022 and 2021, the significant financial assets and liabilities classified by types of interest rates were as follows:

	In Million Baht					Effective interest rate (% per annum)
	Consolidated Financial Statements					
	As at December 31, 2022					
Fixed interest rates within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total		
Financial Assets						
Cash and cash equivalents	-	-	15	1	16	0.00 - 0.325
Trade and other current receivables	-	-	-	247	247	-
Contract assets	-	-	-	2,742	2,742	-
Restricted deposits at banks	-	-	54	-	54	0.25
	<u>-</u>	<u>-</u>	<u>69</u>	<u>2,990</u>	<u>3,059</u>	

Financial liabilities						
Bank overdrafts and short-term loans from financial institution	940	-	-	-	940	3.00 - 7.60
Trade and other current payables	-	-	-	789	789	-
Contract liabilities	-	-	-	618	618	-
Short-term loans from related parties	73	-	-	-	73	6.25 - 8.00
Accounts payable - retention under construction contracts	-	-	-	285	285	-
Lease liabilities	10	8	-	-	18	3.81 - 6.44
	<u>1,023</u>	<u>8</u>	<u>-</u>	<u>1,692</u>	<u>2,723</u>	

	In Million Baht					Effective interest rate (% per annum)
	Consolidated Financial Statements					
	As at December 31, 2021					
Fixed interest rates within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total		
Financial Assets						
Cash and cash equivalents	-	-	51	2	53	0.00 - 0.25
Trade and other current receivables	-	-	-	408	408	-
Contract assets	-	-	-	2,286	2,286	-
Restricted deposits at banks	-	-	32	-	32	0.05
	<u>-</u>	<u>-</u>	<u>83</u>	<u>2,696</u>	<u>2,779</u>	

Financial liabilities						
Bank overdrafts and short-term loans from financial institution	797	-	-	-	797	2.26 - 6.03
Trade and other current payables	-	-	-	781	781	-
Contract liabilities	-	-	-	911	911	-
Accounts payable - retention under construction contracts	-	-	-	230	230	-
Lease liabilities	13	8	-	-	21	3.81 - 6.26
	<u>810</u>	<u>8</u>	<u>-</u>	<u>1,922</u>	<u>2,740</u>	

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	In Million Baht					
	Separate financial statements					
	As at December 31, 2022					
	Fixed interest rates		Floating	Non-interest	Total	Effective
within 1 year	1 - 5 years	interest rate	Bearing		interest rate (% per annum)	
Financial Assets						
Cash and cash equivalents	-	-	6	1	7	0.00 - 0.325
Trade and other current receivables	-	-	-	144	144	-
Contract assets	-	-	-	553	553	-
Restricted deposits at banks	-	-	26	-	26	0.25
	<u>-</u>	<u>-</u>	<u>32</u>	<u>698</u>	<u>730</u>	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	307	-	-	-	307	3.47 - 6.60
Trade and other current payables	-	-	-	407	407	-
Contract liabilities	-	-	-	87	87	-
Short-term loans from related parties	712	-	-	-	712	2.50 - 8.00
Accounts payable - retention under construction contracts	-	-	-	33	33	-
Lease liabilities	7	7	-	-	14	9.80 - 6.44
	<u>1,026</u>	<u>7</u>	<u>-</u>	<u>527</u>	<u>1,560</u>	

	In Million Baht					
	Separate financial statements					
	As at December 31, 2021					
	Fixed interest rates		Floating	Non-interest	Total	Effective
within 1 year	1 - 5 years	interest rate	bearing		interest rate (% per annum)	
Financial Assets						
Cash and cash equivalents	-	-	29	1	30	0.00 - 0.25
Trade and other current receivables	-	-	-	238	238	-
Contract assets	-	-	-	746	746	-
Restricted deposits at banks	-	-	29	-	29	0.05
	<u>-</u>	<u>-</u>	<u>58</u>	<u>985</u>	<u>1,043</u>	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	373	-	-	-	373	3.75 - 6.03
Trade and other current payables	-	-	-	394	394	-
Contract liabilities	-	-	-	218	218	-
Short-term loans from related parties	693	-	-	-	693	2.50 - 6.25
Accounts payable - retention under construction contracts	-	-	-	28	28	-
Lease liabilities	7	7	-	-	14	3.81 - 6.26
	<u>1,073</u>	<u>7</u>	<u>-</u>	<u>640</u>	<u>1,720</u>	

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from buying and services transactions and borrowings that are denominated in foreign currencies. In certain circumstances, the Group enter into forward exchange contracts when it considers appropriate.

As at December 31, 2022 and 2021, the material balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets as at		Financial liabilities as at		Average exchange rate	
	December 31,		December 31,		as at	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	4	10	272	34.5624	33.4199
Euro	-	1	-	-	36.8274	37.8948

Foreign currency	Separate financial statements					
	Financial assets as at		Financial liabilities as at		Average exchange rate	
	December 31,		December 31,		as at	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	20	24	10	272	34.5624	33.4199
Euro	1	1	1	-	36.8274	37.8948

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2022 and 2021 are as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2022
Bank overdrafts and short-term loans from financial institutions	796,617	143,292	-	939,909
Short-term loans from related parties	-	73,300	-	73,300
Lease liabilities	21,264	(11,752)	8,671	18,183
Total	817,881	204,840	8,671	1,031,392

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2021
Bank overdrafts and short-term loans from financial institutions	709,460	87,157	-	796,617
Lease liabilities	32,382	(17,932)	6,814	21,264
Total	741,842	69,225	6,814	817,881

	Separated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2022
Bank overdrafts and short-term loans from financial institutions	373,158	(65,755)	-	307,403
Short-term loans from related parties	693,000	19,214	-	712,214
Lease liabilities	14,112	(7,639)	7,805	14,278
Total	1,080,270	(54,180)	7,805	1,033,895

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 NOTES TO FINANCIAL STATEMENTS (CONT.)  
 DECEMBER 31, 2022

	Separated Financial Statements (In Thousand Baht)			Balance as at December 31, 2021
	Balance as at January 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction Increase	
Bank overdrafts and short-term loans from financial institutions	414,660	(41,502)	-	373,158
Short-term loans from related parties	642,000	51,000	-	693,000
Lease liabilities	17,213	(10,238)	7,137	14,112
Total	<u>1,073,873</u>	<u>(740)</u>	<u>7,137</u>	<u>1,080,270</u>

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

**37. CORONAVIRUS DISEASE 2019 PANDEMIC**

The Coronavirus disease 2019 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation may affect the results of operations of business. Nevertheless, the management of the Group have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

**38. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the Board of Directors on February 24, 2023.

## PART 4 Certification of Information

### Certification of Information

“The Company has reviewed the information on this annual registration statement /annual 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 show material information accurately and completely regarding the financial conditions, the operating results and the cash flows of the Company and the 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 available to the auditor and the Audit Committee, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized **Mr. Pasit Leesakul** or **Mrs. Podchane Phaosavasdi** to sign on every page of the documents, and the absence of the authorized signature of **Mr. Pasit Leesakul** or **Mrs. Podchane Phaosavasdi** on any document shall be deemed that such unsigned document has not been certified by the Company.

Name	Position	Signature
1. Mr. Pasit Leesakul	Authorized Director	.....
2. Mrs. Podchane Phaosavasdi	Authorized Director	.....

**Authorized Person**

Name	Position	Signature
1. Mr. Pasit Leesakul	Chairman of the Executive Committee and Chief Executive Officer	.....
2. Mrs. Podchane Phaosavasdi	Director	.....

## Attachments



## Details of Directors, Executives, Persons with Controlling Authority and company secretary

December 31, 2022



## 1. Mrs. Paichit Rattananon

Chairman of the Board and Authorized Director

Age: 66 years old

Appointment Date to be TRC's Director:	25 April 2005
Tenure as the director:	16 years 8 months (until December 2021)
Attendance in Board of Directors meetings during year 2021:	8/8
Shareholding in TRC as at 31 December 2021:	28.660% (2,747,711,285 shares) Directly and indirectly holds the shares through KPK 1999 Co., Ltd. in which Mrs. Paichit holds 50.50% of its shares
Family Relationship among Executives:	Mother of Mr. Pasit Leesakul, Director and Chief Executive Officer, and Ms. Pavita Leesakul, Director and Vice President, Corporate Affairs Division
Education:	Master of Arts in Political Economy, Faculty of Economics, Chulalongkorn University

## Training:

Institution	Program
Judicial Training Institute	The program for Senior Executives on Justice Administration 23/2018
King Prajadhipok's Institute	Certificate Course in Good Governance for Medical Executives 6/2017
Thailand Energy Academy	Energy Academy Leader Program (TEA) 6/2015
Thai Institute of Director Association	- Director Certification Program (DCP) 142/2011 - Role of the Chairman Program (RCP) 15/2007 - Director Accreditation Program (DAP) 38/2005
Capital Market Academy	Capital Market Academy Leader Program (CMA) 5/2007
The National Defense College of Thailand	National Defense College (NDC) 48/2005

Working Experience in the last 5 years:

TRC Construction Public Company Limited

Year	Position
2005 - present	Chairman

Position in other listed companies: None

Position in other non-listed companies: 3 companies

Year	Position	Company	Business Type
2015 - present	Chairman	Sahakarn Wisavakorn Company Limited	Construction Services
2013 - present	Director		
2008 - present	Director	TRC International Limited (Hong Kong)	Investment and bidding of new projects
2002 - present	Managing Director	KPK 1999 Company Limited	Property Rental

Position in the rival company/related to the company: None

Criminal offense record during the past 10 years: None



2. Mrs. Rachadaporn Rajchataewindra

Independent Director, Chairman of Audit Committee, Remuneration and Nomination Committee and Risk Management Committee

Age: 65 years old

Appointment Date to be TRC's Director: 21 June 2019

Tenure as the director: 3 years 6 months (until December 2022)

Attendance in meetings during year 2022:

Board of Directors	Audit Committee	Risk Committee	Corporate Governance Committee	Remuneration and Nomination Committee
8/8	4/4	2/2	2/2	2/2

Shareholding in TRC as at 31 December 2022: None

Family Relationship among Executives: None

Education: Master of Business Administration, International Business (English Program), University of the Thai Chamber of Commerce

Training:

Institution	Program
Thai Institute of Directors Association	Risk Management Program for Corporate Leaders (RCL 28/2022)
King Prajadhipok's Institute and the Medical Council of Thailand	Certificate Course in Good Governance for Medical Executives (PTP), Class 9/2020
Thai Institute of Director Association	- Advanced Audit Committee Program (AACP), Class 32/2019 - Director Certification Program (DCP), Class 204/2015 - Successful Formulation and Execution of Strategy (SFE), Class 21/2014 - Corporate Governance for Executive (CGE), Class 1/2014 - Director Accreditation Program (DAP), Class 111/2014
Capital Market Academy	Leadership Program, Class 25 (2017)
Thai Listed Companies Association	TLCA Executive Development Program (EDP), Class 4/2009
Governance Matters Australia	The Board's Role in Strategic Formulation

## Working Experience in the last 5 years:

## TRC Construction Public Company Limited

Year	Position
21 June 2019 - present	Independent Director, Chairman of Audit Committee, Risk Management Committee and Remuneration and Nomination Committee
14 May 2021 - present	Corporate Governance Committee

## Position in other listed companies:

2 companies

Year	Position	Company	Business Type
2 May 2022 - present	Remuneration and Nomination Committee	DHIPAYA Group Holdings Public Company Limited	Insurance and life insurance
2018 - present	Independent Director, Chairman of Audit Committee	Thai Union Feedmill Public Company Limited	Production and distribution of animal feeds
12 Nov 2019 – 25 Nov 2020	Independent Director and Audit Committee	MCOT Public Company Limited “MCOT”	Public broadcaster
2015 - 2018	Senior Executive Vice President, Corporate Accounting & Finance	IRPC Public Company Limited	Petroleum and Petrochemical
2015 - 2018	Executive Vice President, Corporate Finance & Accounting	PTT Public Company Limited	Petroleum

## Position in other non-listed companies:

5 companies

Year	Position	Company	Business Type
12 July 2022 - present	Independent Director, Chairman of Audit Committee	TKK Corporation Co., Ltd.	Distribution of products in the automatic production control system in factory
8 February 2022 - present	Director	The Government Savings Bank (GSB)	Financial Institution
2021 - present	Director and Chairman of Audit Committee	Fish Marketing Organization	State enterprise
2021 - present	Director	Thailand Privilege Card Co., Ltd.	State enterprise
2020 - present	Director and Chairman of Audit Committee	The Zoological Park Organization of Thailand	State enterprise
2016 - 2018	Director	IRPC PCC Company Limited	Sales of petrochemical products
2015 - 2018	Director	IRPC OIL Company Limited	Sales of oil products and gas

2015 - 2018	Director	IRPC Polyol Company Limited	Manufacturing and sales of chemical products for polyurethanes
2015 - 2018	Director	UBE Chemicals (Asia) Public Company Limited	Manufacturing and sales of petrochemical products
2015 - 2018	Director	IRPC Clean Power Company Limited	Manufacturing and sales of electricity and steam
2015 - 2018	Director	IRPC A&L Company Limited	Distributing of petrochemical Products
2015 - 2018	Director	Thai ABS Company Limited	Manufacturing and sales of plastic resin

Position in the rival company/related to the company: None

Criminal offense record during the past 10 years: None



3. Association. Prof. Kamjorn Tatiyakavee, M. D

Independent Director, Chairman of Risk Management Committee, Audit Committee and Chairman of Remuneration and Nomination Committee

Age: 67 years old

Appointment Date to be TRC's Director: 29 April 2019

Tenure as the director: 3 years 8 months (until December 2021)

Attendance in meetings during year 2021:

Board of Directors	Audit Committee	Remuneration and Nomination Committee	Risk Committee
8/8	4/4	2/2	2/2

Shareholding in TRC as of 31 December 2021: None

Family Relationship among Executives: None

Education: Certificate in the Paediatrics (equivalent to doctorate),  
Chulalongkorn University

Training:

Institution	Program
Thai Institute of Director Association	Director Accreditation Program (DAP) 35/2005
The National Defense College of Thailand	National Defense College (NDC)

Working Experience in the last 5 years:

TRC Construction Public Company Limited

Year	Position
23 Nov 2021 - present	Chairman of Remuneration and Nomination Committee
13 Nov 2019 - present	Chairman of Risk Management Committee,
29 April – 12 Nov 2019	Risk Management Committee
29 April 2019 – present	Independent Director, Audit Committee and Remuneration and Nomination Committee

Position in other listed companies: 1 company

Year	Position	Company	Business Type
2017 - present	Independent Director	Berli Jucker Public Company Limited "BJC"	Manufacturing and distribution

Position in other non-listed companies: 2 companies

Year	Position	Company/Organization	Business Type
2018 - present	Committee member of Council	Chitralada Technology Institute	National University
2016 - present	Committee member of Council	Chulalongkorn University	National University
2015 - 2016	Permanent Secretary	Ministry of Education	Government Services
2014 – 2018	Committee member of Council	Chitralada Technology College	National University

Position in the rival company/related to the company: None

Criminal offense record during the past 10 years: None



**4. Mrs. Puangthip Silpasart**

Independent Director, Chairman of Corporate Governance Committee, Audit Committee and Remuneration and Nomination Committee

Age: 68 years old

Appointment Date to be TRC's Director: 24 February 2016

Tenure as the director: 6 years 10 months (until December 2021)

Attendance in meetings during year 2021:

Board of Directors	Audit Committee	Remuneration and Nomination Committee	Corporate Governance Committee
8/8	4/4	2/2	2/2

Shareholding in TRC as at 31 December 2021: None

Family Relationship among Executives: None

Education: Bachelor of Arts (B.A.), English Major, Silpakorn University

Training:

Institution	Program
Thai Institute of Director Association	- Director Certification Program (DCP) 226/2016 - Role of the Chairman Program (RCP) 38/2016
Ministry of Industry	Top Executive Program in Industrial Development and Investment (IBID) 2/2015
Thailand Energy Academy, PTT Public Company Limited	Executive Program in Energy Literacy for a Sustainable Future (TEA) 6/2015
Chula Unisearch, Chulalongkorn University	Power of the Kingdom 2/2014
The Electronic Government Agency (Public Organization) (EGA)	E-government Executive Program (CIO) 3/2013
The National Intelligence Agency	National Security Management Course (NSMC) 2/2010
The Office of the Civil Service Commission	The Civil Service Executive Program for Senior Civil Servants (Visionary Leadership: Program 1) 53/2007
Exploration and Production of Petroleum Training Institute, Paris, France	Organizational Restructuring Program



The Office of the Permanent Secretary, Ministry of Energy	Energy Executive Development Program
Sasin Graduate Institute of Business Administration of Chulalongkorn University	Senior Executive Program

Working Experience in the last 5 years:

TRC Construction Public Company Limited

Year	Position
13 Nov 2019 - present	Chairman of Corporate Governance Committee
2016 - present	Independent Director, Audit Committee and Remuneration and Nomination Committee

Position in other listed companies:

2 company

Year	Position	Company	Business Type
2016 - present	Independent Director, Audit Committee, Nomination and Remuneration Committee and Risk Committee	Thai Sugar Terminal Public Company Limited "TSTE"	Transportation & Logistics
2015 - 2017	Director and Corporate Governance and Social Responsibility Committee	The Electricity Generating Public Company Limited "EGCO"	Energy & Utilities

Position in other non-listed companies:

3 companies

Year	Position	Company	Business Type
August 2019 - present	Director	At Energy Solution Co., Ltd.	Provide utility supply and services to industrial plants.
2015 - present	High-Level Position Classification Committee	Ministry of Industry	Public Sector
2015 - present	Executive Director	Technical Petroleum Training Institute	The core institute in providing international standards for training courses in the petroleum exploration and production business.

Position in the rival company/related to the company:

None

Criminal offense record during the past 10 years:

None



**5. Mr. Smai Leesakul**

Authorized Director and Chairman of Executive Committee

Age: 67 years old

Appointment Date to be TRC's Director: 9 May 2007

Tenure as the director: 15 years 7 months (until December 2022)

Attendance in meetings during year 2022:

Board of Directors*	Executive Committee*
-	3/14

\* Mr. Smai Leesakul resigned on 10 March 2022

Shareholding in TRC as at 31 December 2022: None

Family Relationship among Executives: Father of Mr. Pasit Leesakul, Director, Chairman of Executive Committee, Chief Executive Officer and Acting Managing Director and Ms. Pavita Leesakul, Director, Acting Chief Marketing Officer and Company Secretary

Education: Master of Management, SASIN Graduate Institute of Business Administration of Chulalongkorn University

Training:

Institution	Program
Digital Economy Promotion Agency (DEPA)	Chief of Digital Agro Business (CDA) 2/2020
King Prajadhipok's Institute	Certificate Course in Good Governance for Medical Executives (PTP), Class 8/2019
The Thai Fintech Association and ICORA Co., Ltd.	Cryptoasset Revolution (CAR) 1/2018
Squadron 604, Wing 6, Royal Thai Air Force	RTAF Civil Flying Training Division 72
The Federation of Thai Industries	Business Revolution and Innovation Network (BRAIN) 1/2017

Thailand Energy Academy	Top Executive Program in Energy (TEA) 8/2016
The National Defense College of Thailand	- Advanced Security Management Program Year 2014 - Diploma, The Joint State-Private Sector Course Class 16/2003 (NDC 46)
Commerce Academy, University of the Thai Chamber of Commerce	Top Executive Program in Commerce and Trade (TEPCoT) 5/2013
Thai Institute of Director Association (IOD)	- Financial Statements for Directors (FSD) 18/2012 - Director Accreditation Program (DAP) 64/2007
Urban Green Development Institute Bangkok	Bangkok Metropolitan Administration Executive Program (Mahanakorn) 1/2011
Capital Market Academy	Capital Market Academy Leader Program (CMA) 7/2008

**Working Experience in the last 5 years**
**TRC Construction Public Company Limited**

Year	Position
2015 - present	Chairman of Executive Committee
2007 - present	Director

Position in other listed companies: None

Position in other non-listed companies: 12 companies

Year	Position	Company	Business Type
October 2021 - Present	Director and Chairman of the Board of Directors	TRC Utility Company Limited	Investment of basic utility projects
April 2020 - Present	Director and Chairman of the Board of Directors	Master Style Company Limited	Cosmetic surgery clinic Complete skin treatment
March 2020 - Present	Director	Olive Technology Co., Ltd.	Provides research, development, audit and control services, as well as management services and Big Data results.
August 2019 - Present	Chairman of the Board of Directors	At Energy Solution Co., Ltd.	Provide utility supply and services to industrial plants.

2018 - Present	Member of the Joint Committee of Joint Private Sectors 3 Institutions	Board of Trade of Thailand The Federation of Thai Industries and the Thai Bankers Association	
2016- March 2022	Vice President	The Federation of Thai Industries	
2015 - present	Director, Chief Executive Officer and Managing Director	ASEAN Potash Chaiphum Public Company Limited	Potash mining
2008 - present	Director	TRC International Limited (Hong Kong)	Investment and bidding of new projects
2008 - present	Director	TRC Investment Limited (Mauritius)	Investment and bidding of new projects
2007 - 2021	Director	Sahakarn Wisavakorn Company Limited	Construction Services

Position in the rival company/related to the company:

None

Criminal offense record during the past 10 years:

None



#### 6. Mr. Pasit Leesakul

Authorized Director, Chairman of Executive Committee, Chief Executive Officer, Remuneration and Nomination Committee, Risk Management Committee and Acting Managing Director

Age: 39 years old

Appointment Date to be TRC's Director: 21 March 2013

Tenure as the director: 9 years 9 months (until December 2021)

Attendance in meetings during year 2021:

Board of Directors	Remuneration and Nomination Committee	Risk Committee	Executive Committee
8/8	2/2	2/2	14/14

Shareholding in TRC as at 31 December 2021: 0.114% (10,919,998 shares)

Family Relationship among Executives:

- Son of Mrs. Paichit Rattananon, Chairman
- Brother of Ms. Pavita Leesakul, Director, Acting Chief Marketing Officer and Company Secretary

Education: Master of Business Administration: Corporate Finance Concentration, McCollum Graduate School of Business, Bentley University, U.S.A.

Training:

Institution	Program
Office of the Permanent Secretary for Ministry of Agriculture and Cooperatives, Kasettratikarn Foundation and the Agricultural Research Development Agency	- Agriculture and Cooperatives Executive Program (ACE 1)
Thai Listed Companies Association	- TLCA CFO Professional Development Program (TLCA CFO CPD), 7/2020 - TLCA Leadership Development Program (LDP) 4/2016 - Director Accreditation Program (DAP) 105/2013 - TLCA Executive Development Program (EDP) 7/2011
Thailand Energy Academy	The Young Executive Program in Energy Literacy for a Sustainable Future (YTEA) 7/2019
Training of military personnel of Petroleum and Energy	The Management of the Expiring Petroleum Concessions 2016

Econ Chula Association, Chulalongkorn University	Ultra-Wealth Program (UW) 1/2016
Academy of Business Creativity, Sripatum University	Difference: How to Harness Business Creativity Program (ABC) 3/2015
Faculty of Police Science, Royal Police Cadet Academy	Young Executive Program for law Enforcement (YPL) 1/2013
King Prajadhipok's Institute	Political Leadership in the New Era Program (PNP) 2/2012
NIDA Business School, NIDA and Wharton University of Pennsylvania	NIDA Executive Leadership Program (ELP) 5/2009

**Working Experience in the last 5 years:**

**TRC Construction Public Company Limited**

Year	Position
2022 - present	Chairman of Executive Committee and Acting Managing Director
2013 - present	Director
2009 - present	Chief Executive Officer, Executive Committee, Remuneration and Nomination Committee and Risk Management Committee
2018 – August 2021	Acting Chief Financial Officer
Feb - Sep 2018	Acting Chief Operation Officer
2015 - 2018	Chairman of Management Committee

Position in other listed companies: None

Position in other non-listed companies: 7 companies

Year	Position	Company	Business Type
March 2022 - present	Director	AT Energy Solution Company Limited	Procurement and Services on utility to general industrial plants and power plant businesses
November 2020 - present	Director	Mahat Company Limited	Manufacturing, distribution, management services of information technology and platform development
March 2020 - present	Director	Olive Technology Company Limited	Provides research, development, audit and control services, as well as management services and Big Data results.

2017 - present	Director	SH Crossings Company Limited	Construction Services
2017 - present	Director	TRC Utility Company Limited	Investment of the infrastructure projects
August 2012 - present	Director and Chief Executive Officer	Sahakarn Wisavakorn Company Limited	Construction Services
2016	Director	Human Capital Management Club, Thai Listed Companies Association	-

Position in the rival company/related to the company

None

Criminal offense record during the past 10 years:

None



**7.Ms. Pavita Leesakul**

Director, Corporate Governance Committee, Vice President, Commercial Division and Acting Vice President, Commercial Division  
Age: 36 years old

Appointment Date to be TRC's Director: 8 August 2018  
Tenure as the director: 4 year 4 months (until December 2021)  
Attendance in meetings during year 2020:

Board of Directors	Corporate Governance Committee
8/8	2/2

Shareholding in TRC as at 31 December 2022: 0.184% (17,645,411 shares)  
Family Relationship among Executives:

- Daughter of Mrs. Paichit Rattananon, Chairman
- Sister of Mr. Pasit Leesakul, Director Chairman of Executive Committee, Chief Executive Officer and Acting Managing Director

Education: Master of Arts, International Economics and Finance, Keio University, Japan and Brandeis International Business School, U.S.A

**Training:**

Institution	Program
University of the Thai Chamber of Commerce	TOP EXECUTIVE PROGRAM FOR CREATIVE & AMAZING THAI SERVICES (TOPCATS) #3
Safety and Health at Work Promotion Association (Thailand) Under Her Royal Highness Princess Maha Chakri Sirindhorn Patronage	Safety Officer at Executive Level Course
King Prajadhipok's Institute	Intermediate Certificate course of Young Leadership in Democracy Governance (Batch 9)
Thai Institute of Director Association	<ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) 151/2018</li> <li>- How to Develop a Risk Management Plan (HRP) 11/2016</li> </ul>



Chulalongkorn University	Diploma "Human Resources Management" #40
Stock Exchange of Thailand	Corporate Sustainability Strategy #4
Thai Listed Companies Association	TLCA Executive Development Program (EDP 16)
The Federation of Thai Industries	Young F.T.I. Elite # 3
Academy of Business Creativity, Sripatum University	ABC Talent: Grooming Rising Professionals

Working Experience in the last 5 years:

TRC Construction Public Company Limited

Year	Position
2021 - present	Acting Vice President, Commercial Division
2018 - present	Director and Corporate Governance Committee
2016 - present	Vice President, Corporate Affairs Division
2015 - 2017	Corporate Communication Manager

Position in other listed companies: None

Position in other non-listed companies: 4 companies

Year	Position	Company	Business Type
July 2021 - present	Director	Sahakarn Wisavakorn Company Limited	Construction Services
Nov 2020 - present	Director	Mahat Company Limited	Manufacturing, distribution, management services of information technology and platform development
Jan 2020 – present	Audit Committee and Monitoring of Police Administration	In the area of the Khanna Yao Police Station	-
Mar 2020 - present	Director	Olive Technology Co., Ltd.	Provides research, development, audit and control services, as well as management services and Big Data results.
2017 - present	Director	TRC Utility Company Limited	Investment of the infrastructure projects

Position in the rival company/related to the company: None

Criminal offense record during the past 10 years: None



**8. Mr. Loh Eng Kee**

Chief Operating Officer and Executive Committee

Age: 65 years old

Attendance in Executive Committee meetings during year 2022: 13/14

Shareholding in TRC as at 31 December 2022: None

Family Relationship among Executives: None

Education: Technical Diploma in Mechanical Engineering,  
Singapore Polytechnic, Singapore

**Training:**

Institution	Program
Thai Institute of Director Association	Director Accreditation Program (DAP) 74/2008

**Working Experience in the last 5 years:**

TRC Construction Public Company Limited

Year	Position
October 2018 - present	Chief Operating Officer
2015 - present	Executive Committee
2017 – September 2018	Deputy Chief Operating Officer
2015 – August 2018	Director
2015 - 2018	Executive Director and Management Committee
2013 - 2017	Project Director

Position in other listed companies: None

Position in other non-listed companies: None

Position in the rival company/related to the company: None

Criminal offense record during the past 10 years: None



9. Mrs. Phanalee Norragitt

Chief Financial Officer

Age: 57 years old

Attendance in Executive Committee meetings during year 2022:	14/14
Shareholding in TRC as at 31 December 2022:	None
Family Relationship among Executives:	None
Education:	Master of Accounting, Chulalongkorn University
Training:	

Institution	Program
Thai Listed Companies Association	- TLCA CFO Professional Development Program (TLCA CFO CPD) 1/2022 - TLCA CFO Professional Development Program (TLCA CFO CPD) 2/2022 - TLCA CFO Professional Development Program (TLCA CFO CPD) 3/2022 - TLCA CFO Professional Development Program (TLCA CFO CPD) 6/2022
The Securities and Exchange Commission, Thailand	Easy listening: Accounting Tips
The Stock Exchange of Thailand	- E-learning CFO's Orientation Course - Summary of TFRS Financial Reporting Standards that have changed and are effective for the year 2023
Thai Institute of Director Association	Director Accreditation Program (DAP) 90/2011

**Working Experience in the last 5 years:**

TRC Construction Public Company Limited

Year	Position
August 2021 - present	Chief Financial Officer

**Position in other listed companies:** None

Year	Position	Company	Business Type
November 2011 – February 2019	Director of Accounting and Finance	Hydrotek Public Company Limited	Property & Construction
September 1995 - September 2000	Director of Accounting and Finance	EMC Public Company Limited	Property & Construction

**Position in other non-listed companies** 1 company

Year	Position	Company	Business Type
2015 - present	Consultant	Mango Consultant Company Limited	Accounting system installation, bookkeeping, ERP program advisor and provider and computer systems installation and consulting.
October 2000 – September 2009	Director of Administration	G.M. Tour & Travel Company Limited	Administration and support provider

**Position in the rival company/related to the company:** None

**Criminal offense record during the past 10 years:** None



**10. Ms. Rewadee Ardhan**

Senior Accounting Manager and Bookkeeping Supervisor

Age: 54 years old

Shareholding in TRC as at 31 December 2021:

0.001% (63,200 shares)

Family Relationship among Executives:

None

Education:

Master of Business Administration- Management,  
Eastern Asia University

**Training**

Institution	Program
Federation of Accounting Professions under royal patronage	- advance Certificate of TAX Accountant (ACTA) - Key Audit Matters: KAMs
Dharmniti Training and Seminar Company Limited	Summary of accounting standards and financial reporting standards revised edition 2021
Actuarial Business Solution Company Limited	TAS19 Employee Benefit Calculator and TFRS9 set aside provision for impairment of financial instruments
The Stock Exchange of Thailand (SET)	CFO Refresher Course #1/2020
Thai Listed Companies Association	- Strategic Financial Leadership Program (SFLP) - TLCA CFO Professional Development Program 1/2021

Working Experience in the last 5 years:

TRC Construction Public Company Limited

Year	Position
2000 - present	Senior Accounting Manager and Bookkeeping Supervisor

Position in other listed companies:

None

Position in other non-listed companies

None

Position in the rival company/related to the company:

None

Criminal offense record during the past 10 years:

None

## Details on Tenure of Directors, Executives and Authorized Persons of the Company and subsidiaries as of 31 December 2022

Directors and Executives of the Company	TRC	Subsidiaries						
		Sahakarn Wisavakorn Co., Ltd.	TRC Investment Limited	TRC International Limited	Hydrotek Sahakan Joint Ventures	Olive Technology Co., Ltd.	Mahat Co., Ltd.	Sahahydro Pattaya Joint Venture
1. Mrs. Paichit Rattananon	/, X, ○	/, X, ○	/	○				
2. Mrs. Rachadaporn Rajchataewindra	XX, /, ○							
3. Association. Prof. Kamjorn Tatiyakavee, M. D.	A, /, ○							
4. Mrs. Puangthip Silpasart	A, /, ○							
5. Mr. Smai Leesakul <sup>1</sup>	XXX, /, ○, M		○	○		/, ○		
6. Mr. Pasit Leesakul <sup>2</sup>	/, //, ○, C, M	/, ○, C, M				X, /, ○	X, /, ○	
7. Mrs. Podchane Phaosavasdi	/, //, ○, M	/, ○, M			○			
8. Ms. Pavita Leesakul	/, M, ○	/, ○, M				/, ○	/, ○	
9. Mr. Loh Eng Kee	//, M							
10. Mrs. Phanalee Norragitt	M							
11. Ms. Rewadee Ardharn	M							

**Note:**

1. Mr. Smai Leesakul resigned from the director, Authorized Director and Chairman of Executive Committee Effective from March 10, 2022.
2. Mr. Pasit Leesakul appointed as Chief Executive Officer according to the resolution of the Board of Directors Meeting No. 2/2022 held on March 16, 2022.

X	=	Chairman of the Board of Directors
XX	=	Chairman of the Audit Committee
XXX	=	Chairman of the Executive Committee
A	=	Audit Committee
/	=	Director
//	=	Executive Director
○	=	Authorized Director
C	=	Chief Executive Officer
M	=	Executive

## Details on Tenure Directors, Executives and Authorized Persons of the Company and subsidiaries as of 31 December 2022 (continued)

Directors and Executives of the Company	Joint Ventures							Associates
	Sinopec-TRC Joint Venture	SH Crossings Co., Ltd.	Sahakarn Underground Joint Venture	TRC Utilities Co., Ltd.	At Energy Solutions Co., Ltd.	At Energy One Co., Ltd.	Vina At Co., Ltd.	ASEAN Potash Chaiphaphum Public Company Limited
1. Mrs. Paichit Rattananon								
2. Mrs. Rachadaporn Rajchataewindra								
3. Association. Prof. Kamjorn Tatiyakavee, M. D.								
4. Mrs. Puangthip Silpasart					/, ○			
5. Mr. Smai Leesakul <sup>1</sup>				/, ○	/, ○	/, ○	○	
6. Mr. Pasit Leesakul <sup>2</sup>	○	X, /, ○		/	/, ○	/, ○	/, ○	/, ○
7. Mrs. Podchanee Phaosavasdi		/, ○	○					
8. Ms. Pavita Leesakul								
9. Mr. Loh Eng Kee	/							
10. Mrs. Phanalee Norragitt				/, ○	/, ○	/, ○		
11. Ms. Rewadee Ardham								

- Note:
1. Mr. Smai Leesakul resigned from the director, Authorized Director and Chairman of Executive Committee Effective from March 10, 2022.
  2. Mr. Pasit Leesakul appointed as Chief Executive Officer according to the resolution of the Board of Directors Meeting No. 2/2022 held on March 16, 2022.
- X = Chairman of the Board of Directors  
 XX = Chairman of the Audit Committee  
 XXX = Chairman of the Executive Committee  
 A = Audit Committee  
 / = Director  
 // = Executive Director  
 ○ = Authorized Director  
 C = Chief Executive Officer  
 M = Executive

### Details on internal audit supervisor

From 2015 to present, the Company and Sahakarn Wisavakorn Company Limited have appointed EL Business Advisory Company Limited to perform their duties as internal auditors. The Audit Committee considered EL Business Advisory Company Limited's qualification and of the opinion that it was suitable and sufficient as it was independent and had proven experiences in internal audit and internal audit report. Management can apply their feedback to improve internal control systems to be more efficient.

A person assigned by EL Business Advisory Company Limited to serve as head of the internal audit team.

**Name:** Mr.Suvit Chanamporn

**Education:** Master of Commerce and Accounting Chulalongkorn University  
 Bachelor of Law Ramkhamhaeng University  
 Bachelor of Business Administration in Accounting Assumption University  
 Certificate of Audit Chulalongkorn University

**Professional Qualifications** Thailand's Certified Public Accountant

#### Work experience:

##### Current:

Managing Director EL Business Advisory Company Limited

##### Past:

Assistant Auditor Pricewaterhouse Coopers ABAS Company Limited

Internal Audit Manager IBM (Thailand) Company Limited and  
 IBM Corporation Company Limited, USA

Senior Director of Internal Audit UTAC Thai Company Limited

#### Training:

- COSO ERM
- Risk Management
- CIA Review Program
- Quality auditing work
- Anti-Corruption Working Paper
- Review the process of preparing and monitoring the implementation of the strategic plan.
- Orientation course for Chief Accountants focusing on financial reporting
- Thailand IFRS Conference
- Accounting in accordance with the financial reporting standards
- Standard of financial report for listed companies
- Quick law for shareholders's right protection



- Sustainability Strategy for Business
- Corporate IT Governance
- Cyber Security

Since 2016, the Audit Committee has appointed Miss Rewadee Ardham, Senior Accounting Manager, to perform as secretary to the Audit Committee.

Nonetheless, the selection/proposed of appointment, revocation or relocation of the Company's internal auditor must be approved by the Audit Committee.

### Assets used in business and details on property appraisal list

#### Fixed assets of the Company and its subsidiaries

As at 31 December 2022, fixed assets used by the Company and its subsidiaries have net worth after accumulated depreciation and impairment allowance at the amount of Baht 571.99 million. Details of assets as follows:

Assets	Proprietary Rights	Net Worth* (Million Baht)	Value of collateral guaranteed (Million Baht)	Obligations
1.Land	Owner	142.06	111.00	Mortgage to secure credit limit to financial institutions in the amount of Baht 1,100 million
2.Building	Owner	271.00		No
3.Tools & Equipment	Owner	106.93		No
4.Furnishings & Office Supplies	Owner	2.41		No
5.Vehicle <sup>1</sup>	Owner/ Leasing	1.21		No
6.Assets under construction	Owner	16.63		No

Note: \*Net value is book capitalization less accumulated depreciation and impairment allowance (if any)

- As at 31 December 2022, the Company had vehicles arising from financial leases, net book value amount to Baht 1 million. Financial lease is valid for 4 years.

#### Details on property appraisal list

- None-



## TRC CONSTRUCTION PLC

บริษัท ทีอาร์ซี คอนสตรัคชั่น จำกัด (มหาชน)



เลขที่ 8 ซอยสุขาภิบาล 5 ซอย 32 แขวงท่าแร้ง เขตบางเขน กรุงเทพมหานคร 10220

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