

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of TRC Construction Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of TRC Construction Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of TRC Construction Public Company Limited and its subsidiaries as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of TRC Construction Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further describe in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue recognition, costs from construction agreement and provision of liabilities from construction project

As discussed in Note 4.1 Construction contract income, accounting policies for revenue and costs of construction services and Note 4.18 : Accounting policies in relation to significant accounting judgements and significant accounting estimates for estimated cost of construction projects and provision of liabilities from construction projects, I consider that revenue recognition, costs and estimates of possible loss from construction agreements are significant risks in the audit due to cost income from construction agreements recognised by the Group in each period has a significant amount when compared to total revenue, total cost of the Group. In addition, the valuation process includes an appropriate period for revenue recognition, costs and estimates of potential losses require the significant judgment of the management to assess the stage of completion of the construction and the possibility of loss and measure the loss that may arise. It may cause the risks related to the value of income, costs and estimates of possible losses from construction agreements.

Risk response by auditor

- To inquire the responsible management and understand the process of obtaining revenue from construction agreements, estimation and project cost adjustments, revenue and cost recognition, estimation the work completion and potential loss that may arise from construction agreements.
- To test the effectiveness of the internal control system established by the Group to control the contracting process, estimation and project cost adjustments, revenue recognition, costs and estimates of work completion and possible loss that may arise from construction agreements.
- To check the actual costs with the supporting documents and test the calculation of the stage of work completion from the actual costs incurred, check the project completion stages estimated by the project manager with the assessment reports submitted to the project owner including consideration of conformity with the assessment documentation and request a written certification from the responsible person of the project, review the management's supporting reasons for the differences between the success stages of work that are considered from the proportion of actual construction work assessed by project engineers and the stage of completion based on the actual construction cost incurred as at the end of the period and the estimated construction cost, visit the project and observe the measurement of the success of the work, comparative analysis of gross profit margin of construction with project cost estimate to assess the estimation of possible losses incurred, read the construction agreement and inquire the management about the conditions and risks of such agreements regarding revenue recognition and estimation of potential losses incurred.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's a financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's pany's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.

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

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 24, 2023

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2022	2021	2022	2021
CURRENT ASSETS					
Cash and cash equivalents	6	15,709,111	52,941,566	7,037,598	29,688,610
Trade and other current receivables	5, 7	247,033,193	408,603,965	144,069,405	237,712,425
Contract assets	5, 8	2,742,292,286	2,285,558,174	552,995,810	745,770,767
Short-term loans to related parties	5	17,969,257	21,200,000	2,778,001	-
Advances paid to subcontractors under construction contracts	5	354,245,383	380,783,445	23,597,275	39,094,746
Inventories	9	1,608,139	1,608,139	1,608,139	1,608,139
Withholding tax deducted at source	10	122,855,647	69,109,599	79,856,996	44,803,582
Other current assets	11	49,702,189	23,834,508	10,612,643	9,443,902
Total current assets		3,551,415,205	3,243,639,396	822,555,867	1,108,122,171
NON-CURRENT ASSETS					
Restricted deposits at banks	12	53,552,506	31,959,654	26,115,000	29,110,000
Long-term loans to related parties	5	-	-	-	-
Investments in subsidiaries	13	-	-	477,372,377	477,372,377
Investments in associate	14	-	-	-	-
Investments in joint ventures	15	123,990,703	138,889,063	115,375,287	109,375,237
Property, plant and equipment	16	571,987,169	619,141,541	547,389,249	592,512,545
Right-of-use assets	17	14,673,263	18,464,628	12,969,868	12,463,945
Intangible assets	18	9,096,591	11,179,121	8,899,288	11,013,073
Deferred tax assets	19	20,507,563	27,304,281	17,582,843	19,060,978
Other non-current assets		8,168,265	4,754,903	1,574,294	1,564,175
Total non-current assets		801,976,060	851,693,191	1,207,278,206	1,252,472,330
TOTAL ASSETS		4,353,391,265	4,095,332,587	2,029,834,073	2,360,594,501

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2022

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2022	2021	2022	2021
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	20	939,908,999	796,616,853	307,402,365	373,157,526
Trade and other current payables	5, 21	788,918,857	780,521,898	407,216,440	393,726,408
Unbilled payable		1,174,281,648	839,728,216	147,488,550	196,379,727
Contract liabilities	8	617,556,759	910,992,588	87,180,221	217,871,888
Short-term loans from related person or parties	5	73,300,000	-	712,213,933	693,000,000
Accounts payable - retention under					
construction contracts		284,929,835	229,606,454	32,842,708	27,812,921
Provision for liabilities under					
construction projects	22	64,486,304	75,994,205	61,462,896	59,226,119
Current portion of lease liabilities	23	10,378,697	13,051,464	6,784,394	7,349,231
Income tax payable		238,639	1,278,102	-	-
Other current liabilities	24	33,670,802	7,769,360	8,606,259	16,016,434
Total current liabilities		3,987,670,540	3,655,559,140	1,771,197,766	1,984,540,254
NON-CURRENT LIABILITIES					
Lease liabilities	23	7,803,892	8,212,242	7,493,936	6,763,266
Non-current provisions for employee benefits	25	38,705,103	61,266,224	27,187,876	37,048,617
Provision for litigation	34	2,493,836	2,493,836	2,493,836	2,493,836
Non-other current liabilities	5	13,890,006	-	-	-
Total non-current liabilities		62,892,837	71,972,302	37,175,648	46,305,719
TOTAL LIABILITIES		4,050,563,377	3,727,531,442	1,808,373,414	2,030,845,973

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2022

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Share capital					
Registered					
9,587,146,838 ordinary shares of Baht 0.125 each		1,198,393,355	1,198,393,355	1,198,393,355	1,198,393,355
Issued and paid-up					
9,587,146,838 ordinary shares of Baht 0.125 each		1,198,393,355	1,198,393,355	1,198,393,355	1,198,393,355
Share premium		-	-	-	-
Other deficit		-	(2,955,890)	-	-
Retained earnings (deficits)					
Appropriated - statutory reserve					
The Company	27	-	-	-	-
Subsidiary		-	4,108,018	-	-
Unappropriated		(913,844,821)	(816,251,759)	(976,932,696)	(868,644,827)
Other components of shareholders' equity		15,818,224	16,118,120	-	-
Equity attributable to owners of the Company		300,366,758	399,411,844	221,460,659	329,748,528
Non-controlling interests of the subsidiaries		2,461,130	(31,610,699)	-	-
Total shareholders' equity		302,827,888	367,801,145	221,460,659	329,748,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,353,391,265	4,095,332,587	2,029,834,073	2,360,594,501

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
REVENUES	5				
Construction services income		3,283,819,565	3,819,469,458	1,020,766,172	1,664,261,128
Other services income		57,870,217	17,484,325	-	-
Sales income		1,600,263	8,395,789	-	-
Interest income		1,211,743	487,116	70,038	28,853
Other income		28,518,894	42,423,684	22,800,534	46,847,865
Total revenues		3,373,020,682	3,888,260,372	1,043,636,744	1,711,137,846
EXPENSES					
Cost of construction services	5	3,067,463,106	3,625,751,623	913,209,684	1,622,712,851
Cost of other services		52,045,242	10,240,815	-	-
Cost of sales		1,222,402	8,163,411	-	-
Administrative expenses		258,320,791	260,212,754	199,381,886	199,695,199
Loss from business dissolution in the subsidiary	13	36,845,368	-	-	-
Total expenses		3,415,896,909	3,904,368,603	1,112,591,570	1,822,408,050
Profit (loss) from operating activities		(42,876,227)	(16,108,231)	(68,954,826)	(111,270,204)
Finance cost	5	(42,550,115)	(35,060,048)	(45,129,400)	(41,185,926)
Share of profit (loss) from investments in associate	14.2	-	-	-	-
Share of profit (loss) from investments in joint venture	15.1	(21,036,979)	2,561,625	-	-
Profit (loss) before income tax expenses		(106,463,321)	(48,606,654)	(114,084,226)	(152,456,130)
Income tax income (expenses)	29	(6,091,248)	(10,693,103)	(23,237)	12,513,309
PROFIT (LOSS) FOR THE YEAR		(112,554,569)	(59,299,757)	(114,107,463)	(139,942,821)

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Other comprehensive income:					
Components of other comprehensive income to be reclassified to profit or loss					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(3,631,811)	(1,956,467)	-	-
Components of other comprehensive income not to be reclassified to profit or loss					
Actuarial gains - net of income tax	25	14,367,755	22,025,368	5,819,594	30,929,309
Other comprehensive income for the year - net of income tax		10,735,944	20,068,901	5,819,594	30,929,309
Total comprehensive income for the year		<u>(101,818,625)</u>	<u>(39,230,856)</u>	<u>(108,287,869)</u>	<u>(109,013,512)</u>
Profit (loss) attributable to:					
Equity holders of the Company		(111,960,817)	(57,387,519)	(114,107,463)	(139,942,821)
Non-controlling interests of the subsidiaries		(593,752)	(1,912,238)	-	-
		<u>(112,554,569)</u>	<u>(59,299,757)</u>	<u>(114,107,463)</u>	<u>(139,942,821)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		(97,892,958)	(36,637,099)	(108,287,869)	(109,013,512)
Non-controlling interests of the subsidiaries		(3,925,667)	(2,593,757)	-	-
		<u>(101,818,625)</u>	<u>(39,230,856)</u>	<u>(108,287,869)</u>	<u>(109,013,512)</u>
Earnings per share	30				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.0117)</u>	<u>(0.0060)</u>	<u>(0.0119)</u>	<u>(0.0146)</u>

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

Baht

Consolidated financial statements

	Equity attributable to the parent's shareholders									Equity attributable	Total	
	Issued and paid-up share capital	Other deficit		Retained earnings (deficit)			Other components of equity			Total equity	to non-controlling	shareholders'
		Deficit on revaluation of investment in subsidiaries	Total other deficit	Appropriated - Statutory reserve		Unappropriated	Other comprehensive income		Total other components of shareholders' equity	attributable to shareholders of the Company	interests of the subsidiaries	equity
				The Company	Subsidiary		Exchange differences on translation of financial statements in foreign currency	Share of other comprehensive income from associate				
Note												
Balance as at January 1, 2021	1,198,393,355	(2,955,890)	(2,955,890)	-	4,108,018	(780,889,608)	16,493,294	899,774	17,393,068	436,048,943	(29,016,942)	407,032,001
Profit (loss) for the year	-	-	-	-	-	(57,387,519)	-	-	-	(57,387,519)	(1,912,238)	(59,299,757)
Other comprehensive income for the year	-	-	-	-	-	22,025,368	(1,274,948)	-	(1,274,948)	20,750,420	(681,519)	20,068,901
Total comprehensive income for the year	-	-	-	-	-	(35,362,151)	(1,274,948)	-	(1,274,948)	(36,637,099)	(2,593,757)	(39,230,856)
Balance as at December 31, 2021	1,198,393,355	(2,955,890)	(2,955,890)	-	4,108,018	(816,251,759)	15,218,346	899,774	16,118,120	399,411,844	(31,610,699)	367,801,145
Balance as at January 1, 2022	1,198,393,355	(2,955,890)	(2,955,890)	-	4,108,018	(816,251,759)	15,218,346	899,774	16,118,120	399,411,844	(31,610,699)	367,801,145
Profit (loss) for the year	-	-	-	-	-	(111,960,817)	-	-	-	(111,960,817)	(593,752)	(112,554,569)
Other comprehensive income for the year	-	-	-	-	-	14,367,755	(299,896)	-	(299,896)	14,067,859	(3,331,915)	10,735,944
Total comprehensive income for the year	-	-	-	-	-	(97,593,062)	(299,896)	-	(299,896)	(97,892,958)	(3,925,667)	(101,818,625)
Effective loss from business dissolution in the subsidiary	13	-	2,955,890	2,955,890	-	(4,108,018)	-	-	-	(1,152,128)	37,997,496	36,845,368
Balance as at December 31, 2022	1,198,393,355	-	-	-	-	(913,844,821)	14,918,450	899,774	15,818,224	300,366,758	2,461,130	302,827,888

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	Baht		
		Separate financial statements		
		Issued and paid-up share capital	Retained earnings (deficit)	
			Appropriated - Statutory reserve	Unappropriated
				Total shareholders' equity
Balance as at January 1, 2021		1,198,393,355	-	(759,631,315)
Profit (loss) for the year		-	-	(139,942,821)
Other comprehensive income for the year		-	-	30,929,309
Total comprehensive income for the year		-	-	(109,013,512)
Balance as at December 31, 2021		1,198,393,355	-	(868,644,827)
Balance as at January 1, 2022		1,198,393,355	-	(868,644,827)
Profit (loss) for the year		-	-	(114,107,463)
Other comprehensive income for the year		-	-	5,819,594
Total comprehensive income for the year		-	-	(108,287,869)
Balance as at December 31, 2022		1,198,393,355	-	(976,932,696)

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit (loss) before tax	(106,463,321)	(48,606,654)	(114,084,226)	(152,456,130)
Adjustments to reconcile profit (loss) before tax				
to net cash provided by (paid from) operating activities				
Depreciation and amortisation	69,579,435	71,699,035	62,262,757	59,805,279
The expected credit loss allowance	979,227	-	979,227	-
Unrealised (gain) loss on exchange rate	344,179	(87,134)	344,179	(87,134)
Gain on disposal of equipment	(475,049)	(1,222,799)	(442,050)	(1,170,975)
Loss on write-off of equipment	1,931,353	9,780,265	1,926,638	120,304
(Gain) loss from cancellation of lease agreement	-	1,260,970	-	(92,581)
Loss from business dissolution in the subsidiary	36,845,368	-	-	-
Gain from the loss of control in the subsidiary	-	(5,170,200)	-	-
Share of (profit) loss from investments in joint venture	21,238,410	(3,135,349)	-	-
Loss on write-off of withholding tax	-	470,606	-	1,500
Provision for liabilities under construction projects	28,037,174	113,263,210	3,500,000	113,263,210
Non-current provisions for employee benefits	7,884,501	12,777,511	5,864,767	9,204,118
Interest income	(1,211,743)	(487,116)	(70,038)	(28,853)
Interest expenses	42,550,115	35,060,048	45,129,400	41,185,926
Profit (loss) from operating activities before changes in				
operating assets and liabilities	101,239,649	185,602,393	5,410,654	69,744,664
(Increase) decrease in operating assets				
Trade and other current receivables	161,254,198	(124,589,580)	92,700,707	(99,702,932)
Contract assets	(456,734,112)	(585,823,727)	192,774,957	(115,125,080)
Advance paid to subcontractors under construction contracts	26,538,062	117,519,228	15,497,471	136,665,379
Inventories	-	67,816	-	-
Other current assets	(25,867,681)	20,724,010	(1,168,741)	4,882,325
Other non-current assets	(3,413,362)	(1,324,860)	(10,119)	117,150

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Increase (decrease) in operating liabilities				
Trade and other current payables	9,888,990	70,883,251	(10,176,011)	(18,875,991)
Unbilled payables	334,553,432	385,337,486	(48,891,177)	183,496,716
Contract liabilities	(293,435,829)	(12,926,820)	(130,691,667)	(53,492,930)
Accounts payable - retention under construction contracts	55,323,381	70,647,266	5,029,787	18,225,414
Other current liabilities	25,901,442	(8,082,015)	(7,410,175)	4,944,961
Other non-current liabilities	13,890,006	-	-	-
Cash flows from provide by (used in) operating activities	(50,861,824)	118,034,448	113,065,686	130,879,676
Cash paid for provision for liabilities under construction projects	(39,545,075)	(168,141,457)	(1,263,223)	(57,565,966)
Cash paid for non-current provision for employee benefits	(12,485,928)	(6,086,650)	(8,451,016)	(1,832,681)
Cash paid for non-current provision for Litigation	-	(17,506,164)	-	(17,506,164)
Cash paid for income tax	(115,447,956)	(68,317,854)	(92,765,920)	(44,803,581)
Received from withholding tax refund	57,775,976	172,158,439	57,712,506	123,408,425
Net cash flows provided by (used in) operating activities	(160,564,807)	30,140,762	68,298,033	132,579,709
Cash flows from investing activities				
Decrease (increase) in restricted deposits at bank	(21,592,852)	238,841	2,995,000	240,000
Decrease (increase) in short-term loans to related parties	3,230,743	(21,200,000)	(2,778,001)	50,000
Cash paid for investing in subsidiaries	-	-	-	(1,423,920)
Cash paid for investing in joint venture	(6,340,050)	(6,999,750)	(6,000,050)	(6,750,050)
Interest income	549,090	(229,467)	33,124	29,040
Cash received from disposal of equipment	475,056	1,973,202	442,056	1,170,981
Cash paid for purchase of property, plant and equipment	(15,608,854)	(74,689,050)	(15,218,641)	(70,693,981)
Cash paid for purchase of intangible assets	(224,470)	(145,700)	(153,470)	(78,000)
Net cash flows provided by (used in) investing activities	(39,511,337)	(101,051,924)	(20,679,982)	(77,455,930)

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	143,292,146	87,156,959	(65,755,161)	(41,502,368)
Cash receive from short-term loans from person or related parties	75,300,000	-	232,913,933	279,000,000
Cash paid for short-term loans from person or related parties	(2,000,000)	-	(213,700,000)	(228,000,000)
Interest expenses	(38,364,083)	(33,200,891)	(16,088,272)	(26,943,914)
Decrease in lease liabilities	(11,752,563)	(17,931,852)	(7,639,563)	(10,237,468)
Net cash flows provided by (used in) financing activities	166,475,500	36,024,216	(70,269,063)	(27,683,750)
Increase (decrease) in translation adjustment	(3,631,811)	(1,956,467)	-	-
Net increase (decrease) in cash and cash equivalents	(37,232,455)	(36,843,413)	(22,651,012)	27,440,029
Cash and cash equivalents at the beginning of the year	52,941,566	89,784,979	29,688,610	2,248,581
Cash and cash equivalents at the end of the year	15,709,111	52,941,566	7,037,598	29,688,610
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in purchase of fixed assets				
that have yet to be paid	(5,082,478)	(8,970,098)	(5,036,916)	(6,963,658)
Lease liabilities	7,731,682	10,131,233	7,123,048	8,565,700

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. GENERAL INFORMATION

TRC Construction Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in construction service and its registered address is No. 8, Soi Sukhapiban 5 soi 32, Kwang Tha Raeng, Khet Bang Khen, Bangkok.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 The accompanying consolidated financial statements include the financial statements of TRC Construction Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company.

Name	Business type	Country of registration	Percentage of shareholding (%)	
			As at December 31,	
			2022	2021
<u>Held by the Company</u>				
Sahakarn Wisavakorn Company Limited	Construction service - basic infrastructure	Thailand	99.99	99.99
TRC Investment Limited	Holding company	The Republic of Mauritius	100.00	100.00
TRC Utility Company Limited **	To produce and distribute tap water	Thailand	-	50.00
AT Energy Solution Company Limited	Energy production and distribution	Thailand	50.00	50.00
Olive Technology Company Limited	Data management and processing	Thailand	49.97	49.97
<u>Held by the Company’s subsidiaries</u>				
Hydrotek Sahakarn Joint Venture (held by Sahakarn Wisavakorn Company Limited)	Construction services	Thailand	49.00	49.00
TRC International Limited (held by TRC Investment Limited)	Holding company	Hong Kong	100.00	100.00
TRC Middle East LLC * (held by TRC International Limited)	Construction services	Sultanate of Oman	-	70.00
TRC Engineering LLC * (held by TRC International Limited)	Construction services	Sultanate of Oman	-	70.00
Mahat Company Limited (held by Olive Technology Company Limited)	Data management and processing	Thailand	59.98	59.98
SAHAHYDRO PATTAYA Joint Venture (held by Sahakarn Wisavakorn Company Limited)	Construction services	Thailand	100.00	100.00

* On September 30, 2022, the subsidiary has dissolved the business and undergone the liquidation process.

** From August 16, 2021 the status of such company changed from the Subsidiary to the Joint venture with 50% shareholding.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

- 2.2 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 2.3 Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.5 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using yearly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- 2.6 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.8 The separate financial statements present investments in subsidiaries, associate and joint ventures under the cost method.

3. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

3.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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

All financial information presented has been rounded to the nearest thousand unless otherwise stated.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

3.2 Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting practices, accounting guidance and disclosures in the notes to the financial statements and, for some standards, providing temporary reliefs or temporary exemptions to users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

3.3 Revised Financial Reporting Standards that will become effective for the financial statements with the accounting period beginning on or after January 1, 2023

The Federation of Accounting Professions has announced to apply several revised financial reporting standards in the Royal Gazette. This will become effective for the financial statements with the accounting period beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards adopted before 2023.

The management of the Group believe that this revision of the standards will not significantly affect the financial statements.

3.4 New Financial Reporting Standards

The Federation of Accounting Professions has announced to apply the Financial Reporting Standard No.17 on “Insurance Contract” in the Royal Gazette. This standard requires to comply with the defined criteria of the international reporting standards including various related improvements. The effective date is to apply on the financial statements for the accounting period beginning on or after January 1, 2025.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue and expense recognition

Services income and service cost from construction

The Group considered that most of the construction agreement had involved a single performance obligation. The Group recognized the revenue from rendering services under construction agreement throughout the construction period by using the outcome method to measure the success of work which assessed the ratio of work completed by the project engineer. The percentage of work completed had been considered and calculated by comparing the actual construction costs incurred until the end of the year with the total cost of construction that was expected to be used in the construction agreement. The allowance for losses would be provided for the construction project in full amount when it was clear that the construction project would suffer a loss.

The likelihood of contract variations claims and liquidated damages, delays in delivery or contractual penalties are taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Costs of construction contracts comprise the costs of supply, subcontractors' charges, other services and overheads which are recognized on the percentage-of-completion method.

The recognised cost of construction which have not yet been due have been shown under the caption of "Unbilled payable" in the statements of financial position.

Revenue and cost of system development services

Revenue from system development services of subsidiaries is recognized over time when services have been rendered taking into account the stage of completion. by measuring from the ratio of the services cost completed until present compared to the total estimate of services cost.

Revenue from system maintenance and equipment maintenance services of subsidiaries is recognized as revenue over the service period under the contract on a straight-line basis.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

Sales income

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis.

Other income and expense

The Group have recognised the other income and expenses based on the accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and highly liquid short-term investment with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Financial Instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Group' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs of financial assets are recognized as expense in profit or loss. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement of debt instruments by 3 methods depends on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.

- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

Classification and valuation of financial liabilities

The Group are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

Derecognition of financial instruments

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Group use the general approach in considering the allowance for loss on impairment. For trade receivables, the Group apply a simplified approach in calculating ECLs. The Group recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Group intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

4.4 Inventories

Finished goods are valued at the lower of cost or net realizable value. Cost price is determined by the weighted average method.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

4.5 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements. The Company recognizes gain or loss on sale in the statement of income in the period which sale of investment occurred. In the case of impairment on investment, the Company will recognize loss from impairment of investment as expense in the statement of comprehensive income. The Company recognizes dividends when the subsidiaries announce to pay dividends.

4.6 Investment in associates

Associates are all entities over which the Group has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognized at cost and presented in the consolidated financial statements by the equity method.

Investments in associates are presented in the separate financial statements and stated at cost net from allowance on decline in value (if any).

4.7 Investment in joint ventures

Investment in joint ventures is presented in the separate financial statements by stating at cost net of the allowance for impairment (if any). Joint venture is recorded by the equity method in the consolidated financial statements. Investment in joint venture is initially measured at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses on the portion that belongs to the Company and movements in other comprehensive income. When the Company's share of losses on the portion that belongs to the Company in a joint venture equals or exceeds its interests in the joint ventures, the Company will recognise such losses as an obligation of the Company's interest in the joint ventures.

4.8 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Building and structures	3 - 30 years
Tools and equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicle	5 years

The Group have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

The Group have written off the property, plant and equipment at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

4.9 Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Computer software	3 - 10 years
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The useful lives are reviewed by the Group every year.

The amortization is included in the determination of income.

4.10 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

4.11 Leases

At inception of a contract, the Group assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

In calculating the present value of lease payments, the Group use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

The Group recognized the lease payments from operating leases as revenue on a straight-line basis over the term of the lease agreement.

4.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currency outstanding at the statement of financial position date are translated into Baht at the rates ruling on the statement of financial position date.

Exchange gains and losses are included in determining earnings.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

4.13 Impairment of assets non-financial assets

As at the statement of financial position date, the Group have assessed whether there is an indication of asset impairment. If any such indication exists, the Group will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell. In determining fair value costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transactions between knowledgeable, willing parties, after deducting the costs of disposal.

4.14 Employee benefits

Short-term employment benefits

The Group recognizes salary, wage, bonus and contributions to social security fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans and other long-term employee benefits)

The Group have obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. Moreover, the Group have prepared for other long-term employee benefit programs, such as reward project for completion of work plans.

The Group have calculated the liabilities under employee post-employment benefits plan and other long-term employee benefits using the Projected Unit Credit Method, which an independent expert evaluated such obligations in accordance with actuarial principles. Such estimation principle requires various assumptions including assumptions about discount rates, future salary increase rates, staff turnover rate, mortality rate and gold price.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

4.15 Income tax (income) expense

Income tax

Income tax comprises current income tax and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Group will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Group expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Group will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Group offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

4.16 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

4.17 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

4.18 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

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Construction contracts

The Group recognises revenue from construction contracts over time taking into account the stage of completion. The management has exercised judgement in measuring the progress towards satisfaction of the performance obligation, with reference to information provided by project engineers or project managers and relying on their expertise and past experience.

The expected credit loss allowance

In determining the expected credit loss allowance, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Estimated construction project costs

Management applied judgement in estimating the costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs.

Provision for liabilities under construction projects

Provision for liabilities under project warranties

The Group recognized a provision for expected warranty claims in respect of construction projects completed during the year, based on repair expenses expected to be paid in the future, actual costs incurred in the past and the contract value. The Group expected that most of these costs will be incurred in the next financial year and all will have been incurred within two years of the end of the reporting period.

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Provision for losses on construction projects

The Group recognized a provision for the loss expected to be realised on each construction project, based on estimates of anticipated costs by taking into account of the progress of the project and actual costs incurred to the completion date.

Provision for penalties due to project delays

The Group are recognized a provision for the loss expected to be realised on construction projects that cannot be completed within the stipulated timeframe. The loss is estimated based on the penalty rate stipulated in the contract and the amount expected to be paid in the future.

Impairment of investments

The Group treat these investments as impairment when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment/Depreciation and right of use assets and amortisation of intangible assets

In determining depreciation of plant and equipment including right of use assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment and right of use assets and amortisation of intangible assets for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

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Determining the lease term of contracts with renewal and termination options

The Group determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits defined benefit plan

The obligation under the defined benefit plan and other long-term employee benefit defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, staff turnover rate and gold price, etc.

Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess the results of the litigation and believed that it will win the case. However, for prudent reason, the management has displayed judgement to set up certain provision for litigation as at the end of the reporting period.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Group are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

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5. RELATED PARTY TRANSACTIONS

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

Details of relation between the Company and its related parties and companies are summarized as follows:

Company's name	Country of incorporation	Type of relation
Sahakarn Wisavakorn Company Limited	Thailand	Subsidiary company
TRC Investment Limited	The Republic of Mauritius	Subsidiary company
TRC Utility Company Limited	Thailand	Subsidiary company from August 16, 2021 the status of such company changed from the Subsidiary to the Joint venture with 50% shareholding
Hydrotek Sahakarn Joint Venture	Thailand	Subsidiary company
TRC International Limited	Hong Kong	Subsidiary company
TRC Middle East LLC *	Sultanate of Oman	Subsidiary company
TRC Engineering LLC *	Sultanate of Oman	Subsidiary company
Olive Technology Company Limited	Thailand	Subsidiary company
Mahat Company Limited	Thailand	Subsidiary company
SAHAHYDRO PATTAYA Joint Venture	Thailand	Subsidiary company
ASEAN Potash Chaiyaphum Public Company Limited	Thailand	Associated company
Sinopec-TRC Joint Venture	Thailand	Joint venture
SH Crossing Company Limited	Thailand	Joint venture
AT Energy Solution Company Limited	Thailand	Joint venture
Sahakarn Underground Joint Venture	Thailand	Joint venture
XSENSE - OLIVE Joint Venture	Thailand	Joint venture
EXPRESS WORLD TRACKING Joint Venture	Thailand	Joint venture
Pasit Leesakul	Thailand	Director
Paichit Rattananon	Thailand	Chairman of the Board of Directors

* On September 30, 2022, the subsidiary has dissolved the business and undergone the liquidation process.

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Significant transactions with person or related companies for the years ended December 31, 2022 and 2021 are as follows :

	In Million Baht				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2022	2021	2022	2021	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of construction services	-	-	29	3	Cost plus margin
Finance cost	-	-	25	26	At rate of 2.5% - 6.25% p.a.
Other income	-	-	15	14	Cost plus margin
<u>Transactions with person or related parties</u>					
Finance cost	4	-	4	-	At rate of 8.00% p.a.
Services income	53	-	-	-	Contract price
Other income	5	2	4	-	Cost plus margin
Interest income	1	-	-	-	At rate of 2.5% - 6.25% p.a.

The significant outstanding balances with person or related parties and companies as at December 31, 2022 and 2021 are as follows :

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Trade and other current receivables - related parties</u>				
Subsidiary companies	-	-	528,838	486,158
Associated company	383,420	383,420	383,420	383,420
Joint venture	35,876	22,572	7,583	8,471
Total	419,296	405,992	919,841	878,049
<u>Less</u> The expected credit loss allowance	(383,420)	(383,420)	(841,010)	(803,786)
Trade and other current receivables - related parties - net	<u>35,876</u>	<u>22,572</u>	<u>78,831</u>	<u>74,263</u>

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	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Account receivable - retention under</u>				
<u>construction contracts - related parties</u>				
Associated company	7,854	7,854	7,854	7,854
Joint venture	-	-	-	-
Total	7,854	7,854	7,854	7,854
<u>Less : The expected credit loss allowance</u>	(7,854)	(7,854)	(7,854)	(7,854)
Total account receivable - retention under construction				
contracts - related parties - net	-	-	-	-
<u>Advances paid to subcontractor under construction contract -</u>				
<u>related party</u>				
Joint venture	42,528	33,294	-	-
Total	42,528	33,294	-	-
<u>Short-term loans to related parties</u>				
Subsidiary companies	-	-	4,595	64,784
Joint venture	17,969	21,200	2,778	-
Total	17,969	21,200	7,373	64,784
<u>Less : The expected credit loss allowance</u>	-	-	(4,595)	(64,784)
Total short-term loans to related parties - net	17,969	21,200	2,778	-
<u>Long-term loans to related parties</u>				
Subsidiary companies	-	-	1,306,517	1,306,517
Total	-	-	1,306,517	1,306,517
<u>Less : The expected credit loss allowance</u>	-	-	(1,306,517)	(1,306,517)
Total long-term loans to related parties - net	-	-	-	-
<u>Trade and other current payables - person or related parties</u>				
Subsidiary companies	-	-	77,704	22,255
Joint ventures	41,741	11,092	44	-
Director and Chairman of the Board of Directors	3,347	-	3,347	-
Total	45,088	11,092	81,095	22,225

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	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Short-term loans from person or related parties</u>				
Subsidiary companies	-	-	638,914	693,000
Joint ventures	7,000	-	7,000	-
Director and Chairman of the Board of Directors	66,300	-	66,300	-
Total	73,300	-	712,214	693,000
<u>Non-other current liabilities - related parties</u>				
Joint ventures	13,890	-	-	-
Total	13,890	-	-	-

As at December 31, 2022 and 2021, the balance of loans and short-term loans between the Company and related companies and the movements are as follows:

		In Thousand Baht			
		Consolidated Financial Statements			
		Balance as at	Increase	Decrease	Balance as at
		December			December
Loans to	Related by	31, 2021			31, 2022
<u>Short-term loans</u>					
Sahakarn Underground Joint Venture	Joint Venture	9,200	-	(6,009)	3,191
TRC Utility Company Limited	Joint Venture	12,000	-	-	12,000
XSENSE - OLIVE Joint Venture	Joint Venture	-	2,778	-	2,778
Total		21,200	2,778	(6,009)	17,969
Less : The expected credit loss allowance		-	-	-	-
Short-term loans - net		21,200	2,778	(6,009)	17,969

		In Thousand Baht			
		Consolidated Financial Statements			
		Balance as at	Increase	Decrease	Balance as at
		December			December
Loans from	Related by	31, 2020			31, 2021
<u>Short-term loans</u>					
Sahakarn Underground Joint Venture	Joint venture	-	9,200	-	9,200
TRC Utility Company Limited	Joint venture	-	12,000	-	12,000
Total		-	21,200	-	21,200
Less : The expected credit loss allowance		-	-	-	-
Short term loans - net		-	21,200	-	21,200

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		In Thousand Baht				
		Separate Financial Statements				
Loans to	Related by	Balance as at	Increase	Decrease	Exchange rate	Balance as at
		December			adjustment	December
		31, 2021				31, 2022
<u>Short-term loans</u>						
TRC Investment Limited	Subsidiary company	3,986	594	-	15	4,595
TRC Engineering LLC	Subsidiary company	56,858	95	(56,953)	-	-
TRC Middle East LLC	Subsidiary company	3,940	142	(4,082)	-	-
XSENSE - OLIVE Joint Venture	Joint Venture	-	2,778	-	-	2,778
Total		64,784	3,609	(61,035)	15	7,373
Less : The expected credit loss allowance		(64,784)	(831)	61,035	(15)	(4,595)
Short-term loans - net		-	2,778	-	-	2,778
<u>Long-term loans</u>						
TRC Investment Limited	Subsidiary company	1,260,508	-	-	-	1,260,508
TRC International Limited	Subsidiary company	46,009	-	-	-	46,009
Total		1,306,517	-	-	-	1,306,517
Less : The expected credit loss allowance		(1,306,517)	-	-	-	(1,306,517)
Long-term loans - net		-	-	-	-	-

		In Thousand Baht				
		Separate Financial Statements				
Loans to	Related by	Balance as at	Increase	Decrease	Exchange rate	Balance as at
		December			adjustment	December
		31, 2020				31, 2021
<u>Short-term loans</u>						
TRC Investment Limited	Subsidiary company	3,615	329	-	42	3,986
TRC Engineering LLC	Subsidiary company	56,704	154	-	-	56,858
TRC Middle East LLC	Subsidiary company	3,940	-	-	-	3,940
Olive Technology Company Limited	Subsidiary company	50	850	(900)	-	-
Total		64,309	1,333	(900)	42	64,784
Less : The expected credit loss allowance		(64,259)	(483)	-	(42)	(64,784)
Short-term loans - net		50	850	(900)	-	-
<u>Long-term loans</u>						
TRC Investment Limited	Subsidiary company	1,260,508	-	-	-	1,260,508
TRC International Limited	Subsidiary company	46,009	-	-	-	46,009
Total		1,306,517	-	-	-	1,306,517
Less : The expected credit loss allowance		(1,306,517)	-	-	-	(1,306,517)
Long-term loans - net		-	-	-	-	-

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Loans to related parties carried interest at rate of 2.5% - 5.0% per annum (December 31, 2021 : 3.5% - 7.0% per annum) due for repayment on demand and no security to guarantee.

The purpose of loans to TRC Investment Limited and TRC International Limited are long-term investments in ordinary share of ASEAN Potash Chaiyaphum Public Company Limited as described in Note 14 The Company classified these loans as long-term loans to related parties in the separate financial statements.

		In Thousand Baht			
		Consolidated Financial Statements			
		Balance as at December 31, 2021	Increase	Decrease	Balance as at December 31, 2022
Short-term loans from	Related by				
XSENSE - OLIVE Joint Venture	Joint Venture	-	7,000	-	7,000
Pasit Leesakul	Director	-	25,300	(2,000)	23,300
Paichit Rattananon	Chairman of the Board of Directors	-	43,000	-	43,000
Total		-	75,300	(2,000)	73,300

		In Thousand Baht			
		Separate Financial Statements			
		Balance as at December 31, 2021	Increase	Decrease	Balance as at December 31, 2022
Short-term loans from	Related by				
Sahakarn Wisavakorn Company Limited	Subsidiary company	693,000	128,000	(202,500)	618,500
SAHAHYDRO PATTAYA Joint Venture	Subsidiary company	-	16,614	(7,200)	9,414
Olive Technology Company Limited	Subsidiary company	-	13,000	(2,000)	11,000
XSENSE - OLIVE Joint Venture	Joint Venture	-	7,000	-	7,000
Pasit Leesakul	Director	-	25,300	(2,000)	23,300
Paichit Rattananon	Chairman of the Board of Directors	-	43,000	-	43,000
Total		693,000	232,914	(213,700)	712,214

		In Thousand Baht			
		Separate Financial Statements			
		Balance as at December 31, 2020	Increase	Decrease	Balance as at December 31, 2021
Short-term loans from	Related by				
Sahakarn Wisavakorn Company Limited	Subsidiary company	642,000	211,000	(160,000)	693,000
SAHAHYDRO PATTAYA Joint Venture	Subsidiary company	-	68,000	(68,000)	-
Total		642,000	279,000	(228,000)	693,000

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Short-term loans from related parties carried interest at rate of 2.5% - 8.00% per annum (December 31, 2021 : 2.5% - 6.25% per annum) and due for repayment on demand and no security to guarantee.

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 33.4 and 33.5

Management benefit expenses

Management benefit expenses represent the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act.

Management benefit expenses for the years ended December 31, 2022 and 2021, are as follows :

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Management				
Management benefit expenses				
Short-term employee benefits	20	22	18	15
Post-employment benefits	1	1	1	1
Total	21	23	19	16

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Cash	1,377	1,620	180	453
Deposits at banks (saving and current account)	14,332	51,322	6,858	29,236
Total	15,709	52,942	7,038	29,689

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

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7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
Up to 3 months	16,668	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	383,420	383,420	383,420	383,420
Total trade accounts receivable - related parties	400,088	383,420	383,420	383,420
Less : The expected credit loss allowance	(383,420)	(383,420)	(383,420)	(383,420)
Total trade accounts receivable - related parties - net	16,668	-	-	-
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	94,901	222,400	33,973	112,141
Past due				
Up to 3 months	43,368	82,854	23,631	23,686
3 - 6 months	10,564	214	-	214
6 - 12 months	4,956	-	-	-
Over 12 months	214	12,972	214	-
Total trade accounts receivable - unrelated parties	154,003	318,440	57,818	136,041
Less : The expected credit loss allowance	(214)	(11,928)	(214)	-
Translation adjustment	-	(1,044)	-	-
Total trade accounts receivable - unrelated parties - net	153,789	305,468	57,604	136,041
Total trade accounts receivable - net	170,457	305,468	57,604	136,041
<u>Other current receivables</u>				
Advance to related parties	18,161	22,187	78,795	76,280
Interest receivable from related parties	1,047	385	457,627	418,349
Others	58,202	80,564	8,468	27,408
Total other current receivables	77,410	103,136	544,890	522,037
Less : The expected credit loss allowance	(834)	-	(458,425)	(420,366)
Total other current receivables - net	76,576	103,136	86,465	101,671
Total trade and other current receivables - net	247,033	408,604	144,069	237,712

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The Group transferred rights to receive payment from accounts receivable under construction contracts to secure the credit facilities with banks. Pledged trade accounts receivable amounting to Baht 84 million included in the trade accounts receivable balance as at December 31, 2022 (the Company only : Baht 46 million) (December 31, 2021 : Baht 268 million, the Company only : Baht 99 million).

8. CONTRACT ASSETS / CONTRACT LIABILITIES

8.1 Contract balances

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Contract assets				
Unbilled receivable	2,472,845	2,042,845	494,535	675,299
Accounts receivable - retention under construction contracts	277,301	250,567	66,315	78,326
Less : The expected credit loss allowance	(7,854)	(7,854)	(7,854)	(7,854)
Total contract assets	<u>2,742,292</u>	<u>2,285,558</u>	<u>552,996</u>	<u>745,771</u>
Contract liabilities				
Unearned construction - revenue	3,280	54,289	3,280	54,289
Advances received from customers under construction project	614,276	856,704	83,900	163,583
Total contract liabilities	<u>617,556</u>	<u>910,993</u>	<u>87,180</u>	<u>217,872</u>

8.2 Unbilled receivable

As at 31 December 2022 and 2021, the Group had balance of unbilled receivables of Baht 2,391 million and Baht 1,960 million respectively. (Separate financial statements: Baht 413 million and Baht 593 million, respectively) was expected to be billed within one year.

As at 31 December 2022 and 2021, the Group had balance of unbilled receivables of Baht 82 million (Separate financial statements: Baht 82 million) was expected to be billed after one year as the Company was suing the party for breaching the terms of employment agreement according to the detail of Note 34 (the second case of the company).

8.3 Revenue recognised in relation to contract balances

During the years 2022 and 2021, the Group recognised contract liabilities at the beginning of the year of Baht 387 million and Baht 381 million, respectively. (Separate financial statements: Baht 192 million and Baht 212 million respectively) as revenue.

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8.4 Revenue to be recognised for the remaining performance obligations

As at December 31, 2022 and 2021, the Group expected to recognise revenue totaling Baht 4,460 million and Baht 6,861 million, respectively. (Separate financial statements: Baht 586 million and Baht 1,065 million, respectively) in the future in respect of performance obligations under contracts with customers that have not been satisfied or partially unsatisfied. The Group expects to satisfy these performance obligations within 1-2 years.

9. INVENTORIES

Inventories are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Raw materials and construction supplies	2,302	2,302	2,302	2,302
<u>Less</u> Allowance for decline in value of inventories	(694)	(694)	(694)	(694)
Inventories - net	<u>1,608</u>	<u>1,608</u>	<u>1,608</u>	<u>1,608</u>

10. WITHHOLDING TAX DEDUCTED AT SOURCE

Withholding tax deducted at source are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Year 2019	566	566	-	-
Year 2020	-	64	-	-
Year 2021	68,480	68,480	44,804	44,804
Year 2022	<u>53,810</u>	<u>-</u>	<u>35,053</u>	<u>-</u>
	<u>122,856</u>	<u>69,110</u>	<u>79,857</u>	<u>44,804</u>

The Group record withholding tax deducted at source as an asset since they are entitled to claim for a refund of such tax. However, the net realisable value of tax refund is subject to the exercise of the claim right and the result of tax audit of the Group by Government Agency.

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11. OTHER CURRENT ASSETS

Other current assets are as follows :

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Prepaid expenses	15,115	14,014	9,175	9,444
Account receivable - Revenue Department	21,845	8,921	-	-
Undue Input Vat	12,742	638	1,438	-
Other current assets	-	262	-	-
Total other current assets	49,702	23,835	10,613	9,444

12. RESTRICTED DEPOSITS AT BANKS

These balances represent saving deposit and fixed deposits that the Group pledged with bank guarantee facilities issued by the banks on behalf of the Group, as described in Note 33.4

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NOTES TO FINANCIAL STATEMENTS (CONT.)

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13. INVESTMENTS IN SUBSIDIARIES

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

Company's name	Business type	Country of registration	Shareholding percentage (%)		Paid-up capital		In Baht					
							Cost method		Allowance for loss on impairment of investment		Cost - net	
							As at December 31,		As at December 31,		As at December 31,	
							2022	2021	2022	2021	2022	2021
Sahakarn Wisavakorn Company Limited	Construction services - basic infrastructure	Thailand	99.99	99.99	500,000,000	500,000,000	620,894,691	620,894,691	(145,071,416)	(145,071,416)	475,823,275	475,823,275
					Baht	Baht						
TRC Investment Limited	Holding company	The Republic of Mauritius	100.00	100.00	1 USD	1 USD	32	32	-	-	32	32
Olive Technology Company Limited	Data management and processing	Thailand	49.97	49.97	3,100,000	3,100,000	1,549,070	1,549,070	-	-	1,549,070	1,549,070
					Baht	Baht						
Total							622,443,793	622,443,793	(145,071,416)	(145,071,416)	477,372,377	477,372,377

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

TRC Utility Company Limited

According to the Extraordinary Shareholders' Meeting No. 2/2021, it had a resolution to increase the registered capital of the Company in the amount of Baht 49,000,000 as the new registered capital amounting Baht 50,000,000 by issuing 490,000 capital increase ordinary shares at Baht 100 per share.

TRC Construction Public Company Limited had a resolution to waive the right to purchase some of the newly issued ordinary shares of TRC-UT for 249,851 shares or 49.97% of the total capital increase ordinary shares of TRC-UT to Planet Utility Company Limited as the new investor. at the price below fair value. The estimated fair value of the ordinary shares of TRC Utility Company Limited is calculated by an independent appraiser as at the right offering at Baht 48.68 per share which is higher than the exercise price to purchase shares Baht 23.68 per share. TRC Utility Company Limited has recognised the expense from the share-based payment in profit and loss along with recognising the capital surplus from the share-based payment in shareholder's equity in the amount of Baht 5.92 million.

From such transaction, the Company then had lost control in TRC Utility Company Limited and now held the Joint venture status of the Company from August 16, 2021, onwards. The Company had changed the shareholding in TRC Utility Company Limited from 99.97% to 50% of the total number of ordinary shares. According to the agreement in the joint venture agreement, the Board of Directors of TRC Utility Company Limited has to consist of directors who are from both parties at equal number. The meeting resolution requires to receive the majority votes of all directors. At least, consent votes must be received from the directors of TRC Construction Public Company Limited and directors of Planet Utility Company Limited at least 1 director from each side. The Company had recognised the difference incurred from the loss of control in the subsidiary stated as profit (loss) for the period in the consolidated financial statements "Other income" as follows:

	Baht
The fair value of the retained investment (50%)	12,169,951.00
(Less) Net assets in the subsidiary that are derecognized	(8,204,731.47)
Loss from the loss of control in the subsidiary	<u>3,965,219.53</u>

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Olive Technology Company Limited

On December 11, 2019, the Board of Directors' Meeting No. 10/2019 had a resolution to approve the Company entering into a joint venture agreement with Xsense Information Service Company Limited. to conduct the business in providing research and development of inspection systems to government agencies, state enterprises and public education controlled through IOT system at the shareholding 50%. The registered date was on March 9, 2020 with the registered capital of Baht 1 million and the paid-up capital of Baht 0.25 million. The Company invested Baht 0.13 million.

According to the agreement in the joint venture agreement, the Board of Directors of Olive Technology Company Limited. consists of 5 directors - 3 from TRC Construction Public Company Limited. and 2 from Xsense Information Service Company Limited. The meeting resolution on various matters has to receive majority votes of all directors. This means TRC Construction Public Company Limited. will have control over the operation of Olive Technology Company Limited. Therefore, the Company considered the investments in Olive Technology Company Limited. as a subsidiary.

On August 14, 2020, the Board of Directors' Meeting of the Company No. 4/2020 had a resolution for Olive Technology Company Limited. to enter into the investment agreement with 2 partner companies to establish MAHAT Company Limited. to operate the business of providing research services, development of audit systems to government agencies, state enterprises and the private sectors in education controlled through IOT system with a registered capital of Baht 1 million and paid-up the shares in full amount. The subsidiary had invested at the total amount of Baht 0.60 million, or 60% in accordance with the agreement in the joint venture agreement of the Board of Directors' of MAHAT Company Limited. that consisted of 3 directors, from 2 subsidiaries and from 1 joint venture appointment. The resolution of the Board of Directors' meeting on various matters required the majority vote of all directors. This means the subsidiary will have power to control the operations of MAHAT Company Limited. Therefore, the subsidiary had decided to invest in MAHAT Company Limited. as a subsidiary.

During January 14-18, 2021 Olive Technology Company Limited. has called for capital increase from the shareholders Baht 0.60 million. Later, on October 22, 2021 the Extraordinary Shareholders Meeting No. 1/2021 of Olive Technology Company Limited. had a resolution to approve increasing the registered capital for 90,000 shares in the amount of Baht 9,000,000 from former ordinary shares 10,000 shares. The registered capital Baht 1,000,000 is 100,000 ordinary shares in the amount of Baht 10 million. The Company invested in the same ratio in total year 2021 in the amount of Baht 1,424,145.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

Sahakarn Wisavakorn Company Limited

On April 29, 2020, the subsidiary had entered into joint venture agreement with 2 partner companies on behalf of Saha Hydro Pattaya Joint Venture to participate in the bidding and work together on the East Railway Road Drainage Project, Phase 1 at Pattaya City. After the joint venture was the winner of the tender, the three joint venture members had signed a memorandum of understanding to assign a subsidiary (Sahakarn Wisavakorn), which had a 50% investment shareholding in the joint venture, was solely responsible for all projects operation and receiving the outcome of the project operation (investment-profit-loss). Both partner companies do not invest in project working capital, not receive the shares of profit and loss, including not responsible for any damage that may occur from the project operation. Therefore, the subsidiary considers Saha Hydro Pattaya Joint Venture as a subsidiary.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

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

Company's name	Business type	Country of registration	Shareholding percentage (%)		Paid-up capital		In Baht					
							Cost method		Allowance for loss on impairment of investment		Cost method - net	
As at December 31,		As at December 31,		As at December 31,		As at December 31,		As at December 31,				
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021			
<u>Held by Sahakam Wisavakorn Company Limited</u>												
Hydrotek Sahakarn Joint Venture	Construction services	Thailand	49.00	49.00	1,000,000	1,000,000	490,000	490,000	-	-	490,000	490,000
					Baht	Baht						
SAHAHYDRO PATTAYA Joint Venture	Construction services	Thailand	100.00	100.00	200,000	200,000	200,000	200,000	-	-	200,000	200,000
					Baht	Baht						
<u>Held by TRC Investment Limited</u>												
TRC International Limited	Holding company	Hong Kong	100.00	100.00	10	10	33	33	-	-	33	33
					HKD	HKD						
<u>Held by TRC International Limited</u>												
TRC Middle East LLC	Construction services	Sultanate of Oman	-	70.00	-	150,000	-	12,322,330	-	(12,322,330)	-	-
					Omani Rial	Omani Rial						
TRC Engineering LLC	Construction services	Sultanate of Oman	-	70.00	-	250,000	-	13,654,506	-	(13,654,506)	-	-
					Omani Rial	Omani Rial						
<u>Held by Olive Technology Company Limited</u>												
Mahat Company Limited	Data management and processing	Thailand	59.98	59.98	1,000,000	1,000,000	599,800	599,800	-	-	599,800	599,800
					Baht	Baht						
Total							1,289,833	27,266,669	-	(25,976,836)	1,289,833	1,289,833

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Hydrotek Sahakarn Joint Venture

Sahakarn Wisavakorn Company Limited, which is the Company's subsidiary, and Hydrotek Public Company Limited agree that the subsidiary will be responsible for project execution of Hydrotek Sahakarn Joint Venture whereas Hydrotek Public Company Limited will not share any gain and loss as well as damage maybe arisen from this project. Later, on October 31, 2019, the Board of Directors' Meeting No.2/2019 approve to cease the business operation. As at December 31, 2022 such subsidiary is under liquidation process.

TRC Middle East LLC and TRC Engineering LLC

On March 10, 2016, the Meeting No. 3/2016 of the Company's Board of Directors passed a resolution to approve the closure of TRC Middle East LLC and TRC Engineering LLC. As at December 31, 2022 both subsidiary's business had been dissolved undergone the liquidation process and ended the status of the subsidiary. Both subsidiaries had been operating at loss so the Company has to recognize the loss from the subsidiary's business dissolution in the amount of Baht 36.85 million as stated in the statement of comprehensive income.

SAHAHYDRO PATTAYA Joint Venture

On April 29, 2020, the subsidiary had entered into joint venture agreement with 2 partner companies on behalf of SAHAHYDRO PATTAYA Joint Venture to participate in the bidding and work together on the East Railway Road Drainage Project, Phase 1 at Pattaya City. After the joint venture had been awarded the project, the three joint venture members had signed a memorandum of understanding to assign a subsidiary (Sahakarn Wisavakorn), which had a 50% investment shareholding in the joint venture, was solely responsible for all projects operation and receiving the outcome of the project operation (investment-profit-loss). Both partner companies will not invest in project working capital, Also, they will not share any gain and Loss as well as damage may be arisen from this project. Therefore, the subsidiary considers SAHAHYDRO PATTAYA Joint Venture as a subsidiary.

On March 10, 2021, the capital increase fund from the subsidiary had been received amounted Baht 0.2 million, or 100%.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

14. INVESTMENTS IN ASSOCIATE

14.1 Details of associate

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

							In Thousand Baht					
Company's name	Business type	Country of registration	Shareholding percentage (%)		Paid-up capital (Thousand Baht)		Carrying amounts based on		Allowance for loss on		Carrying amounts based on	
							equity method		impairment of investment		equity method - net	
			As at December 31,		As at December 31,		As at December 31,		As at December 31,		As at December 31,	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Held by TRC Investment Limited</u>												
ASEAN Potash Chaiyaphum Public Company Limited	Mining Industries	Thailand	22.46	22.46	2,805,797	2,805,797	1,126,742	1,126,742	(1,126,742)	(1,126,742)	-	-
<u>Held by TRC International Limited</u>												
ASEAN Potash Chaiyaphum Public Company Limited	Mining Industries	Thailand	2.67	2.67	2,805,797	2,805,797	85,989	85,989	(85,989)	(85,989)	-	-
Total							1,212,731	1,212,731	(1,212,731)	(1,212,731)	-	-

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

ASEAN Potash Chaiphum Public Company Limited

According to the concession application agreement between the associated company and the Department of Primary Industries and Mines, Ministry of Industry, in January 2015. The associated company was obligated to pay the special benefits in 8 installments amounting to Baht 433 million per installment with interest at the rate of 6.5% per annum, totaling Baht 569 million. It had started from 2018 and had an obligation to pay various fund payments every year throughout the concession certificate period. In addition, the associated company received a letter from the Chaiphum Provincial Industrial Office requesting payment of the first installment of the special benefits of Baht 569 million, including a fine at the rate of 15% per annum within 90 days from the date of receipt of the letter which was due in August 2018, otherwise the concession certificate might be revoked in accordance with Section 128 of the Minerals Act B.E. 2560.

In April 2018, the associated company had allocated and called for payment of newly issued ordinary shares No. 1, amounting to no more than 29 million shares, by offering the newly issued ordinary shares to the existing shareholders at the price of Baht 68.43 per share. The subscription and payment of shares will be made in July 2018. After the subscription and payment period had expired, there was no shareholder paid for the capital increase shares.

Such associated company was unable to pay the first installment of the special benefit payment according to such special benefit payment agreement as it was in the process of seeking the funding sources from both capital increase from shareholders and/or from requesting a credit line from commercial banks. In November 2018, the associated company was notified to the Company to pay the second installment of the special benefits amounting to Baht 569 million by January 15, 2019. If the payment deadline was overdue, the associated company would be required to pay a fine of 15 percent per annum of the amount of special benefit payments for the benefit of the state. At present, the associated company is unable to comply with such special benefit payment agreement.

According to the 2019 Annual General Meeting of Shareholders of the associated company, it had the resolutions to approve the amendment of the offering price of newly issued shares from the price of Baht 68.43 per share to the price of Baht 15.00 per share and consider approving the call for payment of shares by offering shares to the existing shareholders at the rate of 4 existing shares per 5 new shares at the offering price of Baht 15.00 per share and the subscription and payment period between May 27 - 31 and June 3 - 7, 2019 and had extended the subscription period to June 4 to August 5, 2019. When the subscription period and payment for the capital increase shares had expired, then there were 5 shareholders who paid for the newly issued shares amounting to Baht 18.38 million, but the amount received for the payment of the newly issued ordinary shares from the allotment of the newly issued ordinary shares was not complied to the planned operation. As a result, the associated company was unable to continue as planned, therefore, it had to return the payment for the newly issued ordinary shares to the shareholders on September 9, 2019.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

Therefore, the Board of Directors' Meeting No. 3/2019 dated February 12, 2019, it had the resolutions to approve the Company not to take any additional action in relation to investment in associated company. It was included not accepting any construction work from the associated company until there was a reliable source of funding for project development and approve the Company's subsidiary to record an allowance for impairment of investment in full amount with the total value of Baht 1,361 million. Due to the associated company had significant uncertainty, such as the obligation to pay the special benefits in both installments, it had then resulted in the risk of being revoked the concession certificate. There was still uncertainty about seeking additional funding to develop potash mining projects both in the part of the capital increase and there was no progress in finding new investors from both the public and private sectors and/or obtaining credit from commercial banks. As a result, the associated company had problems with working capital resulting in the delay in the project development plan of the associated company. The Company had to recognize the loss of the associated company by the equity method in the consolidated operating results for consecutive years. It would be more recognized in the future from recording the fine from the associated company's failure to pay the special benefits that had to pay every year. Although the Company's management had recorded full provision for loss for assets related to the associated company's potash mining project, the Company continued to have the duty and responsibility to do the best to restore the value of those assets as much as possible. In the future, if the value of those assets is returned, the Company will then be able to reverse the excess loss reserve and can recognize the future profits to compensate for losses from such reserves.

As at December 31, 2022, the associated company was still unable to settle payment for the special state benefits installment 1 - 6 of Baht 3,412 million, including the penalty fee at the rate of 15% per annum as the associated company is in the process of procuring additional funding sources in term of both calling for capital increase from the existing shareholders of the associated company and recruiting the new potential investors and the associated company has suspended the mine construction project temporary.

During the year 2022, the associated company had been sued from the parties on the breach of agreement according to the details in Note 34 (case No.3 of the associated company).

14.2 Share of Profit (loss)

During the year ended December 31, 2022 and 2021, the Company has stop recognised its share of loss from investments in ASEAN Potash Chaiyaphum Public Company Limited in the consolidated financial statements as the share of loss in that ASEAN Potash Chaiyaphum Public Company Limited has the value equal to the value of the interest of the ASEAN Potash Chaiyaphum Public Company Limited. The Company did not guarantee for the debt obligation of the associated company.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

14.3 Summary of significant financial information on associate

ASEAN Potash Chaiyaphum Public Company Limited

Summary of information about financial position as at December 31, 2022 and 2021

	In Million Baht	
	2022	2021
		(Restated)
Current assets	6	5
Non-current assets	6,579	6,593
Current liabilities	(5,632)	(4,585)
Non-current liabilities	(1,376)	(1,890)
Net assets	(423)	123
Shareholding percentage (%)	25.13	25.13
Share of net assets	(106)	31
Elimination entries	-	-
Goodwill	847	847
Total	741	878
Less: Allowance for loss on impairment of investment	(1,213)	(1,213)
Carrying amounts of associate based on equity method	(472)	(335)

Summary of information about comprehensive income for the year ended December 31, 2022 and 2021

	In Million Baht	
	2022	2021
		(Restated)
Revenue	5	3
Profit (loss)	(545)	(498)
Other comprehensive income	-	-
Total comprehensive income	(545)	(498)

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

15. INVESTMENTS IN JOINT VENTURES

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

Company's name	Business type	Shareholding percentage (%)		Cost (Thousand Baht)		In Thousand Baht					
						Carrying amounts based on		Allowance for loss on		Carrying amounts based on	
						equity method		impairment of investment		equity method - net	
						As at December 31,		As at December 31,		As at December 31,	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Held by the Company</u>											
Sinopec-TRC Joint Venture	Construction service	30	30	2,376	2,376	2,376	2,376	-	-	2,376	2,376
AT Energy Solution Company Limited	Energy production and distribution	50	50	100,000	100,000	90,334	102,839	-	-	90,334	102,839
TRC Utility Company Limited	To produce and distribute tap water	50	50	12,999	6,999	15,238	9,424	-	-	15,238	9,424
<u>Held by Sahakarn Wisavakorn Company Limited</u>											
SH Crossing Company Limited	Construction service	51	51	20,400	20,400	15,225	23,704	-	-	15,225	23,704
Sahakarn Underground Joint Venture	Construction service	50	50	200	200	-	546	-	-	-	546
<u>Held by Olive Technology Company Limited</u>											
XSENSE - OLIVE Joint Venture	Data management and processing	40	-	40	-	818	-	-	-	818	-
EXPRESS WORLD TRACKING Joint Venture	Data management and processing	30	-	300	-	-	-	-	-	-	-
Total				136,315	129,975	123,991	138,889	-	-	123,991	138,889

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

Company's name	Business type	Shareholding percentage (%)		In Thousand Baht					
				Cost method		Allowance for loss on		Cost method – net	
						impairment of investment			
				As at December 31,		As at December 31,		As at December 31,	
		2022	2021	2022	2021	2022	2021	2022	2021
Sinopec-TRC Joint Venture	Construction service	30	30	2,376	2,376	-	-	2,376	2,376
AT Energy Solution Company Limited	Energy production and distribution	50	50	100,000	100,000	-	-	100,000	100,000
TRC Utility Company Limited	To produce and distribute tap water	50	50	12,999	6,999	-	-	12,999	6,999
Total				115,375	109,375	-	-	115,375	109,375

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

SH Crossings Company Limited

On August 7, 2017, the Board of Directors had a resolution to approve the Subsidiary to establish of SH Crossings Company Limited (SHC) with a registered capital of 40 million baht (400,000 common shares with a par value of 100 baht per share) for the construction of underground manhole and electrical conduit construction project. The Subsidiary's share proportion was at 51%, totaling 203,998 shares with a par value of 100 baht per share. Since the Subsidiary and partner jointly participated in the financial and operating policies therefore the Subsidiary classified SHC as a joint venture and recognize as equity method.

AT Energy Solution Company Limited

On August 14, 2019, the Board of Directors' Meeting No.8/2019 had a resolution for the company to sign the joint venture agreement with Asia Green Energy Public Company Limited. and Appliance Technology Supply Company Limited to operate the energy production and distribution business at the shareholding 45%, 45%, 10%, respectively. The registered date was on August 14, 2019 with the registered capital of Baht 1 million. The Company invested Baht 449,900. Later Appliance Technology Supply Company Limited intended to sell all of the shares to the former joint investor : TRC Construction Public Company Limited and Asia Green Energy Public Company Limited On November 27, 2019, AT Energy Solution Company Limited. had increased its registered capital from Baht 1 million to Baht 200 million. On January 14, 2020, AT Energy Solution Company Limited had called for the payment of the remaining capital increase shares, resulting in an investment AT Energy Solution Company Limited for 99,999 shares at Baht 99,999,900 or shareholding of 50%.

According to the agreement in the joint venture agreement, the Board of Directors of AT Energy Solution Company Limited. consists of 4 directors appointed 2 from TRC Construction Public Company Limited. and 2 from Asia Green Energy Public Company Limited. The meeting resolution requires to receive the majority votes of all directors. At least, consent votes must be received from the directors of TRC Construction Public Company Limited. and directors of Asia Green Public Company Limited. at least 1 director from each side. Therefore, the Company considered the investments in AT Energy Solution Company Limited. as an joint venture.

Sahakarn Underground Joint Venture

On April 20, 2020, the subsidiary had entered into the joint venture agreement with a company on behalf of Sahakarn Underground Joint Venture. This is to join the tender and co-operate in the Underground manhole and electrical conduit construction project under the investment proportion of the subsidiary at 50%. The subsidiary had applied the equity method in account recording of the investment in Sahakarn Underground Joint Venture in the consolidated financial statements of the Company.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

TRC Utility Company Limited

The Company has changed the status of investment in TRC Utility Company Limited from the previous subsidiary that it has control to the Joint venture since August 16, 2021 onwards. In the consolidated financial statements, the Company has initially recognized the retained investment in the former subsidiary that it once has control at the fair value at Baht 48.68 per share in the total amount of Baht 12.17 million (as discussed in the notes to interim financial statements Note 13).

EXPRESS WORLD TRACKING Joint venture

During the year, Olive Technology Co., Ltd. (a subsidiary) and 2 partners have cooperated to establish the EXPRESS WORLD TRACKING Joint Venture to jointly operate the THP Core System Project in the 30% of investment proportion, amounting to 300,000 Baht. The subsidiary and partners jointly manage and oversee the joint venture which consisting of 2 nominee directors from each party. The resolution of the Board of Directors' Meeting on various matters must receive a majority vote of all directors and there must be at least one vote of support from each representative. Consequently, the subsidiary has considered its investment in joint venture.

XSENSE-OLIVE Joint Venture

During the year, Olive Technology Co., Ltd. (a subsidiary) and a partner have cooperated to establish the XSENSE-OLIVE Joint Venture to jointly operate the THPD Load Board Management System Project in the 40% of investment proportion, amounting to 40,000 Baht. The subsidiary and partner jointly manage and oversee the joint venture which consisting of 2 nominee directors from the Subsidiary and 3 nominee directors from partner. The resolution of the Board of Directors' Meeting on various matters must receive a majority vote of all directors and there must be at least one vote of support from each representative. Consequently, the subsidiary has considered its investment in joint venture.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

15.1 Share of profit (loss)

During the year, the Company has recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements as follows:

Company's name	In Thousand Baht			
	Share of profit (loss) from		Share of other comprehensive income	
	investments in joint ventures		from investments in joint ventures	
	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
SH Crossings Company Limited	(8,479)	(37)	-	-
AT Energy Solution Company Limited	(12,303)	4,999	(202)	574
Sahakarn Underground Joint Venture	(546)	345	-	-
TRC Utility Company Limited	(186)	(2,745)	-	-
XSENSE - OLIVE Joint Venture	778	-	-	-
EXPRESS WORLD TRACKING Joint Venture	(300)	-	-	-
Total	(21,036)	2,562	(202)	574

15.2 Summary of significant financial information on joint venture

SH Crossings Company Limited

Summary information about financial position

	In Million Baht	
	2022	2021
Cash and cash equivalent	0	0
Other current assets	166	173
Non-current assets	5	9
Current liabilities	(142)	(136)
Net assets	29	46
Shareholding percentage (%)	51	51
Share of net assets	15	24

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

Summary information about comprehensive income

	In Million Baht	
	For the years ended December 31,	
	2022	2021
Revenue	73	165
Depreciation and amortization	(4)	(2)
Income tax expense	-	(0)
Profit (loss)	(17)	(0)
Other comprehensive income	-	-
Total comprehensive income	(17)	(0)

AT Energy Solution Company Limited

Summary information about financial position

	In Million Baht	
	2022	2021
Cash and cash equivalent	19	45
Other current assets	27	14
Non-current assets	333	330
Current liabilities	(29)	(22)
Non - current liabilities	(168)	(157)
Net assets	182	210
Shareholding percentage (%)	50	50
Share of net assets	91	105

Summary information about comprehensive income

	In Million Baht	
	For the years ended December 31,	
	2022	2021
Revenue	54	52
Depreciation and amortization	17	6
Income tax expense	(4)	(2)
Profit (loss)	(25)	14
Other comprehensive income	(0)	1
Total comprehensive income	(25)	15

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

16. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements (In Thousand Baht)					
	Balance as at January 1,2022	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31,2022
Cost					
Land	142,062	-	-	-	142,062
Building	395,504	-	-	5,251	400,755
Tools and equipment	632,554	4,297	(6,997)	13,848	643,702
Furniture, fixtures and office equipment	89,805	283	(243)	-	89,845
Vehicles	81,282	-	(3,457)	-	77,825
Construction in progress	31,606	6,022	(1,902)	(19,099)	16,627
Total cost	1,372,813	10,602	(12,599)	-	1,370,816
Accumulated depreciation					
Building	(78,001)	(20,014)	-	-	(98,015)
Tools and equipment	(510,878)	(32,859)	6,969	-	(536,768)
Furniture, fixtures and office equipment	(85,364)	(2,311)	240	-	(87,435)
Vehicles	(79,428)	(639)	3,456	-	(76,611)
Total accumulated depreciation	(753,671)	(55,823)	10,665	-	(798,829)
Property, plant and equipment	619,142				571,987

Consolidated financial statements (In Thousand Baht)						
	Balance as at January 1,2021	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Decrease of loss control in subsidiary	Balance as at December 31, 2021
Cost						
Land	142,062	-	-	-	-	142,062
Building	343,414	111	-	52,011	(32)	395,504
Tools and equipment	603,385	16,983	(2,923)	39,288	(24,179)	632,554
Furniture, fixtures and office equipment	97,230	610	(7,609)	-	(426)	89,805
Vehicles	87,409	161	(6,288)	-	-	81,282
Construction in progress	75,127	47,778	-	(91,299)	-	31,606
Total cost	1,348,627	65,643	(16,820)	-	(24,637)	1,372,813
Accumulated depreciation						
Building	(59,567)	(18,440)	-	-	6	(78,001)
Tools and equipment	(495,804)	(31,492)	2,089	-	14,329	(510,878)
Furniture, fixtures and office equipment	(90,035)	(3,246)	7,565	-	352	(85,364)
Vehicles	(84,520)	(1,196)	6,288	-	-	(79,428)
Total accumulated depreciation	(729,926)	(54,374)	15,942	-	14,687	(753,671)
Less Allowance for impairment	(344)	-	-	-	344	-
Property, plant and equipment	618,357					619,142

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Separate financial statements (In Thousand Baht)				
	Balance as at January 1, 2022	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2022
Cost					
Land	140,472	-	-	-	140,472
Building	386,584	-	-	5,251	391,835
Tools and equipment	457,848	3,982	(475)	13,848	475,203
Furniture, fixtures and office equipment	79,687	253	(239)	-	79,701
Vehicles	64,019	-	(2,830)	-	61,189
Construction in progress	31,606	6,022	(1,902)	(19,099)	16,627
Total cost	1,160,216	10,257	(5,446)	-	1,165,027
Accumulated depreciation					
Building	(77,634)	(19,613)	-	-	(97,247)
Tools and equipment	(352,163)	(31,104)	452	-	(382,815)
Furniture, fixtures and office equipment	(75,713)	(2,106)	236	-	(77,583)
Vehicles	(62,193)	(630)	2,830	-	(59,993)
Total accumulated depreciation	(567,703)	(53,453)	3,518	-	(617,638)
Property, plant and equipment	592,513				547,389

	Separate financial statements (In Thousand Baht)				
	Balance as at January 1, 2021	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2021
Cost					
Land	140,472	-	-	-	140,472
Building	343,381	111	-	43,092	386,584
Tools and equipment	405,337	15,310	(2,087)	39,288	457,848
Furniture, fixtures and office equipment	86,130	423	(6,866)	-	79,687
Vehicles	70,164	143	(6,288)	-	64,019
Construction in progress	66,318	47,668	-	(82,380)	31,606
Total cost	1,111,802	63,655	(15,241)	-	1,160,216
Accumulated depreciation					
Building	(59,561)	(18,073)	-	-	(77,634)
Tools and equipment	(327,079)	(27,085)	2,001	-	(352,163)
Furniture, fixtures and office equipment	(79,519)	(3,026)	6,832	-	(75,713)
Vehicles	(67,292)	(1,189)	6,288	-	(62,193)
Total accumulated depreciation	(533,451)	(49,373)	15,121	-	(567,703)
Property, plant and equipment	578,351				592,513

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Depreciation charged to the statements of comprehensive income				
Cost of sales and services	11,310	9,601	8,332	6,069
Administrative expenses	44,513	44,773	45,121	43,304
Total	55,823	54,374	53,453	49,373

As at December 31, 2022 and 2021, the Group's certain equipment items have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation of those assets, amounted to approximately Baht 567 million and Baht 560 million, respectively. (The company only : 442 million and 429 million, respectively)

As at December 31, 2022 and 2021, the Group has tools and motor vehicles acquired under finance lease agreements, with net book value amounting to approximately Baht 1 million and Baht 2 million, respectively. (The company only : 1 million and 2 million, respectively)

As at December 31, 2022 and 2021, the Company has mortgaged land and building which has book value amounting to Baht 100 million with banks to be collateral against credit facilities received from the bank.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

17. RIGHT-OF-USE ASSETS

17.1 Right-of-use assets consists of:

	In Thousand Baht			
	Consolidated financial statements			
	Balance as at	Transactions during the year		Balance as at
	January 1, 2022	Addition/reassessm ent lease term	Change in conditions/written-off	December 31, 2022
<u>At cost</u>				
Land and land improvement	9,820	-	(4,333)	5,487
Building and building improvement	810	-	(810)	-
Furniture, fixture and office equipment	20,760	7,123	(6,189)	21,694
Vehicles	9,188	609	(696)	9,101
Total	40,578	7,732	(12,028)	36,282
<u>Less Accumulated depreciation</u>				
Land and land improvement	(6,364)	(3,128)	4,333	(5,159)
Building and building improvement	(743)	(67)	810	-
Furniture, fixture and office equipment	(9,876)	(6,084)	6,189	(9,771)
Vehicles	(5,130)	(2,245)	696	(6,679)
Total	(22,113)	(11,524)	12,028	(21,609)
Right-of-use assets - net	18,465			14,673

	In Thousand Baht				
	Consolidated financial statements				
	Balance as at	Transactions during the year			Balance as at
	January 1, 2021	Addition/reassess ment lease term	Change in conditions/written-off	Decrease of loss control in subsidiary	December 31, 2021
<u>At cost</u>					
Land and land improvement	16,345	-	(2,411)	(4,114)	9,820
Building and building improvement	1,296	-	-	(486)	810
Furniture, fixture and office equipment	17,855	6,791	(3,886)	-	20,760
Vehicles	5,848	3,340	-	-	9,188
Total	41,344	10,131	(6,297)	(4,600)	40,578
<u>Less Accumulated depreciation</u>					
Land and land improvement	(3,773)	(5,656)	1,639	1,426	(6,364)
Building and building improvement	(459)	(486)	-	202	(743)
Furniture, fixture and office equipment	(5,258)	(6,015)	1,397	-	(9,876)
Vehicles	(2,231)	(2,899)	-	-	(5,130)
Total	(11,721)	(15,056)	3,036	1,628	(22,113)
Right-of-use assets - net	29,623				18,465

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

	In Thousand Baht				
	Separate financial statements				
	Balance as at	Transactions during the year			Balance as at
	January	Addition/reassess	Change in	Transfer-in	December
	1, 2022	ment lease term	conditions/written-off	(Transfer-out)	31, 2022
<u>At cost</u>					
Land and land improvement	1,386	-	-	-	1,386
Furniture, fixture and office equipment	19,765	7,123	(6,039)	-	20,849
Vehicles	3,863	-	-	-	3,863
Total	25,014	7,123	(6,039)	-	26,098
<u>Less Accumulated depreciation</u>					
Land and land improvement	(731)	(462)	-	-	(1,193)
Furniture, fixture and office equipment	(9,424)	(5,836)	6,039	-	(9,221)
Vehicles	(2,395)	(319)	-	-	(2,714)
Total	(12,550)	(6,617)	6,039	-	(13,128)
Right-of-use assets - net	12,464				12,970

	In Thousand Baht				
	Separate financial statements				
	Balance as at	Transactions during the year			Balance as at
	January	Addition/reassess	Change in	Transfer-in	December
	1, 2021	ment lease term	conditions/written-off	(Transfer-out)	31, 2021
<u>At cost</u>					
Land and land improvement	3,418	-	(2,032)	-	1,386
Furniture, fixture and office equipment	15,727	6,791	(2,753)	-	19,765
Vehicles	2,088	1,775	-	-	3,863
Total	21,233	8,566	(4,785)	-	25,014
<u>Less Accumulated depreciation</u>					
Land and land improvement	(778)	(1,308)	1,355	-	(731)
Furniture, fixture and office equipment	(4,755)	(5,737)	1,068	-	(9,424)
Vehicles	(1,215)	(1,180)	-	-	(2,395)
Total	(6,748)	(8,225)	2,423	-	(12,550)
Right-of-use assets - net	14,485				12,464

The Group lease several assets including land and land improvement of which lease term 3 years, office buildings, equipment and vehicles of which average lease term during 3 years.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2021

18. INTANGIBLE ASSETS

	Consolidated financial statements (In Thousand Baht)				
	Balance as at January 1, 2022	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2022
Cost					
Computer software	31,118	150	-	-	31,268
Total cost	31,118	150	-	-	31,268
Accumulated amortisation					
Computer software	(19,939)	(2,232)	-	-	(22,171)
Total accumulated amortisation	(19,939)	(2,232)	-	-	(22,171)
Intangible assets - net	11,179				9,097

	Consolidated financial statements (In Thousand Baht)					
	Balance as at January 1, 2021	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Decrease of loss control in subsidiary	Balance as at December 31, 2021
Cost						
Computer software	30,968	221	(7)	-	(64)	31,118
Total cost	30,968	221	(7)	-	(64)	31,118
Accumulated amortisation						
Computer software	(17,695)	(2,268)	-	-	24	(19,939)
Total accumulated amortisation	(17,695)	(2,268)	-	-	24	(19,939)
Intangible assets - net	13,273					11,179

	Separate financial statements (In Thousand Baht)				
	Balance as at January 1, 2022	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2022
Cost					
Computer software	30,543	78	-	-	30,621
Total cost	30,543	78	-	-	30,621
Accumulated amortisation					
Computer software	(19,530)	(2,192)	-	-	(21,722)
Total accumulated amortisation	(19,530)	(2,192)	-	-	(21,722)
Intangible assets - net	11,013				8,899

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

	Separate financial statements (In Thousand Baht)				
	Balance as at January 1, 2021	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2021
Cost					
Computer software	30,390	153	-	-	30,543
Total cost	30,390	153	-	-	30,543
Accumulated amortisation					
Computer software	(17,323)	(2,207)	-	-	(19,530)
Total accumulated amortisation	(17,323)	(2,207)	-	-	(19,530)
Intangible assets - net	13,067				11,013

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Amortisation charged to the statements of comprehensive income				
Cost of sales and services	31	23	17	10
Administrative expenses	2,201	2,245	2,175	2,197
Total	2,232	2,268	2,192	2,207

19. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

19.1 Deferred tax assets and deferred tax liabilities are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	20,777	27,591	17,869	19,394
Deferred tax liabilities	(269)	(287)	(286)	(333)
	20,508	27,304	17,583	19,061

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2022 and 2021, were as follows:

In Thousand Baht					
Consolidated financial statements					
Balance as at	Recognized in Profit and Loss		Recognized in Other	Balance as at	
December 31,	Additions	Utilized/	Comprehensive	December 31,	
2021		Reversal	Income	2022	
Deferred tax assets resulted from					
Allowance for decline in value					
in inventories	139	-	-	-	139
Employee benefit obligations	12,253	1,577	(2,497)	(3,592)	7,741
Other provision	15,199	5,873	(8,175)	-	12,897
Total	27,591	7,450	(10,672)	(3,592)	20,777
Deferred tax liabilities from					
Financial lease	(287)	-	18	-	(269)
Total	(287)	-	18	-	(269)
Net	27,304	7,450	(10,654)	(3,592)	20,508

In Thousand Baht					
Consolidated financial statements					
Balance as at	Recognized in Profit and Loss		Recognized in Other	Balance as at	
December 31,	Additions	Utilized/	Comprehensive	December 31,	
2020		Reversal	Income	2021	
(Restated)					
Deferred tax assets resulted from					
Allowance for decline in value					
in inventories	139	-	-	-	139
Employee benefit obligations	16,364	2,613	(1,218)	(5,506)	12,253
Other provision	26,260	23,232	(34,293)	-	15,199
Total	42,763	25,845	(35,511)	(5,506)	27,591
Deferred tax liabilities from					
Financial lease	(280)	(7)	-	-	(287)
Total	(280)	(7)	-	-	(287)
Net	42,483	25,838	(35,511)	(5,506)	27,304

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

In Thousand Baht				
Separate financial statements				
Balance as at December 31, 2021	Recognized in Profit and Loss Additions	Utilized/ Reversal	Recognized in Other Comprehensive Income	Balance as at December 31, 2022
Deferred tax assets resulted from				
Allowance for decline in value in inventories	139	-	-	139
Employee benefit obligations	7,410	1,173	(1,691)	5,437
Other provision	11,845	700	(252)	12,293
Total	19,394	1,873	(1,455)	17,869
Deferred tax liabilities from				
Financial lease	(333)	-	47	(286)
Total	(333)	-	47	(286)
Net	19,061	1,873	(1,896)	17,583

In Thousand Baht				
Separate financial statements				
Balance as at December 31, 2020 (Restated)	Recognized in Profit and Loss Additions	Utilized/ Reversal	Recognized in Other Comprehensive Income	Balance as at December 31, 2021
Deferred tax assets resulted from				
Allowance for decline in value in inventories	139	-	-	139
Employee benefit obligations	13,668	1,841	(367)	7,410
Other provision	791	23,232	(12,178)	11,845
Total	14,598	25,073	(12,545)	19,394
Deferred tax liabilities from				
Financial lease	(318)	(15)	-	(333)
Total	(318)	(15)	-	(333)
Net	14,280	25,058	(12,545)	19,061

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2022

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

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

	Interest rate (% per annum)	In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
		2022	2021	2022	2021
Bank overdrafts	5.84 - 7.60 (2021 : 6.00 - 6.03)	13,458	6,256	6,333	1,184
Trust receipts	4.47 - 5.97 (2021 : 4.47)	171,804	4,474	39,370	4,474
Promissory note	3.00 - 6.00 (2021 : 2.26 - 6.00)	754,647	785,887	261,700	367,500
Total		939,909	796,617	307,403	373,158

21. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Trade accounts payable - related parties	41,357	11,092	27,219	-
Trade accounts payable - unrelated parties	653,128	701,797	289,576	319,545
Advances from related parties	340	-	8,322	5,081
Fixed assets payable	2,057	7,482	1,994	7,378
Accrued interest expense - person or related parties	3,391	-	45,554	17,174
Accrued expenses - unrelated parties	88,646	60,151	34,551	44,548
Total trade and other current payables	788,919	780,522	407,216	393,726

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

22. PROVISION FOR LIABILITIES UNDER CONSTRUCTION PROJECTS

Provision for liabilities under construction projects are as follows:

	In Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Warranties	Loss on construction	Total	Warranties	Loss on construction	Total
As at January 1, 2022	3,455	72,539	75,994	-	59,226	59,226
Increase during the year	3,500	25,864	29,364	3,500	-	3,500
Decrease from occurrence of actual expense	(1,658)	(37,887)	(39,545)	(500)	(763)	(1,263)
Reversal of provisions	(1,327)	-	(1,327)	-	-	-
As at December 31, 2022	3,970	60,516	64,486	3,000	58,463	61,463

	In Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Warranties	Loss on construction	Total	Warranties	Loss on construction	Total
As at January 1, 2021 - Reatated	7,101	123,771	130,872	2,975	554	3,529
Increase during the year	-	116,158	116,158	-	116,158	116,158
Decrease from occurrence of actual expense	(751)	(167,390)	(168,141)	(80)	(57,486)	(57,566)
Reversal of provisions	(2,895)	-	(2,895)	(2,895)	-	(2,895)
As at December 31, 2021	3,455	72,539	75,994	-	59,226	59,226

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NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

23. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2022 and 2021 are presented below

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2022	2021	2022	2021
Lease liabilities, beginning	21,264	32,382	14,112	17,213
Addition	7,732	10,131	7,123	8,566
Accretion of interest	939	1,653	682	1,025
Payments	(11,752)	(17,932)	(7,639)	(10,238)
Decrease from cancel of lease agreement	-	(3,343)	-	(2,454)
Decrease of loss control in subsidiary	-	(1,627)	-	-
Lease liabilities, ending	18,183	21,264	14,278	14,112
<u>Less : current portion</u>	<u>(10,379)</u>	<u>(13,052)</u>	<u>(6,784)</u>	<u>(7,349)</u>
Lease liabilities - net	<u>7,804</u>	<u>8,212</u>	<u>7,494</u>	<u>6,763</u>

The following are the amounts recognized in profit or loss :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Depreciation of right-of-use assets	11,524	15,056	6,617	8,225
Interest expense on lease liabilities	939	1,653	682	1,025
Expense relating to short-term lease	7,262	7,038	5,246	5,029
Leases of low - value assets	668	1,200	154	660
Total	<u>20,393</u>	<u>24,947</u>	<u>12,699</u>	<u>14,939</u>

The Group had total cash outflows for leases of Baht 12 million (the separate: Baht 8 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 8 million (the separate: Baht 7 million).

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

24. OTHER CURRENT LIABILITIES

Other current liabilities are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Undue output VAT	-	-	-	7,631
VAT payable	-	-	1,788	6,068
Accrued withholding tax	33,348	7,463	6,503	2,057
Others	323	306	315	260
Total	<u>33,671</u>	<u>7,769</u>	<u>8,606</u>	<u>16,016</u>

25. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

25.1 Movements in the non-current provision for employee benefits are as follows:

	Consolidated Financial Statements (In Thousand Baht)					
	2022			2021		
	Post-employment	Other long- term	Total	Post-employment	Other long- term	Total
	benefits	benefits		benefits	benefits	
Non-current provisions for employee benefits, beginning	52,807	8,459	61,266	74,166	7,941	82,107
Gain estimation over actuarial principles	(14,603)	(3,357)	(17,960)	(26,433)	(1,099)	(27,532)
Current service cost and Interest cost	6,304	1,581	7,885	10,913	2,021	12,934
Non-current provisions for employee benefits paid	(11,624)	(862)	(12,486)	(5,683)	(404)	(6,087)
Decrease of loss control in subsidiary	-	-	-	(156)	-	(156)
Non-current provisions for employee benefits, ending	<u>32,884</u>	<u>5,821</u>	<u>38,705</u>	<u>52,807</u>	<u>8,459</u>	<u>61,266</u>

	Separate Financial Statements (In Thousand Baht)					
	2022			2021		
	Post-employment	Other long- term	Total	Post-employment	Other long-	Total
	benefits	benefits		benefits	term benefits	
Non-current provisions for employee benefits, beginning	31,934	5,115	37,049	61,551	6,787	68,338
Gain estimation over actuarial principles	(5,545)	(1,730)	(7,275)	(35,923)	(2,739)	(38,662)
Current service cost and Interest cost	4,808	1,057	5,865	7,938	1,267	9,205
Non-current provisions for employee benefits paid	(7,886)	(565)	(8,451)	(1,632)	(200)	(1,832)
Non-current provisions for employee benefits, ending	<u>23,311</u>	<u>3,877</u>	<u>27,188</u>	<u>31,934</u>	<u>5,115</u>	<u>37,049</u>

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25.2 Expenses recognized in the statement of comprehensive income for the year ended December 31, 2022 and 2021 are as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
The statement of comprehensive income				
Recognized in profit or loss				
Cost of construction services	4,370	6,053	2,664	4,400
Administrative expenses	3,515	6,881	3,201	4,805
Total	7,885	12,934	5,865	9,205
Recognized in other comprehensive income				
Gain on actuarial gain loss - net of income tax	(14,368)	(22,025)	(5,820)	(30,929)
Total	(6,483)	(9,091)	45	(21,724)

25.3 Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2022 and 2021 arise from

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Recognized in other comprehensive income				
Population assumption	595	2,054	248	2,637
Financial assumption	3,446	8,247	2,182	5,481
Improvement from experience	13,919	17,231	4,845	30,544
Total	17,960	27,532	7,275	38,662

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25.4 The main assumptions in the assessment financial assumptions

	(% per annum)			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Discount rate (% per annum)	2.22 - 2.31	0.81 - 0.94	2.22	0.94
Salary increase rate (% per annum)	1.00	1.00	1.00	1.00
Employee turnover rate (depending on age)	0 - 37.00	0 - 42.00	0 - 37.00	0 - 34.00
(% per annum)				
Mortality rate	Table of death	Table of death	Table of death	Table of death
	B.B.2017	B.B.2017	B.B.2017	B.B.2017
Gold price (Baht)	30,350	27,350	30,350	27,350

25.5 Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2022 and 2021 are summarized below :

	In Million Baht							
	Consolidated Financial Statements				Separate Financial Statements			
	2022		2021		2022		2021	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (Changing 1%)	(2.4)	2.7	(3.6)	3.5	(1.6)	1.8	(2.2)	2.3
Future salary increase rate (Changing 1%)	2.5	(2.3)	4.3	(3.8)	1.7	(1.6)	2.6	(2.4)
Employee turnover rate (Changing 1%)	(2.5)	0.7	(3.8)	1.3	(1.7)	0.5	(2.3)	0.8
Mortality rate (Changing 1 year)	0.2	(0.2)	0.2	(0.2)	0.1	(0.1)	0.1	(0.1)
Gold price (1,000 Baht)	0.1	(0.1)	0.2	(0.1)	0.1	(0.1)	0.1	(0.1)

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26. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the consolidated statements of financial position as at December 31, 2022 and 2021, the Group's debt-to-equity ratio was 13.38 : 1 and 10.13 : 1, respectively.

According to the separate statements of financial position as at December 31, 2022 and 2021, the Company's debt-to-equity ratio was 8.17 : 1 and 6.16 : 1, respectively.

27. LEGAL RESERVE

Company

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Local subsidiaries

according to the thai civil and commercial code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least 5% of its net profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment.

Overseas subsidiaries

according to the civil and commercial code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least 10% of its net profit until such reserve reach one-third of the company's capital.

28. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2022 and 2021 are as follow:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Construction materials and consumables				
used and subcontractors costs	2,234,702	2,770,796	538,656	1,030,394
Salary and wage and other employee benefits	443,132	451,741	368,198	345,101
Depreciation	67,347	69,430	60,070	57,598
Amortisation expenses	2,232	2,268	2,192	2,207
Rental expenses from operating lease Agreements	99,486	83,705	60,334	54,704

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29. INCOME TAX EXPENSE (INCOME)

29.1 Major components of tax expense (income)

For the years ended December 31, 2022 and 2021 consisted of:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Income tax expense (income) shown in profit or loss :				
Current tax expense :				
Income tax expense for the year	2,886	3,247	-	-
Deferred tax expense (income) :				
Changes in temporary differences relating to the original recognition and reversal	3,205	7,446	23	(12,513)
Total	6,091	10,693	23	(12,513)

29.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2022 and 2021 which are summarized as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit (loss) for the year	(106,463)	(48,607)	(114,084)	(152,456)
The applicable tax rate (%)	12% - 20%	12% - 20%	20%	20%
Tax expense (income) at the applicable tax rate	(15,377)	(9,721)	(22,817)	(30,491)
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:	4,815	2,673	-	-
Tax effect of intercompany transactions				
- Expenses not allowed as expenses in determining taxable profit	11,787	1,548	17,501	15,370
- Expenses allowed increase in determine taxable	-	(391)	-	(120)
- Share of (gain) loss from investment in joint venture	4,208	(512)	-	-
The amount of previously unrecognized tax losses for a prior period that is used to reduce current tax expense	(6,383)	-	-	-
Unused tax losses which may net utilise	7,041	17,096	5,339	2,728
Total reconciliation items	21,468	20,414	22,840	17,978
Total tax expense (income)	6,091	10,693	23	(12,513)

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29.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2022 and 2021 are summarized as follows:

	Consolidated financial statements			
	2022		2021	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(106,463)		(48,607)	
Tax expense (income) at the applicable tax rate	(15,377)	(12 - 20)	(9,721)	(12 - 20)
Reconciliation items	21,468	20.16	20,414	42.00
Tax expense (income) at the average effective tax rate	6,091	5.72	10,693	22.00

	Separate financial statements			
	2022		2021	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(114,084)		(152,456)	
Tax expense (income) at the applicable tax rate	(22,817)	(20.00)	(30,491)	(20.00)
Reconciliation items	22,840	20.02	17,978	11.98
Tax expense (income) at the average effective tax rate	23	0.02	(12,513)	(8.02)

Corporate income tax of overseas subsidiaries company is calculated at the rate 12% on taxable profit in excess of 30,000 Omani Rial.

As at December 31, 2022, the Group have deductible temporary differences totaling Baht 2,268 million (the Company only: Baht 2,268 million) (2021: Baht 2,331 million, the Company only: Baht 2,331 million), on which deferred tax assets have not been recognised as the Company believes that it may not utilise the temporary differences in the future.

As at December 31, 2022, the Group have unused tax losses totaling Baht 599 million, USD 41 million (the Company only: Baht 412 million) (2021: Baht 573 million, USD 43 million and Omani Rial 1 million, (the Company only: Baht 363 million) will expire by 2027.

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30. EARNINGS PER SHARE

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

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

	For the years ended December 31,			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit (loss) for the year (Thousand Baht)	(111,961)	(57,388)	(114,107)	(139,943)
Weighted average number of ordinary shares (Thousand shares)	9,587,147	9,587,147	9,587,147	9,587,147
Earnings per share (Baht per share)	(0.0117)	(0.0060)	(0.0119)	(0.0146)

31. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rate of 3% - 7% of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 5 million (Separate financial statements: Baht 3 million) (2021 : Baht 6 million, Separate financial statements: Baht 4 million) were recognised as expenses.

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32. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group are organized into business units based on its products and services and have four reportable segments as follows:

- Pipeline system construction segment
- Engineering system installation and factory construction for energy and petrochemical business segment
- Civil work construction segment
- Sales and other services

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group' operating segments for the year ended December 31, 2022 and 2021, respectively.

	In Thousand Baht					
	For the year ended December 31, 2022					
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations
Revenues from external customers	724,846	-	2,256,144	387,738	3,368,728	(25,438)
Revenues from subsidiary	-	-	-	-	-	-
Revenues from associate	-	-	-	-	-	-
Depreciation	(31,405)	-	(19,366)	(18,030)	(68,801)	1,454
Administrative expense	(104,365)	-	(92,659)	(61,647)	(258,671)	350
Segment profit (loss)	(54,736)	-	(14,468)	13,161	(56,043)	20,282
Other income						
Interest revenue						
Loss from business dissolution in the subsidiary						
Financial cost						
Share of profit (loss) from investments in joint ventures						
Profit (loss) before income tax expense						
Income tax income (expense)						
Profit (loss) for the year						

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	In Thousand Baht						
	For the year ended December 31, 2021						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	Consolidated
Revenues from external customers	1,569,575	(27,390)	2,204,953	100,915	3,848,053	(2,703)	3,845,350
Revenues from subsidiary	-	-	-	-	-	-	-
Revenues from associate	-	-	-	-	-	-	-
Depreciation	(46,912)	819	(18,701)	(5,203)	(69,997)	1,481	(68,516)
Administrative expense	(122,302)	2,130	(82,251)	(10,002)	(212,425)	(28)	(212,453)
Segment profit (loss)	(52,626)	(69,530)	41,186	2,392	(78,578)	19,559	(59,019)
Other income							42,424
Interest revenue							487
Financial cost							(35,060)
Share of profit (loss) from investments in joint ventures							2,562
Profit (loss) before income tax expense							(48,606)
Income tax income (expense)							(10,693)
Profit (loss) for the year							(59,299)

Geographic information

The Group operated in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2022, the Group have revenue from two major customers in amount of Baht 726 million and Baht 550 million, respectively arising from pipeline system segment and engineering system segment (2021 : Baht 842 million and Baht 793 million, two major customers from pipeline system segment and civil work segments).

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NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2022

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Purchase construction materials and subcontracted work commitments

As at December 31, 2022, the Group have outstanding commitments of Baht 3,734 million and USD 1 million in respect of purchase construction materials and subcontracted work (the Company only: Baht 391 million and USD 1 million) (December 31, 2021 : Baht 4,944 million and USD 1 million in respect of purchase construction materials and subcontracted work (the Company only: Baht 407 million and USD 1 million)).

33.2 Operating lease commitments

The Group have entered into lease agreements in respect of the lease of land, machines, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Payable :				
In up to 1 year	4	3	2	1
In over 1 and up to 5 years	-	-	-	-

33.3 Service agreement commitments

The Group have entered into service agreements in respect of the consultant and security. The terms of the agreements are generally between 1 and 2 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Payable :				
In up to 1 year	1	1	1	1

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33.4 Bank guarantees

As at December 31, 2022 and 2021, bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business were as follows.

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Guarantee of construction contract and bidding	1,330	1,372	424	421
Guarantee of advance payment bond and retention	1,511	1,682	192	194
Guarantee of others	153	187	108	118
Total	2,994	3,241	724	733

As at December 31, 2022, the Group had the obligations from related parties to use the letter of guarantee of the Group amounted Baht 341 million (December 31, 2021 : Baht 337 million).

33.5 Guarantees

- (a) As at December 31, 2022, the Company has commitments from guarantee of credit facilities of the subsidiary amounting to Baht 985 million (December 31, 2021 : Baht 995 million).
- (b) As at December 31, 2022, the Group have commitment from cross guarantee of credit facilities of the Group amounting to Baht 3,230 million (December 31, 2021 : Baht 3,230 million).

33.6 Other commitments

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,		As at December 31,	
	2022	2021	2022	2021
Other commitments				
Construction material purchase	50	-	48	-
Total	50	-	48	-

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34. LITIGATIONS

As at December 31, 2022, The Group have a total of 27 lawsuits with significant changes during the year as follow :

	Amount (Million Baht)	Status of the Cases	Remark
<u>The Company</u>			
Case 1	20	Under the consideration of the Supreme Administrative Court. (The Company : plaintiff)	<p>The Company had filed the litigation against the government agency and others to reclaim the bank guarantee and repay the damages. Since the government agency had issued the letter, dated 6 December 2011, to the bank to enforce the bank guarantee, which the Company had submitted to the government agency in accordance with the trade proposal for 20 million Baht due to their consideration that the Company could not fulfil such proposal. The Administrative Court adjudged the government agency to return the bank guarantee to the Company and the Company to repay the damage for 10 million Baht with interest at 7.5% p.a. to the government agency. The government agency had appealed to the court. On 30 December 2021, the Company repaid the damage with interest at 15% p.a. in accordance with the court verdict for totally of 17.51 million Baht to the Administrative Court and requested the court to inform the government agency to collect the proceeds. On February 14, 2022, the Company had filed to the court to order the government agencies to return the letter of guarantee to the Company.</p> <p>On December 1, 2022, the Company filed a charge to the Administrative Court for money return as the government agency does not pick up the money placed at court to compensate for damage. On February 2, 2023, the Company received back the money from the Administrative Court.</p> <p>At presently, the case is under appointment scheduling for the judgment hearing of the Supreme Administrative Court.</p>

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The Company (Cont.)</u>			
Case 2	118	Under waiting for the judgment of the Arbitrator. (The Company : claimant)	The Company sued the counterparty to pay the fee and damage due to breach of hiring contract on July 30, 2021 in the amount of Baht 121.18 million with interest at 7.5% p.a. On September 16, 2021, the counterparty filed an objection to counterclaim Baht 232.14 million. On December 22, 2021, the appointment and dispute topic were set. Later, the dispute date was postponed on March 1, 2022 and the first witness investigation on July 26, 2022. Due to the withdrawal of the arbitrator, the witness investigation date was cancelled. Later, name list was proposed to appoint a new arbitrator committee. On September 20, 2022 it was scheduled to set a new witness investigation time frame during February 13 - 20, 2023. the witness had been investigated. The case is currently under waiting for the judgment of the Arbitrator and then the case was not finalized. The management of the Company was confident that the information in the defense of the case was sufficient and there was a chance of winning the case. Therefore, the Company had not considered the outcome of the damage that might incur in the financial statements.
<u>The Subsidiary</u>			
Case 1	28.6	Under filing to the Supreme Court pending government agency defendant 2 to correct the appeal (The Subsidiary : plaintiff)	The Subsidiary had filed the litigation against 2 government agencies to repay the additional works, expenses and damage for totally of 28.6 million Baht due to the breach of contract. On 25 September 2020, the Civil Court adjudged the government agencies to repay the Subsidiary for 4.4 million Baht with interest at 7.5% p.a. and also repay the court and lawyer fees. On 22 January 2021, the Subsidiary had appealed to the Appeal Court for the additional damage compensation. On 11 November 2021, the Appeal Court adjudged to dismiss 1 of 2 government agencies. The court fees of both Civil Court and Appeal Court were waived and maintained the verdict of the Civil Court. On 10 January 2022, the Subsidiary had submitted the claim to the Supreme Court. On April 18, 2022, the subsidiary had filed to the permission for the petition. On January 16, 2023, the Supreme Court ordered to permit accepting the petition for consideration and have the government agency defendant 2 corrected the petition within 15 days from January 16, 2023. At presently, the case is under Supreme Court's consideration.

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The Subsidiary (Cont.)</u>			
Case 2	14.15	Under investigation of the Civil Court (The Subsidiary : objector)	<p>The Subcontractor of the construction project had filed the litigation against the Subsidiary for claims as per the subcontractor contract for 14.15 million Baht (VAT included) with interest at 7.5% p.a. from the claiming date till the proposed date for total dispute amount 16.30 million Baht. This case was under the consideration of the Arbitrators. The Arbitrators determined the judgement day on 10 March 2022 for subsidiary to pay 9.62 million Baht with interest rate 3% from the judgment date with the responsibility for expenses incurred as the subsidiary did not agree with the judgment.</p> <p>The subsidiary proceeded to withdraw the judgment of the arbitrator to the Central Intellectual Property and International Trade Court. On June 24, 2022, the litigant filed a petition to the court to enforce the final judgment of arbitrator to the Civil Court and requested the subsidiary pay the sum in accordance with the arbitrator's judgment. The Court ordered to investigate the petition on August 30, 2022. On July 12, 2022, the subsidiary filed a petition to the Civil Court to postpone the case consideration as the final judgment of the arbitrator is under the process to withdraw the case by the Central Intellectual Property and International Trade Court. On August 8, 2022, the court has scheduled the hearing for the order to temporarily wait for the court judgment of the case. As the petitioner has filed an objection to court to judge whether the case is governed by the Intellectual Property and International Trade Court. Later, to temporarily wait for court judgment and it was proposed to the Appeal Court of the special case for judgment. On October 17, 2022, the case was judged by the President of the Special Court of Appeal and proposed to transfer the case to the Civil Court. On December 8, 2022, the court permitted the subsidiary to appoint a lawyer. Later, on December 26, 2022, the witness investigation of 2 parties took place between the petitioner and the subsidiary. On February 11, 2023, the court carried out the witness investigation and petition hearing of both parties and scheduled for the hearing on June 24, 2023. Presently, the case is under court investigation.</p> <p>The case is not final. The management of the subsidiary believes the information to fight the case is adequate and stands a chance to win the case. The subsidiary has not considered providing a provision in the financial statements.</p>

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The Subsidiary (Cont.)</u>			
Case 3	66.8	Pending settlement of issues and define the guidelines in taking legal action or witness investigation of the contractor.	On January 14, 2022, the project contractor of the subsidiary filed a charge against the subsidiary on breaches of product and installation service agreement and claiming damages from the subsidiary Baht 66.88 million with interest at 15 percent per annum Baht 61.77 million from the filing date until payment is completely made to plaintiff. The court scheduled for settlement of issues and define the guidelines in taking legal action or witness investigation on April 4, 2023. The case is under settlement of issues and define the guidelines to take legal action or witness investigation. The management of the subsidiary believes the information to fight the case is adequate and stands a chance to win the case. The subsidiary has not considered providing a provision in the financial statements.

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The associated company</u>			
Case 1	-	Under the consideration of the Supreme Administrative Court (The associated company : claimant)	<p>On October 16, 2017, the Nakhon Ratchasima Administrative Court accepted a lawsuit between litigant and the government agencies, requesting the Court to issue an order as relating to the following issues;</p> <p>1) Requesting that the government agencies revoke the permission to use the water from a reservoir that had been granted to the associate.</p> <p>2) Requesting the revocation of the Environmental Impact Assessment Report for the associate's potash and rock salt mining project, and</p> <p>3) Requesting the revocation the report on changes in project details and the associate's environmental impact prevention and mitigation measures and environmental impact monitoring and inspection measure for the potash and rock salt mining project.</p> <p>On December 24, 2021, the Administrative Court of Nakhonratchasima had an opinion that the associated company did not use the water a Bueng Talay Sidor and dismissed the cases. On January 27, 2022, the suing did not agree with the judgment of the Administrative Court from dismissed the case. Later, the claimant disagreed with the judgment of the first class Administrative Court and filed an appeal to object the judgment of the first class Administrative Court that ordered to dismiss the case. On April 18, 2022, the associate requested to extend the period for giving a statement to correct the appeal that the court permitted the extension. On May 19, 2022, the associate filed a request to extend the period for correction of the appeal again. Later, On June 16, 2022, the associate filed to correct the appeal to the Supreme Court to consider the dismissal of case.</p>

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The associated company (Cont.)</u>			
Case 2	-	Under the consideration of the Supreme Administrative Court (The associated company : claimant)	<p>On June 28, 2018, the Nakhon Ratchasima Administrative Court accepted a lawsuit between a litigant and government agencies, requesting the Court to issue an order to revoke the environmental impact assessment report for the Cogeneration Power Plant for the associate's Potash and rock salt mining project.</p> <p>On October 11, 2018, the associate filed an interpleading to be the counterparty in the case to be able to explain the fact to the court. On March 20, 2019, the court permitted the associate to be a party as the defendant that determined defendant no. 6 and having right as same the former defendant. On September 26, 2019, the litigant has objected and the associate gave additional testimony and filed to the court on January 21, 2020.</p> <p>On June 10, 2022 the court scheduled the first trial on July 27, 2022 and the hearing of judgement on August 4, 2022.</p> <p>On August 4, 2022, the Nakhon Ratchasima Administrative Court believes that the associate is entitled to prepare the report and act according to the criteria, method, and conditions as stipulated in the law. Thus, the case is dismissed.</p> <p>Later, on October 18, 2022, the petitioner filed an appeal to object the court of first instance's judgment to dismiss the case. The affiliate ordered to correct the appeal within 30 days. On November 21, 2022, the affiliate filed to extend the appeal correction period and the Supreme Administrative Court ordered to permit the request of the affiliate. Later, on December 16, 2022, the affiliate filed to extend the appeal correction period and the court ordered to permit as requested. Later, on January 6, 2023, the associate filed to correct the appeal to the Supreme Court to consider the dismissal of case.</p>

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The associated company (Cont.)</u>			
Case 3	3,971.47	Under the consideration of the Central Administrative Court (The associated company : defendant)	On September 9, 2022, the government agency intends to sue the affiliate on the breach of agreement claiming compensation for damages and interest with the capital amount Baht 3,971,473,851.25. The penalty is 15 percent per annum of the principal special state benefits outstanding No.1 - 5 Baht 2,843,475,069.00 and to return court fees in filing charges to the suer. The central administrative court testified to correct the petition with evidence filed to court within 30 days from November 1, 2022. During November 25 - December 27, 2022, the affiliate filed a petition to extend the appeal correction 2 times and central administrative court ordered to permit the affiliate to extend the period for another 30 days from the original due date. On January 23, 2023, the associated company has filed an answer to the plaint. At presently, The case is under consideration by the court. The associated company has recorded a provision in the financial statements.

35. FINANCIAL INSTRUMENTS

Financial risk management

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade and other current receivables, and loans to. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables, other current receivable and loans to as stated in the statement of financial position.

Classification and measurement the financial assets and liabilities

As at December 31, 2022 and 2021 the financial assets and liabilities are classified and measured at the amortised cost method.

Interest rate risk

The Group exposure to interest rate risk relates primarily to its deposits at banks, loans to/from and lease liabilities. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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As at December 2022 and 2021, the significant financial assets and liabilities classified by types of interest rates were as follows:

	In Million Baht					
	Consolidated Financial Statements					
	As at December 31, 2022					
	Fixed interest rates		Floating	Non-interest	Total	Effective
	within	1 - 5 years	interest	bearing		interest rate
	1 year		rate			(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	15	1	16	0.00 - 0.325
Trade and other current receivables	-	-	-	247	247	-
Contract assets	-	-	-	2,742	2,742	-
Restricted deposits at banks	-	-	54	-	54	0.25
	-	-	69	2,990	3,059	
Financial liabilities						
Bank overdrafts and short-term loans from						
financial institution	940	-	-	-	940	3.00 - 7.60
Trade and other current payables	-	-	-	789	789	-
Contract liabilities	-	-	-	618	618	-
Short-term loans from related parties	73	-	-	-	73	6.25 - 8.00
Accounts payable - retention under						
construction contracts	-	-	-	285	285	-
Lease liabilities	10	8	-	-	18	3.81 - 6.44
	1,023	8	-	1,692	2,723	
			</			

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	In Million Baht					
	Separate financial statements					
	As at December 31, 2022					
	Fixed interest rates		Floating	Non- interest	Total	Effective
	within	1 - 5 years	interest	Bearing		interest rate
	1 year		rate			(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	6	1	7	0.00 - 0.325
Trade and other current receivables	-	-	-	144	144	-
Contract assets	-	-	-	553	553	-
Restricted deposits at banks	-	-	26	-	26	0.25
	-	-	32	698	730	
Financial liabilities						
Bank overdrafts and short-term loans from						
financial institutions	307	-	-	-	307	3.47 - 6.60
Trade and other current payables	-	-	-	407	407	-
Contract liabilities	-	-	-	87	87	-
Short-term loans from related parties	712	-	-	-	712	2.50 - 8.00
Accounts payable - retention under						
construction contracts	-	-	-	33	33	-
Lease liabilities	7	7	-	-	14	9.80 - 6.44
	1,026	7	-	527	1,560	

	In Million Baht					
	Separate financial statements					
	As at December 31, 2021					
	Fixed interest rates		Floating	Non- interest	Total	Effective
	within	1 - 5 years	interest	bearing		interest rate
	1 year		rate			(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	29	1	30	0.00 - 0.25
Trade and other current receivables	-	-	-	238	238	-
Contract assets	-	-	-	746	746	-
Restricted deposits at banks	-	-	29	-	29	0.05
	-	-	58	985	1,043	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	373	-	-	-	373	3.75 - 6.03
Trade and other current payables	-	-	-	394	394	-
Contract liabilities	-	-	-	218	218	-
Short-term loans from related parties	693	-	-	-	693	2.50 - 6.25
Accounts payable - retention under construction contracts	-	-	-	28	28	-
Lease liabilities	7	7	-	-	14	3.81 - 6.26
	1,073	7	-	640	1,720	

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Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from buying and services transactions and borrowings that are denominated in foreign currencies. In certain circumstances, the Group enter into forward exchange contracts when it considers appropriate.

As at December 31, 2022 and 2021, the material balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	4	10	272	34.5624	33.4199
Euro	-	1	-	-	36.8274	37.8948

Foreign currency	Separate financial statements					
	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	20	24	10	272	34.5624	33.4199
Euro	1	1	1	-	36.8274	37.8948

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2022 and 2021 are as follows:

Consolidated Financial Statements (In Thousand Baht)				
	Balance as at January 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2022
Bank overdrafts and short-term loans from financial institutions	796,617	143,292	-	939,909
Short-term loans from related parties	-	73,300	-	73,300
Lease liabilities	21,264	(11,752)	8,671	18,183
Total	817,881	204,840	8,671	1,031,392

Consolidated Financial Statements (In Thousand Baht)				
	Balance as at January 1, 2021	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2021
Bank overdrafts and short-term loans from financial institutions	709,460	87,157	-	796,617
Lease liabilities	32,382	(17,932)	6,814	21,264
Total	741,842	69,225	6,814	817,881

Separated Financial Statements (In Thousand Baht)				
	Balance as at January 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2022
Bank overdrafts and short-term loans from financial institutions	373,158	(65,755)	-	307,403
Short-term loans from related parties	693,000	19,214	-	712,214
Lease liabilities	14,112	(7,639)	7,805	14,278
Total	1,080,270	(54,180)	7,805	1,033,895

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	Separated Financial Statements (In Thousand Baht)			
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1,	Increase	transaction	December 31,
	2021	(decrease)*	Increase	2021
Bank overdrafts and short-term loans from financial institutions	414,660	(41,502)	-	373,158
Short-term loans from related parties	642,000	51,000	-	693,000
Lease liabilities	17,213	(10,238)	7,137	14,112
Total	1,073,873	(740)	7,137	1,080,270

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

37. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation may affect the results of operations of business. Nevertheless, the management of the Group have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on February 24, 2023.