

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2020**

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
TRC Construction Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of TRC Construction Public Company Limited and its subsidiaries as at June 30, 2020 and the related consolidated statements of comprehensive income for the three-month and six-month period ended June 30, 2020, consolidated statement changes in shareholders’ equity and cash flows for the six-month period then ended, and the condensed notes to consolidated financial statements and have also reviewed the accompanying statement of financial position of TRC Construction Public Company Limited as at June 30, 2020 and the related statement of comprehensive income for the three-month and six-month period ended June 30, 2020, changes in shareholders’ equity and cash flows for the six-month period then ended and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”.

(Mr. Peradate Pongsathiansak)
Certified Public Accountant
Registration No. 4752

Dharmniti Auditing Company Limited
Bangkok, Thailand
August 14, 2020

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

		<u>ASSETS</u>				
		In Thousand Baht				
		<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>		
		As at June	As at December	As at June	As at December	
Notes		30, 2020	31, 2019	30, 2020	31, 2019	
CURRENT ASSETS						
	Cash and cash equivalents	6	47,550	182,190	11,517	94,272
	Trade and other current receivables	5, 7	339,022	700,182	172,333	470,895
	Unbilled receivables	8, 24	1,299,680	1,138,172	632,394	411,365
	Accounts receivable - retention under construction contracts	5, 8	220,994	215,366	85,391	68,764
	Advances paid to subcontractors under construction contracts	5	453,512	519,906	176,139	195,643
	Construction in progress	24	306,112	80,348	92,862	73,685
	Inventories	9	5,583	5,569	5,514	5,514
	Short-term loans to related parties	5	-	-	-	-
	Withholding tax deducted at source		142,311	132,129	103,326	105,134
	Other current assets		42,896	37,720	15,524	20,071
	Total current assets		2,857,660	3,011,582	1,295,000	1,445,343
NON-CURRENT ASSETS						
	Restricted deposits at banks	10	10,541	10,541	-	-
	Long-term loans to related parties	5	-	-	-	-
	Investments in subsidiaries	11	-	-	476,198	476,073
	Investments in associates	12	-	-	-	-
	Investments in joint ventures	13	123,379	51,613	102,376	27,751
	Property, plant and equipment	14	570,014	595,909	538,196	570,690
	Right-of-use assets	15	26,103	-	13,266	-
	Intangible assets		14,199	10,747	14,043	10,566
	Deferred tax assets		23,785	28,972	14,308	13,367
	Other non-current assets		7,210	6,271	5,758	5,468
	Total non-current assets		775,231	704,053	1,164,145	1,103,915
	TOTAL ASSETS		3,632,891	3,715,635	2,459,145	2,549,258

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		As at June	As at December	As at June	As at December	
Notes		30, 2020	31, 2019	30, 2020	31, 2019	
CURRENT LIABILITIES						
	Bank overdrafts and short-term loans					
	from financial institutions	16	526,261	473,051	351,261	249,051
	Trade and other current payables	5, 17	552,614	508,637	242,656	265,726
	Unbilled payable		613,100	561,624	192,584	87,707
	Unearned construction - revenue		-	-	-	-
	Accounts payable - retention under					
	construction contracts		105,212	100,572	6,210	13,104
	Advances received from customers					
	under construction contracts	8, 24	883,778	986,559	361,581	387,031
	Short-term loans from related parties	5	-	-	635,000	748,000
	Provision for liabilities under					
	construction projects	18	41,415	76,893	6,699	8,101
	Current portion of debentures	19	-	30,000	-	30,000
	Current portion of lease liabilities	20	13,205	2,291	7,576	526
	Income tax payable		-	-	-	-
	Other current liabilities		9,820	39,717	7,387	28,077
	Total current liabilities		2,745,405	2,779,344	1,810,954	1,817,323
NON-CURRENT LIABILITIES						
	Lease liabilities	20	16,010	1,582	8,472	1,582
	Non-current provisions for employee benefits	21	78,845	75,122	66,030	63,328
	Provision for litigation	27.1	20,000	20,000	20,000	20,000
	Total non-current liabilities		114,855	96,704	94,502	84,910
	TOTAL LIABILITIES		2,860,260	2,876,048	1,905,456	1,902,233

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at June	As at December	As at June	As at December
Notes		30, 2020	31, 2019	30, 2020	31, 2019
	Share capital				
	Registered				
	9,587,146,838 ordinary shares of Baht 0.125 each	1,198,393	1,198,393	1,198,393	1,198,393
	Issued and paid-up				
	9,587,146,838 ordinary shares of Baht 0.125 each	1,198,393	1,198,393	1,198,393	1,198,393
	Share premium	-	-	-	-
	Other deficit	(2,956)	(2,956)	-	-
	Retained earnings (deficit)				
	Appropriated - statutory reserve				
	The Company	-	-	-	-
	Subsidiary	4,108	4,108	-	-
	Unappropriated	(413,478)	(347,048)	(644,704)	(551,368)
	Other components of shareholders' equity	15,069	15,616	-	-
	Equity attributable to owners of the Company	801,136	868,113	553,689	647,025
	Non-controlling interests of the subsidiaries	(28,505)	(28,526)	-	-
	Total shareholders' equity	772,631	839,587	553,689	647,025
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,632,891	3,715,635	2,459,145	2,549,258

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2020	2019	2020	2019
REVENUES	5				
Construction services income		712,713	652,915	213,959	216,048
Other service income		4,503	3,272	-	-
Interest income		569	274	84	93
Other income		13,346	8,573	10,248	6,755
Total revenues		731,131	665,034	224,291	222,896
EXPENSES					
Cost of construction services	5	711,325	637,357	236,957	224,308
Cost of other services		2,759	2,173	-	-
Administrative expenses		90,723	92,370	69,002	76,541
Total expenses		804,807	731,900	305,959	300,849
Profit (loss) before share of profit (loss) from investments in associates and joint ventures, finance cost and income tax expenses		(73,676)	(66,866)	(81,668)	(77,953)
Share of profit (loss) from investments in associates	12.2	-	-	-	-
Share of profit (loss) from investments in joint ventures	13.2	(1,104)	1,042	-	-
Profit (loss) before finance cost and income tax expenses		(74,780)	(65,824)	(81,668)	(77,953)
Finance cost	5	4,355	7,467	7,908	10,601
Profit (loss) before income tax expenses		(79,135)	(73,291)	(89,576)	(88,554)
Income tax income (expenses)	22	562	(456)	906	1,856
PROFIT (LOSS) FOR THE PERIOD		(78,573)	(73,747)	(88,670)	(86,698)

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Notes		2020	2019	2020	2019
Other comprehensive income :					
Other comprehensive income to be reclassified to profit or loss					
in subsequent periods :					
Exchange differences on translation of financial statements					
	in foreign currency - net of income tax	3,314	138	-	-
Other comprehensive income to be reclassified					
	to profit or loss in subsequent periods - net of income tax	3,314	138	-	-
Other comprehensive income for the period					
		3,314	138	-	-
Total comprehensive income for the period					
		<u>(75,259)</u>	<u>(73,609)</u>	<u>(88,670)</u>	<u>(86,698)</u>
Profit (loss) attributable to :					
	Equity holders of the Company	(78,074)	(73,346)	(88,670)	(86,698)
	Non-controlling interests of the subsidiaries	(499)	(401)	-	-
		<u>(78,573)</u>	<u>(73,747)</u>	<u>(88,670)</u>	<u>(86,698)</u>
Total comprehensive income attributable to :					
	Equity holders of the Company	(76,850)	(74,405)	(88,670)	(86,698)
	Non-controlling interests of the subsidiaries	1,591	796	-	-
		<u>(75,259)</u>	<u>(73,609)</u>	<u>(88,670)</u>	<u>(86,698)</u>
Earnings per share					
		23			
Basic earnings (loss) per share					
	Profit (loss) attributable to equity holders of the Company	(0.0081)	(0.0119)	(0.0092)	(0.0141)

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2020	2019	2020	2019
REVENUES	5				
Construction services income		1,664,039	1,442,450	688,673	528,328
Other service income		8,740	6,138	-	-
Interest income		796	288	311	106
Other income		20,922	17,889	19,301	13,871
Total revenues		1,694,497	1,466,765	708,285	542,305
EXPENSES					
Cost of construction services	5	1,566,308	1,392,404	643,793	528,014
Cost of other services		5,402	4,316	-	-
Administrative expenses		171,585	174,450	143,312	149,479
Total expenses		1,743,295	1,571,170	787,105	677,493
Profit (loss) before share of profit (loss) from investments in associates and joint ventures, finance cost and income tax expenses		(48,798)	(104,405)	(78,820)	(135,188)
Share of profit (loss) from investments in associates	12.2	-	-	-	-
Share of profit (loss) from investments in joint ventures	13.2	(2,959)	2,122	-	-
Profit (loss) before finance cost and income tax expenses		(51,757)	(102,283)	(78,820)	(135,188)
Finance cost	5	10,065	16,217	15,457	20,890
Profit (loss) before income tax expenses		(61,822)	(118,500)	(94,277)	(156,078)
Income tax income (expenses)	22	(5,557)	(3,494)	941	2,903
PROFIT (LOSS) FOR THE PERIOD		(67,379)	(121,994)	(93,336)	(153,175)

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONT.)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Notes		2020	2019	2020	2019
Other comprehensive income :					
Other comprehensive income to be reclassified to profit or loss					
in subsequent periods :					
Exchange differences on translation of financial statements					
	in foreign currency - net of income tax	423	491	-	-
Other comprehensive income to be reclassified					
	to profit or loss in subsequent periods - net of income tax	423	491	-	-
Other comprehensive income for the period					
		423	491	-	-
Total comprehensive income for the period					
		(66,956)	(121,503)	(93,336)	(153,175)
Profit (loss) attributable to :					
	Equity holders of the Company	(66,430)	(121,162)	(93,336)	(153,175)
	Non-controlling interests of the subsidiaries	(949)	(832)	-	-
		(67,379)	(121,994)	(93,336)	(153,175)
Total comprehensive income attributable to :					
	Equity holders of the Company	(66,977)	(122,566)	(93,336)	(153,175)
	Non-controlling interests of the subsidiaries	21	1,063	-	-
		(66,956)	(121,503)	(93,336)	(153,175)
Earnings per share					
		23			
Basic earnings (loss) per share					
	Profit (loss) attributable to equity holders of the Company	(0.0069)	(0.0197)	(0.0097)	(0.0249)

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

In Thousand Baht

Consolidated Financial Statements													
Equity attributable to the parent's shareholders											Equity attributable	Total	
Issued and paid-up share capital	Share premium	Other deficit		Retained earnings (deficit)		Other components of equity			Total equity attributable to shareholders of the Company	to non-controlling interests of the subsidiaries	shareholders' equity		
		Deficit on revaluation of investment in subsidiaries	Total other deficit	Appropriated - Statutory reserve The Company	Unappropriated Subsidiary	Other comprehensive income	Share of other comprehensive income from associate	Total other components of shareholders' equity					
							Exchange differences on translation of financial statements in foreign currency						
Balance as at January 1, 2019	770,396	1,041,740	(2,956)	(2,956)	73,371	4,108	(1,168,875)	13,626	900	14,526	732,310	(29,295)	703,015
Profit (loss) for the period	-	-	-	-	-	-	(121,162)	-	-	-	(121,162)	(832)	(121,994)
Other comprehensive income for the period	-	-	-	-	-	-	-	(1,404)	-	(1,404)	(1,404)	1,895	491
Total comprehensive income for the period	-	-	-	-	-	-	(121,162)	(1,404)	-	(1,404)	(122,566)	1,063	(121,503)
Transfer of legal reserve and share surplus to comprehensive accumulated losses	-	(1,041,740)	-	-	(73,371)	-	1,115,111	-	-	-	-	-	-
Balance as at June 30, 2019	770,396	-	(2,956)	(2,956)	-	4,108	(174,926)	12,222	900	13,122	609,744	(28,232)	581,512
Balance as at January 1, 2020	1,198,393	-	(2,956)	(2,956)	-	4,108	(347,048)	14,716	900	15,616	868,113	(28,526)	839,587
Profit (loss) for the period	-	-	-	-	-	-	(66,430)	-	-	-	(66,430)	(949)	(67,379)
Other comprehensive income for the period	-	-	-	-	-	-	-	(547)	-	(547)	(547)	970	423
Total comprehensive income for the period	-	-	-	-	-	-	(66,430)	(547)	-	(547)	(66,977)	21	(66,956)
Balance as at June 30, 2020	1,198,393	-	(2,956)	(2,956)	-	4,108	(413,478)	14,169	900	15,069	801,136	(28,505)	772,631

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	In Thousand Baht				Total shareholders' equity
	Separate Financial Statements				
	Issued and paid-up share capital	Share premium	Retained earnings (deficit) Appropriated - Statutory reserve	Unappropriated	
Balance as at January 1, 2019	770,396	1,041,740	73,371	(1,386,222)	499,285
Profit (loss) for the period	-	-	-	(153,175)	(153,175)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(153,175)	(153,175)
Transfer of legal reserve and share surplus to comprehensive accumulated losses	-	(1,041,740)	(73,371)	1,115,111	-
Balance as at June 30, 2019	770,396	-	-	(424,286)	346,110
Balance as at January 1, 2020	1,198,393	-	-	(551,368)	647,025
Profit (loss) for the period	-	-	-	(93,336)	(93,336)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(93,336)	(93,336)
Balance as at June 30, 2020	1,198,393	-	-	(644,704)	553,689

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before tax	(61,822)	(118,500)	(94,277)	(156,078)
Adjustments to reconcile profit (loss) before tax				
to net cash provided by (paid from) operating activities				
Depreciation and amortisation	55,359	57,955	49,000	51,899
Allowance for doubtful debt	39	-	3,840	-
Unrealised (gain) loss on exchange rate	99	(1,432)	100	(1,432)
(Gain) loss on disposal of equipment	(220)	(1,902)	-	(901)
Loss on write-off of equipment	11,096	41	11,094	41
Share of (profit) loss from investments in joint venture	2,959	(2,122)	-	-
Provision for liabilities under construction projects	1,000	10,938	-	10,888
Non-current provisions for employee benefits	7,418	16,328	6,069	14,043
Amortised transaction cost of debenture	-	250	-	250
Interest income	(797)	(288)	(311)	(106)
Interest expenses	10,065	16,151	15,457	20,890
Profit (loss) from operating activities before changes in				
operating assets and liabilities	25,196	(22,581)	(9,028)	(60,506)
(Increase) decrease in operating assets				
Trade and other current receivables	361,121	320,688	298,562	310,133
Unbilled receivables	(161,508)	(132,586)	(221,029)	22,358
Accounts receivable - retention under construction contracts	(5,628)	(24,965)	(16,627)	(2,994)
Advance paid to subcontractors under construction contracts	66,394	(36,103)	19,504	53,818
Construction in progress	(225,764)	12,723	(19,177)	(17,286)
Inventories	(14)	(30)	-	-
Other current assets	(5,176)	2,158	4,547	14,492
Other non-current assets	(939)	(250)	(290)	(13)

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Increase (decrease) in operating liabilities				
Trade and other current payables	33,831	(67,675)	(29,946)	(126,500)
Unbilled payables	51,476	17,187	104,877	(99,601)
Unearned construction revenue	-	(6,000)	-	-
Accounts payable - retention under construction contracts	4,640	39,497	(6,894)	633
Advances received from customers under construction contracts	(102,781)	242,215	(25,450)	17,408
Other current liabilities	(29,897)	(22,066)	(20,690)	(21,059)
Cash flows from provide by (used in) operating activities	10,951	322,212	78,359	90,883
Cash paid for provision for liabilities under construction projects	(36,478)	(23,522)	(1,402)	(11,744)
Cash paid for non-current provisions for employee benefits	(3,695)	(1,781)	(3,367)	(1,781)
Cash paid for income tax	(39,412)	(40,491)	(19,191)	(26,450)
Received from withholding tax refund	28,860	-	20,999	-
Net cash flows provided by (used in) operating activities	(39,774)	256,418	75,398	50,908
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	-	-	(3,840)	-
Cash paid for investing in joint venture	(74,725)	-	(74,625)	-
Interest income	797	273	311	106
Cash received from disposal of equipment	411	2,247	-	1,172
Cash paid for purchase of property, plant and equipment	(25,198)	(47,054)	(17,345)	(45,861)
Cash paid for purchase of intangible assets	(4,510)	(34)	(4,510)	(8)
Net cash flows provided by (used in) investing activities	(103,225)	(44,568)	(100,009)	(44,591)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	53,210	14,733	102,210	(178,463)
Cash receive from short-term loans from related parties	-	-	248,000	740,000
Cash paid for short-term loans from related parties	-	-	(361,000)	(365,000)

Notes to interim financial statements form an integral part of these statements.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Repayment of debentures	(30,000)	(150,000)	(30,000)	(150,000)
Interest expenses	(9,798)	(18,470)	(15,013)	(15,989)
Decrease in lease liabilities	(5,476)	(2,079)	(2,341)	-
Net cash flows provided by (used in) financing activities	7,936	(155,816)	(58,144)	30,548
Increase (decrease) in translation adjustment	423	491	-	-
Net increase (decrease) in cash and cash equivalents	(134,640)	56,525	(82,755)	36,865
Cash and cash equivalents at the beginning of the period	182,190	82,256	94,272	7,181
Cash and cash equivalents at the end of the period	47,550	138,781	11,517	44,046
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in purchase of fixed assets and intangible assets				
that have yet to be paid	10,417	(8,654)	6,600	(9,580)
Accrued payables the investment in subsidiaries	-	-	125	-
Lease liabilities	30,181	-	15,888	-

Notes to interim financial statements form an integral part of these statements.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020

1. CORPORATE 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 FINANCIAL STATEMENTS

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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

2.2 Financial reporting standards that became effective in the current periods

During the periods, the Company and its subsidiaries have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

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Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

TFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

As at January 1, 2020, the Company had adopted TFRS 16, which the Company recognized the cumulative effects of the initial application of this financial reporting standard without restated the previous year's financial statements presented for comparative. However, the Company had chosen to comply with this financial reporting standard with the lease that was previously classified as operating lease by recognizing the liabilities under the lease as at January 1, 2020 with the present value of the remaining lease payment and discounted by the interest rate of the additional borrowing of the Company as at the initial application date. It was recognized the contractual use rights in the amount of liabilities under lease agreements adjusted by the amount of the prepaid or accrued lease payments which were related to the lease agreement recognized in the statement of financial position before the date of application of this financial reporting standard.

The effect of the change in accounting policy is stated in Note 4 to the interim financial statements.

2.3 Significant Accounting Policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies as follows.

Financial assets and financial liabilities

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

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Financial liabilities are classified and measured at amortized cost.

Derivatives are classified and measured at fair value through profit or loss.

(2) Impairment of financial assets

The Company and its subsidiaries recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company and its subsidiaries accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company and its subsidiaries applies a simplified approach to determine the lifetime expected credit losses.

Leases

At inception of a contract, the Company and its subsidiaries 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 periods of time in exchange for consideration.

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.

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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 measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

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.

3. BASIS OF CONSOLIDATION

These consolidated interim financial statements are prepared on the same basis as that applied for the preparation of the consolidated financial statements for the year ended December 31, 2019, with there being changes in the structure of shareholding in subsidiaries during the current periods. (see note 11)

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3 to the interim financial statements, during the current periods, the Company and its subsidiaries have impacts from adoption of TFRSs related to financial instruments and TFRS 16. The cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	Thousand Baht		
	Consolidated Financial Statements		
	As at December 31, 2019	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position			
Non-current assets			
Right-of-use assets	-	25,814	25,814
Current liabilities			
Current portion of lease liabilities	2,291	10,121	12,412
Non-current liabilities			
Lease liabilities	1,582	15,693	17,275

	Thousand Baht		
	Separate Financial Statements		
	As at December 31, 2019	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position			
Non-current assets			
Right-of-use assets	-	12,275	12,275
Current liabilities			
Current portion of lease liabilities	526	5,091	5,617
Non-current liabilities			
Lease liabilities	1,582	7,184	8,766

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

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4.1 Financial instruments

Classification and measurement

On January 1, 2020 (the date of initial application), the Company and its subsidiaries’s management has assessed which business models applied to the financial assets and liabilities held by the Company and its subsidiaries and has classified the financial assets and liabilities as below.

	Thousand Baht			
	Consolidated Financial Statements			
	FVPL	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020				
Cash and cash equivalents	-	-	182,190	182,190
Trade and other current receivables	-	-	700,182	700,182
Unbilled receivables	-	-	1,138,172	1,138,172
Accounts receivable - retention under construction contracts	-	-	215,366	215,366
Advances paid to subcontractors under construction contracts	-	-	519,906	519,906
Construction in progress	-	-	80,348	80,348
Withholding tax deducted at source	-	-	132,129	132,129
Other current assets	-	-	37,720	37,720
Restricted deposits at banks	-	-	10,541	10,541
Investments in joint ventures	-	-	51,613	51,613
Other non-current assets	-	-	6,271	6,271
	-	-	3,074,438	3,074,438

	Thousand Baht	
	Consolidated Financial Statements	
	Amortized cost	Total
Financial liabilities as at January 1, 2020		
Bank overdrafts and short-term loans from financial institution	473,051	473,051
Trade and other current payables	508,637	508,637
Unbilled payable	561,624	561,624
Accounts payable - retention under construction contracts	100,572	100,572
Advances received from customers under construction contracts	986,559	986,559
Current portion of debentures	30,000	30,000
Other current liabilities	39,717	39,717
Lease liabilities	29,687	29,687
	2,729,847	2,729,847

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	Thousand Baht		
	Separate Financial Statements		
	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020			
Cash and cash equivalents	-	94,272	94,272
Trade and other current receivables	-	470,895	470,895
Unbilled receivables	-	411,365	411,365
Accounts receivable - retention under construction contracts	-	68,764	68,764
Advances paid to subcontractors under construction contracts	-	195,643	195,643
Construction in progress	-	73,685	73,685
Withholding tax deducted at source	-	105,134	105,134
Other current assets	-	20,071	20,071
Investments in subsidiaries	-	476,073	476,073
Investments in joint ventures	-	27,751	27,751
Other non-current assets	-	5,468	5,468
	-	1,949,121	1,949,121

	Thousand Baht	
	Separate Financial Statements	
	Amortized cost	Total
Financial liabilities as at January 1, 2020		
Bank overdrafts and short-term loans from financial institutions	249,051	249,051
Trade and other current payables	265,726	265,726
Unbilled payable	87,707	87,707
Accounts payable - retention under construction contracts	13,104	13,104
Advances received from customers under construction contracts	387,031	387,031
Short-term loans from related parties	748,000	748,000
Current portion of debentures	30,000	30,000
Other current liabilities	28,077	28,077
Lease liabilities	14,383	14,383
	1,823,079	1,823,079

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

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Impairment of financial assets

Trade receivables

The loss allowance for trade receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

	Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
<u>Loss allowance for trade receivables</u>		
As at December 31, 2019	395,348	664,983
Amounts restated through opening unappropriated retained earnings	-	-
Opening loss allowance as at January 1, 2020	<u>395,348</u>	<u>664,983</u>

Loans to related parties

The loss allowance for short-term and long-term loans to related parties was as follow:

	Thousand Baht	
	Separate Financial Statements	
	Loss allowance for short-term loans to related parties	Loss allowance for long-term loans to related parties
As at December 31, 2019	60,384	1,306,517
Amounts restated through opening unappropriated retained earnings	-	-
Opening loss allowance as at January 1, 2020	<u>60,384</u>	<u>1,306,517</u>

4.2 Leases

Upon initial application of TFRS 16 the Company and its subsidiaries recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

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	Thousand Baht	
	Consolidated	Separate
	Financial	Financial
	Statements	Statements
Operating lease commitments disclosed as at December 31, 2019	21,796	19,028
<u>Less</u> : Short-term leases recognized on a straight-line basis as expenses	(6,687)	(6,425)
<u>Less</u> : Low value leases recognized on a straight-line basis as expenses	(4,060)	(4,045)
<u>Add</u> : Purchase or extension options reasonably certain to be exercised	17,123	4,717
	28,172	13,275
<u>Less</u> : Deferred interest expenses	(2,358)	(1,000)
Additional lease liabilities from TFRS 16 adoption	25,814	12,275
Finance lease liabilities as at December 31, 2019	3,873	2,108
Lease liabilities recognized as at January 1, 2020	<u>29,687</u>	<u>14,383</u>
Of which are:		
Current lease liabilities	12,412	5,617
Non-current lease liabilities	17,275	8,766
	<u>29,687</u>	<u>14,383</u>

The recognized right-of-use assets relate to the following types of assets:

	Thousand Baht	
	Consolidated	Separate
	Financial	Financial
	Statements	Statements
As at January 1, 2020		
Land and land improvements	10,562	-
Building and building improvements	462	-
Furniture, fixtures and office equipment	11,383	10,193
Vehicles	3,407	2,082
Total right-of-use assets	<u>25,814</u>	<u>12,275</u>

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5. RELATED PARTY TRANSACTIONS

During the periods, the Company and its subsidiaries 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.

Detail 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
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
ASEAN Potash Chaiyaphum Public Company Limited	Thailand	Associated company
SH Crossing Company Limited	Thailand	Joint venture
AT Energy Solution Company Limited	Thailand	Joint venture
Sahakarn Underground Joint Venture	Thailand	Joint venture

Significant transactions with related companies for the three-month and six-month periods ended June 30, 2020 and 2019 are as follows:

	In Million Baht				Transfer Pricing Policy
	For the three-month periods ended June 30,				
	Consolidated Financial Statements		Separate Financial Statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Cost of construction services	-	-	-	1	Cost plus margin
Interest expenses	-	-	6	7	At rate of 2.5% - 6.25% p.a.
Other income	-	-	4	2	Cost plus margin
<u>Transactions with associated company</u>					
Rental income	-	-	-	-	Contract price
<u>Transactions with related parties</u>					
Other income	2	3	2	2	Cost plus margin

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	In Million Baht				Transfer Pricing Policy
	For the six-month periods ended June 30,				
	Consolidated Financial Statements		Separate Financial Statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of construction services	-	-	1	3	Cost plus margin
Interest expenses	-	-	11	11	At rate of 2.5% - 6.25% p.a.
Other income	-	-	8	4	Cost plus margin
<u>Transactions with associated company</u>					
Rental income	-	1	-	1	Contract price
<u>Transactions with related parties</u>					
Other income	5	7	4	6	Cost plus margin

The significant outstanding balances with related parties and companies as at June 30, 2020 and December 31, 2019, are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Trade and other current receivables - related parties</u>				
Subsidiary companies	-	-	346,116	289,798
Associated company	383,420	383,420	383,420	383,420
Joint venture	8,650	2,156	6,719	1,775
Total	392,070	385,576	736,255	674,993
<u>Less Allowance for doubtful debts</u>	<u>(383,420)</u>	<u>(383,420)</u>	<u>(699,461)</u>	<u>(664,983)</u>
Trade and other current receivables - related parties - net	<u>8,650</u>	<u>2,156</u>	<u>36,794</u>	<u>10,010</u>
<u>Account receivable - retention under construction contracts - related parties</u>				
Associated company	7,854	7,854	7,854	7,854
Joint venture	42,626	42,626	42,626	42,626
Total	50,480	50,480	50,480	50,480
<u>Less : Allowance for doubtful debts</u>	<u>(7,854)</u>	<u>(7,854)</u>	<u>(7,854)</u>	<u>(7,854)</u>
Total account receivable - retention under construction contracts - related parties - net	<u>42,626</u>	<u>42,626</u>	<u>42,626</u>	<u>42,626</u>

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	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Advances paid to subcontractor under construction contract - related party</u>				
Joint venture	50,551	6,461	-	-
Total	50,551	6,461	-	-
<u>Short-term loans to related parties</u>				
Subsidiary companies	-	-	64,234	60,384
Total	-	-	64,234	60,384
Less Allowance for doubtful debts	-	-	(64,234)	(60,384)
Total short-term loans to related parties - net	-	-	-	-
<u>Long-term loans to related parties</u>				
Subsidiary companies	-	-	1,306,517	1,306,517
Total	-	-	1,306,517	1,306,517
Less Allowance for doubtful debts	-	-	(1,306,517)	(1,306,517)
Total long-term loans to related parties - net	-	-	-	-
<u>Trade and other current payables - related parties</u>				
Subsidiary companies	-	-	10,866	6,221
Joint ventures	4,600	14,414	-	-
Total	4,600	14,414	10,866	6,221
<u>Short-term loans from related parties</u>				
Subsidiary companies	-	-	635,000	748,000
Total	-	-	635,000	748,000

As at June 30, 2020 and December 31, 2019, the balance of loans between the Company and related companies and the movements are as follows:

Loans to	Related by	In Thousand Baht				
		Separate Financial Statements				
		Balance as at December 31, 2019	Increase	Decrease	Exchange rate adjustment	Balance as at June 30, 2020
<u>Short-term loans</u>						
TRC Investment Limited	Subsidiary company	3,417	199	-	10	3,626
TRC Engineering LLC	Subsidiary company	56,704	-	-	-	56,704
TRC Middle East LLC	Subsidiary company	263	3,641	-	-	3,904
Total		60,384	3,840	-	10	64,234
Less : Allowance for doubtful debts		(60,384)	(3,840)	-	(10)	(64,234)
Short-term loans - net		-	-	-	-	-

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		In Thousand Baht				
		Separate Financial Statements				
Loans to	Related by	Balance as at December 31, 2019	Increase	Decrease	Exchange rate adjustment	Balance as at June 30, 2020
<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: Allowance for doubtful debts		(1,306,517)	-	-	-	(1,306,517)
Long-term loans - net		-	-	-	-	-

Loans to related parties carried interest at rate of 3.5% - 7.0% per annum (December 31, 2019 : 3.5% - 7.0% per annum), due for repayment on demand and no security to guarantee.

		In Thousand Baht			
		Separate Financial Statements			
Loans from	Related by	Balance as at December 31, 2019	Increase	Decrease	Balance as at June 30, 2020
Sahakarn Wisavakorn Company Limited	Subsidiary company	748,000	248,000	(361,000)	635,000
Total		748,000	248,000	(361,000)	635,000

Short-term loans from related parties carried interest at rate of 2.5% - 6.25% per annum (December 31, 2019 : 2.5% - 5.5% 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 26.5

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Directors and management’s benefits

During the three-month and six-month periods ended June 30, 2020 and 2019, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	In Million Baht			
	For the three-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Short-term employee benefits	6	6	4	5
Post-employment benefits	-	-	-	-
Total	<u>6</u>	<u>6</u>	<u>4</u>	<u>5</u>

	In Million Baht			
	For the six-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Short-term employee benefits	13	12	8	11
Post-employment benefits	1	1	1	1
Total	<u>14</u>	<u>13</u>	<u>9</u>	<u>12</u>

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Cash	1,652	1,757	455	451
Deposits at banks (saving and current account)	45,898	180,433	11,062	93,821
Total	<u>47,550</u>	<u>182,190</u>	<u>11,517</u>	<u>94,272</u>

Saving accounts carry interest at the floating rates which are set by the bank.

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JUNE 30, 2020

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 June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates	-	-	-	-
Not yet due				
Past due				
Up to 3 months	-	-	-	-
3 - 6 months	-	372	-	372
6 - 12 months	372	4,226	372	4,226
Over 12 months	383,048	378,822	383,048	378,822
Total trade accounts receivable - related parties	383,420	383,420	383,420	383,420
Less : Allowance for doubtful debts	(383,420)	(383,420)	(383,420)	(383,420)
Total trade accounts receivable - related parties - net	-	-	-	-
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	192,526	584,506	75,359	373,968
Past due				
Up to 3 months	129,708	25,473	58,132	-
3 - 6 months	1,411	38	-	-
6 - 12 months	33	21	-	-
Over 12 months	12,039	96,513	-	84,776
Total trade accounts receivable - unrelated parties	335,717	706,551	133,491	458,744
Less : Allowance for doubtful debts	(11,967)	(11,928)	-	-
Translation adjustment	(63)	223	-	-
Total trade accounts receivable - unrelated parties - net	323,687	694,846	133,491	458,744
Total trade accounts receivable - net	323,687	694,846	133,491	458,744
<u>Other current receivables</u>				
Advance to related parties	8,650	2,156	38,811	12,027
Interest receivable from related parties	-	-	314,024	279,546
Others	6,685	3,180	2,048	2,141
Total other current receivables	15,335	5,336	354,883	293,714
Less : Allowance for doubtful debt	-	-	(316,041)	(281,563)
Total other current receivables - net	15,335	5,336	38,842	12,151
Total trade and other current receivables - net	339,022	700,182	172,333	470,895

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

The Company and the subsidiary 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 201 million included in the trade accounts receivable balance as at June 30, 2020 (the Company only: Baht 133 million) (December 31, 2019 : Baht 514 million, the Company only: Baht 374 million).

8. UNBILLED RECEIVABLES/ADVANCES RECEIVED FROM CUSTOMERS UNDER CONSTRUCTION CONTRACTS

	In Thousand Baht			
	Consolidated Financial		Separate Financial	
	Statements		Statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Unbilled receivables and advances received from customers under construction contracts				
Project value as per contracts	15,044,449	21,207,496	4,527,226	9,649,236
Accumulated amount recognised as revenue on percentage of completion basis	5,882,753	10,127,036	2,115,035	5,294,371
Less : Bad debt	-	-	-	-
Less : Value of total billed	(5,466,851)	(9,975,423)	(1,844,222)	(5,270,037)
Net	415,902	151,613	270,813	24,334
Unbilled receivables - net	1,299,680	1,138,172	632,394	411,365
Advances received from customers	(883,778)	(986,559)	(361,581)	(387,031)
Total	415,902	151,613	270,813	24,334
Accounts receivables - retention under construction contract	228,848	223,220	93,245	76,618
Less : Allowance for doubtful debt	(7,854)	(7,854)	(7,854)	(7,854)
Accounts receivable - retention under construction contract - net	220,994	215,366	85,391	68,764
Unearned construction revenue				
Project value as per contracts	-	-	-	-
Value of total billed	-	-	-	-
Less : Accumulated amount recognised as revenue on percentage of completion basis	-	-	-	-
Unearned construction revenue	-	-	-	-

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

9. INVENTORIES

Inventories are as follows :

	In Thousand Baht			
	Consolidated Financial		Separate Financial	
	Statements		Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Raw materials and construction supplies	7,953	7,939	7,892	7,892
Finished goods	8	8	-	-
Total	7,961	7,947	7,892	7,892
<u>Less</u> : Allowance for decline in value of inventories	(2,378)	(2,378)	(2,378)	(2,378)
Inventories - net	<u>5,583</u>	<u>5,569</u>	<u>5,514</u>	<u>5,514</u>

10. RESTRICTED DEPOSITS AT BANKS

These represent saving deposit and fixed deposits pledged with banks to secure credit facilities and bank guarantee facilities issued by the banks on behalf of subsidiaries, as described in Note 26.4

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the separate financial statements are as follows :

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage (%)		Cost method (Baht)	
			As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Sahakarn Wisavakorn Company Limited	Construction services - basic infrastructure	Thailand	500,000,000 Baht	500,000,000 Baht	99.99	99.99	620,894,691	620,894,691
TRC Investment Limited*	Holding company	The Republic of Mauritius	1 USD	1 USD	100.00	100.00	32	32
TRC Utility Company Limited	To produce and distribute tap water	Thailand	250,000 Baht	250,000 Baht	99.97	99.97	249,925	249,925
Olive Technology Company Limited	Data management and processing	Thailand	250,000 Baht	-	50.00	-	125,000	-
Total							621,269,648	621,144,648
Less : Allowance for loss on impairment of investment							(145,071,416)	(145,071,416)
Total investments in subsidiaries - net							<u>476,198,232</u>	<u>476,073,232</u>

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

On August 14, 2019 the Board of Directors’ Meeting No.8/2019 had a resolution to approve the company to establish a new subsidiary in order to operate an automatic warehouse. Presently, the Company is under negotiation process with the business partners.

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 Co.,Ltd. to conduct the business in providing research and development of inspection systems controlled through IOT system at the shareholding 50%, 50%, respectively. 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 Co.,Ltd. consists of 5 directors - 3 from TRC Construction (Public) Co.,Ltd. and 2 from Xsense Information Service Co.,Ltd. The meeting resolution on various matters has to receive majority votes of all directors. This means TRC Construction (Public) Co., Ltd. will have control over the operation of Olive Technology Co.,Ltd. Therefore, the Company considered the investments in Olive Technology Co.,Ltd. as a subsidiary.

Details of investments in subsidiaries which are held by the Company’s subsidiaries are as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage (%)		Cost method (Baht)	
			As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Held by Sahakorn Wisavakorn Company Limited</u>								
Hydrotek Sahakorn Joint Venture	Construction services	Thailand	1,000,000 Baht	1,000,000 Baht	49.00	49.00	490,000	490,000
<u>Held by TRC Investment Limited</u>								
TRC International Limited*	Holding company	Hong Kong	10 HKD	10 HKD	100.00	100.00	33	33
<u>Held by TRC International Limited</u>								
TRC Middle East LLC*	Construction services	Sultanate of Oman	150,000 Omani Rial	150,000 Omani Rial	70.00	70.00	12,322,330	12,322,330
TRC Engineering LLC*	Construction services	Sultanate of Oman	250,000 Omani Rial	250,000 Omani Rial	70.00	70.00	13,654,506	13,654,506
Total							26,466,869	26,466,869
Less : Allowance for loss on impairment of investment							(25,976,836)	(25,976,836)
Total investments in subsidiaries which are held by the Company's subsidiaries - net							490,033	490,033

* The financial statements of the subsidiary were prepared by the management of the subsidiary and not reviewed by other auditors.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
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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 June 30, 2020 such subsidiary is under liquidation process.

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. On June 30, 2020, these subsidiaries have been in the liquidation process.

12. INVESTMENTS IN ASSOCIATE

12.1 Details of associate

Investments in associate in the consolidated financial statements which use the equity method are as follows:

Company's name	Nature of business	Country of incorporation	Consolidated Financial Statements					
			Shareholding percentage (%)		Cost		Carrying amounts based on equity method	
			As at June 30, 2020	As at December 31, 2019	(In Thousand Baht)		(In Thousand Baht)	
<u>Held by TRC Investment Limited</u>								
ASEAN Potash Chaiyaphum Public Company Limited	Mining Industries	Thailand	22.46	22.46	1,261,274	1,261,274	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	100,000	100,000	85,989	85,989
Total					1,361,274	1,361,274	1,212,731	1,212,731
<u>Less : Allowance for loss on impairment of investment</u>					(1,361,274)	(1,361,274)	(1,212,731)	(1,212,731)
Total investment in associate - net					-	-	-	-

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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ASEAN Potash Chaiyaphum Public Company Limited

In accordance with the concession agreements with the Department of Primary Industries and Mines, Ministry of Industry, in January 2015, the associate has an obligations to pay a special state benefits for concession in 8 equal installments, each of Baht 433 million plus interest at the rate of 6.5% per annum, or a total of Baht 569 million, commencing from 2018. The associate is also committed to pay various funds each year throughout the concession periods. The associate received a demand letter from Chaiyaphum Provincial Industry Office to pay the first installment of special state benefits of Baht 569 million, together with a fine at 15% per annum, within 90 days from the receipt date of the letter which is due in August 2018. Otherwise the license may be revoked in accordance with Section 128 of the Minerals Act B.E. 2560.

In April 2018, the associate approved the first increase of paid up capital for not exceeding 29 million ordinary shares which will be allocated to the existing shareholders at the offering price of Baht 68.43 per share. The period for subscription and settlement was by the end of July 2018. Upon the ending of the period for new shares subscription and settlement, none of the shareholders subscribed for the new shares.

Such associate is still unable to pay the special state benefit No.1 under the special benefit agreement as it is in the process to secure the funding from the capital increase from the shareholders and/or applying for credit approval from commercial banks. In November 2018, an associate was informed to make the payment of the 2nd installment of special state benefit of Baht 569 million within January 15, 2019. In case of overdue, the Company has to pay the fine at 15% per annum of the special state benefit. Presently, the Company still cannot comply with the agreement to pay special state benefits.

On April 26, 2019, the Annual General Shareholders' Meeting 2019 of the associate company approved for the amendment of a share offering price from Baht 68.43 per share to Baht 15.00 per share and offer approval for called up ordinary share No.1 in the amount by allotment not over 35 million by sale offering to the existing shareholders at a ratio of 4 existing shares to 5 new shares at the offering price of Baht 15.00 per share or totaling Baht 526 million and period for subscription and settlement during May 27 - 31 and June 3 - 7, 2019.

On June 4, 2019, Board of Directors' Meeting No. 2/2019 of the associate company had a resolution to extend the subscription period and payment of the capital increase shares from May 27 - 31 and June 3 - 7, 2019 to May 27 - 31 and June 4 - August 5, 2019.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

Upon the ending of the period for new shares subscribing and settlement during May 27 - 31 and June 4 - August 5, 2019, it appears that five shareholders have paid for the share capital increase in the amount of Baht 18.38 million. However, the amount of payment for the ordinary share capital increase from the allocation of this ordinary share capital increase did not follow the operation plan set forth. As a result, the Company cannot continue its operation in accordance with the plan. The Company has refunded the payment amount for the ordinary share capital increase back to the shareholders on September 9, 2019.

On February 12, 2019, the meeting No. 3/2019 of the Company's Executive Committee passed its resolution not to involve in any further investment in the associate, including not to be awarded any construction services from the associate unless there will be the promising source of funds for its project development. The Committee also approved the subsidiaries' recording of a full allowance for impairment of its investment, amounting to Baht 1,361 million, since the associate situation contains various uncertainties, such as the obligation to pay two installments of the special state benefits for concession which may cause the revocation of the concession. There is also the uncertainty to acquire the source of funds for potash project development both in the aspect of the capital investment which there is no progress made in finding new investors, both government and private sector, and in the aspect of credit facilities approval from the commercial banks. Consequently, causing the financial liquidity problem to the associate which delay the progress of its project. In addition, the Company has had to recognise substantial losses of the associate under the equity method for several consecutive years. Moreover, the amounts of the losses recognised will increase in the future because of the recognition of fines imposed due to the associate's inability to make payment of the special state benefits that it is required to pay each year. Furthermore, the associate's current liabilities substantially exceeded its current assets. Even though the Company has set up a full provision for loss on assets related to Potash Mining Project, it still has a duty and responsibility to use its best efforts to recover the value of those assets. If, in the future, the value of the assets is recovered, the Company may be able to reverse excess provision and recognise profit in the future to compensate the losses from such provisions.

As at June 30, 2020, the associated company is in the 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.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

12.2 Share of profit (loss)

During the three-month and six-month periods ended June 30, 2020 and 2019, the Company has stopped recognising 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 or over the value of the interest of the ASEAN Potash Chaiyaphum Public Company Limited.

13. INVESTMENTS IN JOINT VENTURES

13.1 Details of joint ventures

Investments in joint ventures in the consolidated financial statements which use the equity method are as follows :

Company's name	Nature of business	In Thousand Baht					
		Consolidated Financial Statements					
		Shareholding percentage(%)		Cost		Carrying amounts based on equity method	
		As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Held by the Company</u>							
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	25,375	97,435	25,375
<u>Held by Sahakarn Wisavakorn Company Limited</u>							
SH Crossing Company Limited	Construction service	51	51	20,400	20,400	23,467	23,862
Sahakarn Underground Joint Venture	Construction service	50	-	100	-	101	-
Total				122,876	48,151	123,379	51,613

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

Investments in joint ventures in the separate financial statements which use the cost method are as follows:

Company's name	Nature of business	In Thousand Baht			
		Separate Financial Statements			
		Shareholding percentage (%)		Cost	
		As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Sinopec-TRC Joint Venture	Construction service	30	30	2,376	2,376
AT Energy Solution Company Limited	Energy production and distribution	50	50	100,000	25,375
Total				102,376	27,751

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) Co.,Ltd. and Appliance Technology Supply Co.,Ltd. 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.

On October 27, 2019, Appliance Technology Supply Co.,Ltd intended to sell all of the shares to the former joint investor : TRC Construction (Public) Co.,Ltd. and Asia Green Energy (Public) Co.,Ltd.

On November 27, 2019, AT Energy Solution Co.,Ltd. had increased its registered capital from Baht 1 million to Baht 200 million with the paid-up capital Baht 50.75 million. The Company invested in the amount of Baht 25.38 million.

On January 14, 2020, AT Energy Solution Co.,Ltd. had called for the payment of the remaining capital increase shares, resulting in an investment AT Energy Solution Co.,Ltd. for 99,999 shares at Baht 99,999,900 or shareholding of 50%.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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According to the agreement in the joint venture agreement, the Board of Directors of AT Energy Solution Co.,Ltd. consists of 4 directors appointed 2 from TRC Construction (Public) Co.,Ltd. and 2 from Asia Green Energy (Public) Co.,Ltd. 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) Co.,Ltd. and directors of Asia Green (Public) Co.,Ltd. at least 1 director from each side. Therefore, the Company considered the investments in AT Energy Solution Co.,Ltd. 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 work together in the manhole construction project and underground electrical conduit 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.

13.2 Share of profit (loss)

During the three-month and six-month periods ended June 30, 2020 and 2019, 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 three-month periods ended June 30,			
	2020	2019	2020	2019
SH Crossings Company Limited	(136)	1,042	-	-
AT Energy Solution Company Limited	(969)	-	-	-
Sahakarn Underground Joint Venture	1	-	-	-
Total	<u>(1,104)</u>	<u>1,042</u>	<u>-</u>	<u>-</u>

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

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 six-month periods ended June 30,			
	2020	2019	2020	2019
SH Crossings Company Limited	(395)	2,122	-	-
AT Energy Solution Company Limited	(2,565)	-	-	-
Sahakarn Underground Joint Venture	1	-	-	-
Total	<u>(2,959)</u>	<u>2,122</u>	<u>-</u>	<u>-</u>

14. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month periods ended June 30, 2020 are summarised below.

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at January 1, 2020	595,909	570,690
Acquisitions during the period - at cost	35,615	23,944
Disposal during the period - net book value at disposal date	(191)	-
Write - off during the period - net book value at write - off date	(11,096)	(11,094)
Depreciation for the period	<u>(50,223)</u>	<u>(45,344)</u>
Net book value as at June 30, 2020	<u>570,014</u>	<u>538,196</u>

As at June 30, 2020 and as at December 31, 2019, the Company has mortgaged land which has book value amounting to Baht 100 million with banks to be collateral against credit facilities received from the banks.

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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JUNE 30, 2020

15. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the six-month periods ended June 30, 2020 are summarized below.

	Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Net book value as at December 31, 2019	-	-
Adjustments of right-of-use assets due to TFRS16 adoption	25,814	12,275
Net book value as January 1, 2020	25,814	12,275
Increase during period	4,367	3,613
Depreciation for the period	(4,078)	(2,622)
Net book value as at June 30, 2020	26,103	13,266

16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions are as follows:

	Interest rate (% per annum)	In Thousand Baht	
		Consolidated Financial Statements	
		As at June 30, 2020	As at December 31, 2019
Trusts receipts	4.47% - 5.25%	24,933	36,565
Promissory note	3.26% - 6.00%	501,328	436,486
	(2019 : 3.00% - 5.25%)		
Total		526,261	473,051

	Interest rate (% per annum)	In Thousand Baht	
		Separate Financial Statements	
		As at June 30, 2020	As at December 31, 2019
Trusts receipts	4.47% - 5.25%	24,933	36,565
Promissory note	3.75% - 5.00%	326,328	212,486
	(2019 : 3.00% - 5.25%)		
Total		351,261	249,051

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables are as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Trade accounts payable - related parties	4,600	14,414	-	-
Trade accounts payable - unrelated parties	488,225	426,323	189,960	208,549
Advances from related parties	-	-	8,111	3,852
Fixed assets payable	14,431	3,585	10,136	3,074
Accrued interest expense - related parties	-	-	2,755	2,369
Accrued expenses - unrelated parties	45,358	64,315	31,694	47,882
Total trade and other current payables	<u>552,614</u>	<u>508,637</u>	<u>242,656</u>	<u>265,726</u>

18. 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	Total	Warranties	Loss on	Total
		construction			construction	
As at January 1, 2020	16,719	60,174	76,893	8,101	-	8,101
Increase during the period	1,000	-	1,000	-	-	-
Decrease from occurrence of actual expense	(5,849)	(30,629)	(36,478)	(1,402)	-	(1,402)
As at June 30, 2020	<u>11,870</u>	<u>29,545</u>	<u>41,415</u>	<u>6,699</u>	<u>-</u>	<u>6,699</u>

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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19. DEBENTURES

The Company has issued unsubordinated and unsecured debentures without a debentureholders’ representative in the name-registered, as detailed below.

					In Thousand Baht	
					Consolidated /	
					Separate Financial Statements	
					As at June	As at December
Debentures	Interest rate	Interest payment schedule	Terms	Due date	30, 2020	31, 2019
Debentures 1/2018	4.80%	Quarterly, starting from March 17, 2018	2 years 2 days	March 17, 2020	-	30,000
Total debentures - at face value					-	30,000
Less : Unamortised portion of deferred transaction costs					-	-
Debentures - net					-	30,000
Less : Current portion					-	(30,000)
Debentures - net of current portion					-	-

20. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the six-month periods ended June 30, 2020 are presented below.

			Thousand Baht	
			Consolidated	Separate
			Financial Statements	Financial Statements
As at December 31, 2019			3,873	2,108
Effects of the adoption of TFRS16			25,814	12,275
As at January 1, 2020			29,687	14,383
Addition			4,367	3,613
Accretion of interest			637	393
Payments			(5,476)	(2,341)
As at June 30, 2020			29,215	16,048
Less : current portion			(13,205)	(7,576)
Lease liabilities - net of current portion			16,010	8,472

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The following are the amounts recognized in profit or loss :

	Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
Depreciation of right-of-use assets	4,078	2,622
Interest expense on lease liabilities	637	393
Expense relating to short-term lease	4,719	3,701
Leases of low - value assets	4,026	3,795
Total	13,460	10,511

21. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movements of the non-current provisions for employee benefits account during the six-month periods ended June 30, 2020 are summarized below.

	In Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2020	75,122	63,328
Add : Addition during the period	7,418	6,069
Less : Non-current provisions for employee benefits paid	(3,695)	(3,367)
Balance as at June 30, 2020	78,845	66,030

Expenses recognized in the statement of comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019 are as follows :

	In Thousand Baht			
	For the three-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
The statement of comprehensive income				
Recognized in profit or loss				
Past service cost and interest	-	10,052	-	8,862
Current service cost	3,731	3,137	3,034	2,590
Total	3,731	13,189	3,034	11,452

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

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	In Thousand Baht			
	For the six-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
The statement of comprehensive income				
Recognized in profit or loss				
Past service cost and interest	-	10,052	-	8,862
Current service cost	7,418	6,276	6,069	5,181
Total	7,418	16,328	6,069	14,043

22. INCOME TAX EXPENSE (INCOME)

Interim corporate income tax was calculated on profit before income tax for the periods, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended June 30, 2020 and 2019 are made up as follows :

	In Thousand Baht			
	For the three-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	370	1,855	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(932)	(1,399)	(906)	(1,856)
Income tax (income) expenses reported in the statement of income	(562)	456	(906)	(1,856)

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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	In Thousand Baht			
	For the six-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	370	6,319	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	5,187	(2,825)	(941)	(2,903)
Income tax (income) expenses reported in the statement of income	5,557	3,494	(941)	(2,903)

23. EARNINGS PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) for the periods attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the periods.

The following table sets forth the computation of basic earnings (loss) per share :

	For the three-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	Profit (loss) for the period (Thousand Baht)	(78,074)	(73,346)	(88,670)
Weighted average number of ordinary shares (Thousand shares)	9,587,147	6,163,166	9,587,147	6,163,166
Earnings per share (Baht per share)	(0.0081)	(0.0119)	(0.0092)	(0.0141)

	For the six-month periods ended June 30,			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	Profit (loss) for the period (Thousand Baht)	(66,430)	(121,162)	(93,336)
Weighted average number of ordinary shares (Thousand shares)	9,587,147	6,163,166	9,587,147	6,163,166
Earnings per share (Baht per share)	(0.0069)	(0.0197)	(0.0097)	(0.0249)

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24. CONTRACTS IN PROGRESS

As at June 30, 2020, the aggregate amount of construction cost incurred and recognised profits or losses to date for contracts in progress of the Company and its subsidiaries was approximately Baht 6,189 million (the Company only: Baht 2,208 million), gross amounts due from customers for contracts in progress were approximately Baht 1,606 million (the Company only: Baht 725 million), and gross amounts due to customers for contracts in progress were approximately Baht 884 million (the Company only: Baht 362 million).

25. SEGMENT INFORMATION

The Company and its subsidiaries are organised into business units based on its products and services. During the current periods, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments in the consolidated financial statements for the three-month and six-month periods ended June 30, 2020 and 2019, respectively.

	In Thousand Baht						
	For the three-month period ended June 30, 2020						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	Consolidated
Revenue from external customers	137,859	75,699	498,754	4,904	717,216	-	717,216
Revenue from subsidiaries	-	-	-	-	-	-	-
Revenue from associate	-	-	-	-	-	-	-
Depreciation	(15,063)	(7,443)	(2,049)	(1,190)	(25,745)	360	(25,385)
Administrative expenses	(36,554)	(17,662)	(21,602)	(736)	(76,554)	1,712	(74,842)
Segment profit (loss)	(79,970)	(14,391)	26	1,705	(92,630)	5,039	(87,591)
Other income							13,346
Interest revenue							569
Interest expenses							(4,355)
Share of loss from investments in associate							-
Share of loss from investments in joint venture							(1,104)
Profit (loss) before income tax expenses							(79,135)
Income tax income (expense)							562
Profit (loss) for the period							(78,573)

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
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	In Thousand Baht						
	For the three-month period ended June 30, 2019						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	Consolidated
Revenue from external customers	137,781	78,267	436,867	3,272	656,187	-	656,187
Revenue from subsidiaries	-	-	-	-	-	-	-
Revenue from associate	-	-	-	-	-	-	-
Depreciation	(15,609)	(9,677)	(2,313)	(1,067)	(28,666)	430	(28,236)
Administrative expenses	(37,948)	(23,529)	(15,497)	(404)	(77,378)	882	(76,496)
Segment profit (loss)	(40,210)	(44,808)	4,606	655	(79,757)	4,044	(75,713)
Other income							8,573
Interest revenue							274
Interest expenses							(7,467)
Share of profit from investments in joint venture							1,042
Profit (loss) before income tax expenses							(73,291)
Income tax income (expense)							(456)
Profit (loss) for the period							(73,747)

	In Thousand Baht						
	For the six-month period ended June 30, 2020						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	Consolidated
Revenue from external customers	476,074	210,086	975,366	11,253	1,672,779	-	1,672,779
Revenue from subsidiaries	-	-	-	-	-	-	-
Revenue from associate	-	-	-	-	-	-	-
Depreciation	(33,159)	(14,633)	(4,871)	(2,432)	(55,095)	729	(54,366)
Administrative expenses	(71,392)	(31,504)	(32,162)	(1,352)	(136,410)	2,686	(133,724)
Segment profit (loss)	(78,378)	(18,341)	12,453	3,725	(80,541)	10,025	(70,516)
Other income							20,922
Interest revenue							796
Interest expenses							(10,065)
Share of loss from investments in associate							-
Share of loss from investments in joint venture							(2,959)
Profit (loss) before income tax expenses							(61,822)
Income tax income (expense)							(5,557)
Profit (loss) for the period							(67,379)

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TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

	In Thousand Baht						
	For the six-month period ended June 30, 2019						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	Consolidated
Revenue from external customers	300,885	227,443	914,122	6,138	1,448,588	-	1,448,588
Revenue from subsidiaries	-	-	-	-	-	-	-
Revenue from associate	-	-	-	-	-	-	-
Depreciation	(28,984)	(21,910)	(4,639)	(2,110)	(57,643)	736	(56,907)
Administrative expenses	(70,441)	(53,247)	(23,683)	(794)	(148,165)	2,334	(145,831)
Segment profit (loss)	(26,631)	(123,020)	18,596	948	(130,107)	7,525	(122,582)
Other income							17,889
Interest revenue							288
Interest expenses							(16,217)
Share of profit from investments in joint venture							2,122
Profit (loss) before income tax expenses							(118,500)
Income tax income (expense)							(3,494)
Profit (loss) for the period							(121,994)

Transfer prices between business segments are as set out in Note 5.

26. COMMITMENTS AND CONTINGENT LIABILITIES

26.1 Purchase construction materials and subcontracted work commitments

As at June 30, 2020, the Company and the subsidiary have outstanding commitments of Baht 5,610.77 million, EUR 0.03 million and USD 0.06 million, in respect of purchase construction materials and subcontracted work (the Company only: Baht 1,122.15 million, EUR 0.03 million and USD 0.05 million) (December 31, 2019 : Baht 5,070.07 million, EUR 2.00 million and USD 0.84 million, the Company only: Baht 690.30 million, EUR 2.00 million and USD 0.83 million).

26.2 Operating lease commitments

The Company and its subsidiary 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.

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	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Payable :				
In up to 1 year	4	14	3	12
In over 1 and up to 5 years	-	8	-	7

As at June 30, 2020, the Company and its subsidiaries had no obligations under lease agreements and related service agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Company and its subsidiaries recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 4 to the interim financial statements.

26.3 Service agreement commitments

The Company and its subsidiaries 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 June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Payable :				
In up to 1 year	2	3	1	2

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
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26.4 Bank guarantees

As at June 30, 2020 and as at December 31, 2019, bank guarantees issued by banks on behalf of the Company and the subsidiary 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 June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Guarantee of construction contract and bidding	1,699	1,605	398	729
Guarantee of advance payment bond and retention	1,860	1,417	795	407
Guarantee of others	11	6	4	5
Total	3,570	3,028	1,197	1,141

As at June 30, 2020, the Company and its subsidiaries had the obligations from related parties to use the letter of guarantee of the Company and its subsidiaries amounted Baht 2 million (December 31, 2019 : Baht 2 million).

26.5 Guarantees

- (a) As at June 30, 2020, the Company has commitments from guarantee of credit facilities of the subsidiary amounting to Baht 995 million (December 31, 2019 : Baht 695 million) and guarantee of liabilities under finance lease agreements of the subsidiary amounting to Baht 23 million (December 31, 2019 : Baht 23 million).
- (b) As at June 30, 2020, the Company and its subsidiaries have commitment from cross guarantee of credit facilities of the Company and its subsidiaries amounting to Baht 3,230 million (December 31, 2019 : Baht 3,380 million).

26.6 Obligation according to asset purchase agreement

As at June 30, 2020, the Company has the obligation to be paid according to the asset purchase agreement amounting to Baht 0.80 million and USD 0.47 million.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

27. LITIGATIONS

27.1 On December 6, 2011, a government agency sent a letter to a bank asking to hold the bank guarantee of Baht 20 million that the Company deposited as the mortgage since the said agency claimed that the Company failed to perform according to the contract.

On December 29, 2011, the Company filed the abovementioned agency and its parties to the Central Administrative Court for the sentence of releasing the captioned bank guarantee with the compensation charge in total Baht 27.5 million plus the interest rate of 7.5 % per annum including any related fee from the next day of filing date until completion of payment since the Company considered that such a claim was not caused by the Company's fault. On the contrary, the Company could not perform according to the contract due to the law of restricted areas.

On May 20, 2015, the Central Administrative Court had rendered judgement and ordered the government agency to return the Baht 20 million bank guarantee dated 31 August 2007 to the Company under the condition that both the Company and bank jointly shared the responsibility to pay the total of Baht 10 million plus the interest rate of 7.5 % per annum from the next day of filing date (29 December 2011) until completion of payment or within 60 days starting from the date of final judgement whereas all remaining parts to be dismissed.

On June 19, 2015, the government agency made an appeal to the Central Administrative Court and later on October 16, 2015, the Company made an appeal clarification to the court. Presently, the Central Administrative Court is considering the appeal clarification. However, the Company has already recorded the contingent liabilities of Baht 20 million arisen in the interim financial statements.

27.2 On December 4, 2007, the subsidiary filed a suit to the Central Administrative Court against a government agency (litigant) in order for payment of a penalty charge of Baht 13.4 million for termination of construction contract by deducting the advance payment of Baht 7.7 million as per the contract and the total of damages to be paid Baht 6.1 million plus the interest rate of 7.5% per annum starting from the filing date until the completion of payment. However, the litigant submitted its pleading to the Central Administration Court on August 20, 2008 claiming that the amount of damages was overrated and the third resolution of the Compensation Committee was made on July 16, 2008 to order the government agency to pay the compensation of Baht 0.8 million to the subsidiary. Therefore, it ordered the subsidiary to return the amount of Baht 6.8 million to the government agency, respectively.

After that, several amendments to the petition and pleadings of both parties were made.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

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On April 20, 2010, the litigant submitted its latest amended pleadings to the Central Administrative Court about the fee of the advance payment bank guarantee of Baht 0.1 million and the litigant asked the court for dismissal and order the subsidiary to return the litigant the advance amount of Baht 7.7 million in order to proceed as per the employment contract.

The subsidiary submitted its latest amended pleadings to the Central Administration Court on January 24, 2012 requesting the court to render judgement ordering the litigant to offset the compensation amount of Baht 19.4 million with the amount of Baht 7.7 million advanced to the subsidiary to proceed as per the employment contract as well as paying the damage amount of Baht 12.5 million to the subsidiary plus the interest rate of 7.5% per annum starting from the filing date until the completion of payment.

The litigant submitted its refusal pleadings and asked the court for dismissal and returning of the aforementioned advance payment amount as well.

On July 31, 2012, the court rendered judgement ordering the subsidiary to receive Baht 3.3 million and also return Baht 4.4 million to the litigant. The subsidiary then submitted its appeal for the judgement to the Supreme Administrative Court on August 29, 2012.

On April 30, 2020, the Supreme Administrative Court ordered the subsidiary to indemnify the party in the amount of Baht 3.75 million. Later, on July 20, 2020 the subsidiary has already paid the indemnity to the party.

27.3 On April 24, 2008, a private company and group (party) filed a charge against the Company and group to the Administrative Court of First Level on the breach and claimed the damages in the amount of Baht 6 million with the interest rate at 7.5 percent per annum from the filing date until payment is made.

On May 29, 2012, the court rendered judgement of dismissal but later on June 20, 2013, the litigant appealed to the Supreme Administrative Court and on August 9, 2013, the Supreme Administrative Court had ordered to set October 2, 2019 as the new ending date for seeking facts.

On June 22, 2020, the Administrative Court sent a notice scheduling the first trial by setting the first trial date on August 20, 2020 to the Supreme Administrative Court.

Presently, the case is under consideration of the Supreme Administrative Court and the management believes that the Company will not suffer significant damage (if any). Such lawsuit has not recorded provisions in the interim financial statements.

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27.4 On September 14, 2015, the plaintiff (the litigant) filed a lawsuit against a government agency and 8 co-defendants to the Administrative Court for compensation of damages from loss of income of Baht 87.5 million. The Company is sued as the fifth defendant. On March 11, 2016, the Company filed an objection against the plaintiff’s request to waive the court fee. Later, on October 28, 2016, the Company filed a statement to fight the case to the Administrative Court.

On January 12, 2017, the Company has just submitted the statement of defence to the court and the court ordered the Company to submit the additional statement within 30 days.

During February 7, 2017 to March 31, 2017 the Company had requested to extend the submission of the additional clarification to the Administration Court. Later on April 4, 2017, the Administrative Court had ordered the Company to submit the additional clarification within May 12, 2017. On June 12, 2017, the Company submitted the additional statement to the Administration Court.

On January 9, 2019, the Administrative Court ordered the date of January 31, 2019 to be the last day of investigation.

On April 29, 2019, the Administrative Court had ordered to cancel the ending date for seeking facts and had ordered to set May 13, 2019 as the new ending date for seeking facts.

Since this case is under consideration of the Administrative Court, the Company’s management is confident that the Company will not incur any significant loss (if any) from this litigation. Any provision of liabilities then have not yet been recorded in the interim financial statements.

27.5 On December 6, 2017, the co-contractor of the Company’s construction project had filed a lawsuit to the arbitrator requesting the Company to return the collateral held at the amount of SGD 1.6 million or equivalent to Baht 39.4 million with interest rate of 7.5% per annum starting from the filing date until completion of payment. On June 21, 2018, the arbitration Institution had announced the appointment of the chairman of arbitration. On July 17, 2018, the Company and the Party were present before the arbitrator for determination of the dispute and set the date for witness investigation.

On November 22, 2018, the witness examination was completely made by the arbitration and both parties.

On January 23, 2019, both parties submitted their closing statements within the due date for final decision of the arbitration.

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On July 9, 2019, the arbitrator had a meeting to explain the opinion on the case. The 2 arbitrators had an opinion to return the sum under the guarantee letter of SGD 1.6 million with an interest rate 7.5% per annum from December 6, 2017 to the Party and 1 arbitrator had an opinion for the company not to return the money of the full amount in the guarantee letter to the Party. If both parties do not agree with any opinion, a petition should be prepared to explain a reason to support within 30 days from such date.

On August 7, 2019, the Company submitted a petition to explain the opinion of the company to the arbitrator explaining and giving opinion on issues that they do not reach agreement with the arbitrator's explanation.

On September 4, 2019, the arbitrator institute notified the opinion of the arbitrator by standing on the explanation that was informed to every party.

On November 13, 2019, both parties have agreed to enter into a compromise agreement to pay in accordance with the award of the arbitrator by offsetting the debt. The outstanding amount of principal and interest from the date of lawsuit to October 31, 2019 that the Company has to pay to the claimant is totaled SGD 1,726,706.70 or approximately Baht 38.89 million by dividing into 2 installments : November 15, 2019 amount of Baht 36.25 million and February 28, 2020 amount of Baht 2.64 million, respectively. The Company paid the principal and interest to the claimant within the specified time.

27.6 On February 5, 2018, the supplier for the Company's construction project had filed a lawsuit to the Commercial Court requesting for payment of outstanding amount of Baht 23.5 million with interest rate of 7.5% per annum starting from filing date until completion of payment. On May 16, 2018, the Company submitted the testimony to the Court and the mediation was conducted on August 28, 2018 but could not come to an agreement. On October 1, 2018, the Court ordered the Company and the Party to determine the dispute and scheduled the date for witness investigation from both parties in March 2019.

Later, on March 5 - 7, 2019, both parties were conducting the witness examination of each party but the witness examination of the Company was not finished. Therefore, the Court had ordered for the appointment of additional witness examination on April 26, 2019.

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Later on April 26, 2019, the Company was conducting the witness examination but the process was not finished. Therefore, the Court had ordered for the appointment of witness examination on May 29, 2019.

Later on May 29, 2019, the Company was conducting the witness examination but the process was not finished. Therefore, the Court had ordered for the appointment of witness examination on July 12, 2019.

Later on July 12, 2019, the Company has proceeded with the witness examination. Both parties announced to finish the witness investigation. The Court ordered to prepare an announcement for closing the case to be filed to the Court within August 15, 2019.

On October 9, 2019, the Court ordered the Company to pay the outstanding amount for goods in the amount of Baht 23.5 million with interest rate 7.5% per annum from February 6, 2018 until settlement is completed.

On February 7, 2020, the Company had filed an appeal and requested for a case enforcement relief.

On June 30, 2020, the Company filed a charge to court requesting to suspend the case execution and the court ruled to permit the case suspension. As the case is under the Appeal Court's ruling No.2 request to suspend the case execution.

Since the case is under consideration of the Appeal Court, the Company has recorded the outstanding amount of goods in the interim statements. As a result, the Company is not required to provide a provision for contingent liabilities.

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

- 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 potash and rock salt mining, and
- 3) Requesting the revocation the report on changes in project details and the associate's environmental impact prevention and amelioration measures and environmental impact inspection measure.

On January 15, 2018, the Nakhon Ratchasima Administrative Court issued a summons to the associate and the associate submitted a plea statement to the court. On October 19, 2018, the litigant filed an objection against the plea statement with the Nakhon Ratchasima Administrative Court. On November 2, 2018 the Nakhon Ratchasima Administrative Court ordered the associate to lodge an additional plea statement. On November 28, 2018, the associate had submitted additional plea statement to the Court request extension of the term for additional plea statement by 30 days from the original due date.

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On December 27, 2018, the associate had submitted the additional statement to the Nakhon Ratchasima Administrative Court. At present, the case is under consideration of the Court. If the Court considers the evidence documents to be insufficient, the Court may order the plaintiff or the defendant to provide additional documents otherwise the court shall issue the appointment warrant to identify the disputes and determine the judgement date.

The management of the associate, by the internal legal counselor’s comment, realised that the associate has proceeded in full compliance with the principles, procedures and conditions stipulated by the law and therefore believes that the case will not have any material impact on the business of the associate.

27.8 On June 28, 2018, the Nakhon Ratchasima Administrative Court had ordered to accept the complaint 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 project.

On October 11, 2018, the associate had submitted the claim to be the disputant in order to declare the fact to the Court regarding the litigation between the litigant and the government agencies. The Court had an opinion on November 1, 2018 that the associate’s claim is not complete. The Court had ordered the associate to rectify the claim. The associate had already submitted the revised claim to the Court on November 28, 2018. On February 7, 2019, the associate had received the notice of court order to amend the claim again. On March 1, 2019, the associate had followed the Court’s order and the Court had allowed the claim to be the disputant as a joint prosecution. This prosecutor was set to be the case No.6 and it had the same right as the original prosecutor.

Later on September 26, 2019, the Company received the letter notifying of the court order. The case complainer has objected the testimony and the court ordered to receive the objection to such testimony on September 19, 2019. If the Company intends to check and make a copy of the objection to the testimony, the court gave permission. If the Company intends to give additional testimony specific to the related area, it has to inform the court within 30 days from the court order letter receiving date. The associate has filed a petition to process making a copy of the objection to the testimony and filed additional testimony to court on October 4, 2019. Presently, it is under court consideration and to issue an instruction order requiring the period of time for the associate to prepare further testimony.

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The management of the associate, by the internal legal counselor’s comment, realised that the associate has proceeded in full compliance with the principles, procedures and conditions stipulated by the law and therefore believes that the case will not have any material impact on the business of the associate

27.9 On August 1, 2019, the subsidiary is the plaintiff suing the case against 2 government units as defendant No.1 and No.2 civil court as the black court case Por. 4156/2562 to pay for the surcharge, expense, and damage due to breach of agreement of a construction project of the subsidiary in the amount Baht 28.6 million with interest 7.5% per annum of the principal Baht 26.8 million from the suing date onwards until payment is complete. The court scheduled for plaintiff witness investigation or day of settlement of issues to October 21, 2019.

On November 25, 2019, the subsidiary has received the testimony from the parties. As the case is quite complicated in defending, therefore, the Court has given the subsidiary the opportunity to fully defend the case, to examine the testimony, to prepare the witness and documents.

On January 30, 2020, the court and both parties proceeded to identify the dispute and schedule the witness investigation.

The court scheduled the plaintiff’s witness investigation on July 14-15, 2020 and scheduled the defendant’s witness investigation on July 16-17, 2020. The court will deliver judgment on September 25, 2020.

As the case is under the plaintiff and defendant’s witness investigation, the subsidiary has processed the documents of both parties. The management of the subsidiary considered that the subsidiary has a chance to win the case. Therefore, it is not required to provide a provision for contingent liabilities in the interim financial statements.

27.10 On October 16, 2019, the trade payable of the Company's construction project has filed a lawsuit with the Civil Court in violation of the employment agreement by paying the debt and damages amounting Baht 10.50 million with interest rate 7.5% per annum from the suing date onwards until payment is complete.

On February 12, 2020, the Company filed and countersued the plaintiff along with claiming for damages of Baht 29.62 million.

On February 24, 2020, the court ordered to extend the two issues settlement date for the company and plaintiff to enter into a mediation process. The mediation was scheduled on March 27, 2020 and the new settlement date, guidance for case proceeding or plaintiff witness investigation were rescheduled to April 21, 2020.

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On March 27, 2020, the court ordered to dismiss the mediation process on such date and cancelled the settlement date of 2 issues. It scheduled the case proceeding guidance or plaintiff witness investigation on April 21, 2020 due to the COVID-19 situation.

On June 5, 2020, the party and the Company scheduled a date for mediation but it could not be settled. The court scheduled the day of settlement of issues and direct the case proceedings or witness investigation in August 2020.

On August 4, 2020, the court scheduled the day of settlement of issues, stipulate the dispute by issue and scheduled the witness investigation of both parties on November 18-20, 2020.

As the case is pending the direction in the case execution and witness investigation, the Company recorded a portion of the outstanding debt in the financial statements. For the difference from the outstanding debt, it is not necessary to provide provisions in the interim financial statements.

27.11 On November 20, 2019, a contractor payable of the construction project of a subsidiary has filed a lawsuit with the Civil Court in violation of the employment agreement, for unpaid wages and claiming damages in the amount of Baht 1.25 million with interest rate 7.5% per annum from the suing date onwards until payment is complete.

On February 4, 2020, the subsidiary filed a testimony and countersued claiming for the remaining damages of Baht 80,791.

On February 19, 2020, the plaintiff filed a replication.

On March 10, 2020, the court and the party had identified the dispute and scheduled the witness investigation of both parties during July 14 - 17, 2020.

Presently, the case is under the witness investigation of the plaintiff and defendant. Therefore, the outcome of the case is not final. The management of the subsidiary has considered that the subsidiary has a high chance to win the case. The Company has not provided provisions in the interim financial statements.

27.12 On June 28, 2020, the subsidiary received the statement of claim from the Civil Court that an insurance company (plaintiff) filed a charge to the subsidiary and group on the breach of subrogation claiming damages and insurance for construction equipment of a construction project of a subsidiary from construction equipment bouncing into the passage way causing damage to the victim's car. The plaintiff is the insurer who suffers damage and claims the damages for Baht 293,378 along with the interest rate at 7.5 percent per annum from the filing date until the Subsidiary and group can settle full payment. The court required the subsidiary to file a statement to fight the case within July 27, 2020 and scheduled the day of settlement of issues, case proceedings and witness investigation on August 24, 2020.

“**UNAUDITED**”

“**REVIEWED**”

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Presently, the case is under litigation defending process. The management of the subsidiary has considered that the subsidiary has a high chance to win the case. The subsidiary has not provided provisions in the interim financial statements.

28. FOREIGN CURRENCY ASSETS AND LIABILITIES

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated Financial Statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	(Thousand)		(Thousand)		(Baht per 1 foreign currency unit)	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
US Dollar	4	5	254	50	30.8905	30.1540
Euro	1	2	114	90	34.7015	33.7311

Separate Financial Statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	(Thousand)		(Thousand)		(Baht per 1 foreign currency unit)	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
US Dollar	23	34	254	50	30.8905	30.1540
Euro	1	1	114	90	34.7015	33.7311

29. FAIR VALUE HIERARCHY

As at June 30, 2020 and December 31, 2019, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows :

	Million Baht							
	Consolidated Financial Statements							
	As at June 30, 2020				As at December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed								
Derivatives								
Debenture	-	-	-	-	-	30.0	-	30.0

“UNAUDITED”

“REVIEWED”

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	Million Baht							
	Separate Financial Statements							
	As at June 30, 2020				As at December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed								
Derivatives								
Debenture	-	-	-	-	-	30.0	-	30.0

30. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

31. RECLASSIFICATION

Certain amounts in the consolidated statement of financial position and separate statement of financial position as at December 31, 2019 have been reclassified to conform to the current year's classification with no effect on the profit (loss) for the periods and earnings per share as below.

	In Thousand Baht		
	As previous reported	Reclassified	As current reported
Consolidated statements of financial position			
Assets			
Investments in associates	25,375	(25,375)	-
Investments in joint ventures	26,238	25,375	51,613
Separate statements of financial position			
Assets			
Investments in associates	25,375	(25,375)	-
Investments in joint ventures	2,376	25,375	27,751

32. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's Board of Directors on August 14, 2020.