

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023, 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, 2023, 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, 2023, 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, 2023, 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 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 Miss Nitinee Kittikunapong.

(Miss Nitinee Kittikunapong)
Certified Public Accountant
Registration No. 8843

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 28, 2024

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2023	2022	2023	2022
CURRENT ASSETS					
Cash and cash equivalents	6	27,031,569	15,709,111	6,737,188	7,037,598
Trade and other current receivables	5, 7	203,297,745	247,033,193	120,499,197	144,069,405
Contract assets	5, 8	2,387,172,638	2,742,292,286	433,407,498	552,995,810
Short-term loans to related parties	5	5,977,999	17,969,257	2,778,001	2,778,001
Advances paid to subcontractors under construction contracts	5	367,649,100	354,245,383	34,067,521	23,597,275
Inventories	9	-	1,608,139	-	1,608,139
Withholding tax deducted at source	10	124,645,399	122,855,647	64,425,762	79,856,996
Other current assets	11	49,313,087	49,702,189	15,823,930	10,612,643
Total current assets		<u>3,165,087,537</u>	<u>3,551,415,205</u>	<u>677,739,097</u>	<u>822,555,867</u>
NON-CURRENT ASSETS					
Restricted deposits at banks	12	86,206,853	53,552,506	32,367,500	26,115,000
Other non-current financial assets	15	5,000,000	-	-	-
Long-term loans to related parties	5	-	-	-	-
Investments in subsidiaries	13	-	-	477,372,377	477,372,377
Investments in associate	14	9,505,526	-	12,500,000	-
Investments in joint ventures	15	87,712,316	123,990,703	99,999,900	115,375,287
Property, plant and equipment	16	526,174,919	571,987,169	500,189,147	547,389,249
Right-of-use assets	17	22,955,707	14,673,263	12,125,307	12,969,868
Intangible assets	18	6,919,499	9,096,591	6,748,418	8,899,288
Deferred tax assets	19	9,007,041	20,507,563	6,264,634	17,582,843
Other non-current assets		8,307,037	8,168,265	996,175	1,574,294
Total non-current assets		<u>761,788,898</u>	<u>801,976,060</u>	<u>1,148,563,458</u>	<u>1,207,278,206</u>
TOTAL ASSETS		<u><u>3,926,876,435</u></u>	<u><u>4,353,391,265</u></u>	<u><u>1,826,302,555</u></u>	<u><u>2,029,834,073</u></u>

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, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2023	2022	2023	2022
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	20	878,460,810	939,908,999	257,990,242	307,402,365
Trade and other current payables	5, 21	987,108,104	788,918,857	530,848,541	407,216,440
Unbilled payable		857,070,907	1,174,281,648	91,981,859	147,488,550
Contract liabilities	8	559,811,223	617,556,759	75,401,951	87,180,221
Short-term loans from other companies	22	19,500,000	-	16,000,000	-
Short-term loans from related person or parties	5	280,102,031	73,300,000	928,543,478	712,213,933
Accounts payable - retention under					
construction contracts		361,062,008	284,929,835	34,208,345	32,842,708
Provision for liabilities under					
construction projects	23	52,716,760	64,486,304	28,772,727	61,462,896
Current portion of lease liabilities	24	10,807,994	10,378,697	7,070,021	6,784,394
Income tax payable		-	238,639	-	-
Other current liabilities	25	84,528,404	33,670,802	39,379,045	8,606,259
Total current liabilities		4,091,168,241	3,987,670,540	2,010,196,209	1,771,197,766
NON-CURRENT LIABILITIES					
Lease liabilities	24	12,695,517	7,803,892	6,394,761	7,493,936
Non-current provisions for employee benefits	26	47,830,328	38,705,103	33,958,037	27,187,876
Provision for litigation	35	-	2,493,836	-	2,493,836
Non-other current liabilities	5	13,890,006	13,890,006	-	-
Total non-current liabilities		74,415,851	62,892,837	40,352,798	37,175,648
TOTAL LIABILITIES		4,165,584,092	4,050,563,377	2,050,549,007	1,808,373,414

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, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
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
Other deficit		-	-	-	-
Retained earnings (deficits)					
Appropriated - statutory reserve					
The Company	28	-	-	-	-
Subsidiary		-	-	-	-
Unappropriated		(1,454,160,675)	(913,844,821)	(1,422,639,807)	(976,932,696)
Other components of shareholders' equity		15,108,533	15,818,224	-	-
Equity attributable to owners of the Company		(240,658,787)	300,366,758	(224,246,452)	221,460,659
Non-controlling interests of the subsidiaries		1,951,130	2,461,130	-	-
Total shareholders' equity		(238,707,657)	302,827,888	(224,246,452)	221,460,659
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,926,876,435	4,353,391,265	1,826,302,555	2,029,834,073

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, 2023

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
REVENUES	5, 33				
Construction services income		2,124,510,351	3,283,819,565	850,509,657	1,020,766,172
Other services income		16,755,855	57,870,217	-	-
Sales income		-	1,600,263	-	-
Interest income		1,114,628	1,211,743	228,477	70,038
Other income		51,497,329	28,518,894	44,956,224	22,800,534
Total revenues		2,193,878,163	3,373,020,682	895,694,358	1,043,636,744
EXPENSES	29				
Cost of construction services	5	2,247,414,133	3,067,463,106	951,693,940	913,209,684
Cost of other services		14,754,455	52,045,242	-	-
Cost of sales		-	1,222,402	-	-
Administrative expenses		258,032,438	258,320,791	187,205,163	199,381,886
Loss from business dissolution in the subsidiary	13	-	36,845,368	-	-
Total expenses		2,520,201,026	3,415,896,909	1,138,899,103	1,112,591,570
Profit (loss) from operating activities		(326,322,863)	(42,876,227)	(243,204,745)	(68,954,826)
Impairment gain and reversal of impairment loss					
(impairment loss) determind in accordance with TFRS 9		(131,566)	-	(114,025,405)	-
Finance cost	5	(68,125,799)	(42,550,115)	(77,158,752)	(45,129,400)
Share of profit (loss) from investments in associate	14.2	(119,193,967)	-	-	-
Share of profit (loss) from investments in joint venture	15.1	(14,101,292)	(21,036,979)	-	-
Profit (loss) before income tax expenses		(527,875,487)	(106,463,321)	(434,388,902)	(114,084,226)
Income tax income (expenses)	30	(12,440,367)	(6,091,248)	(11,318,209)	(23,237)
PROFIT (LOSS) FOR THE YEAR		(540,315,854)	(112,554,569)	(445,707,111)	(114,107,463)

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, 2023

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
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		(709,691)	(3,631,811)	-	-
Components of other comprehensive income not to be reclassified to profit or loss					
Actuarial gains - net of income tax	26	-	14,367,755	-	5,819,594
Other comprehensive income for the year - net of income tax		(709,691)	10,735,944	-	5,819,594
Total comprehensive income for the year		<u>(541,025,545)</u>	<u>(101,818,625)</u>	<u>(445,707,111)</u>	<u>(108,287,869)</u>
Profit (loss) attributable to:					
Equity holders of the Company		(540,315,854)	(111,960,817)	(445,707,111)	(114,107,463)
Non-controlling interests of the subsidiaries		-	(593,752)	-	-
		<u>(540,315,854)</u>	<u>(112,554,569)</u>	<u>(445,707,111)</u>	<u>(114,107,463)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		(541,025,545)	(97,892,958)	(445,707,111)	(108,287,869)
Non-controlling interests of the subsidiaries		-	(3,925,667)	-	-
		<u>(541,025,545)</u>	<u>(101,818,625)</u>	<u>(445,707,111)</u>	<u>(108,287,869)</u>
Earnings per share	31				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company					
(Baht per share)		<u>(0.0564)</u>	<u>(0.0117)</u>	<u>(0.0465)</u>	<u>(0.0119)</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, 2023

Baht

Consolidated financial statements

	Equity attributable to the parent's shareholders									Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Other deficit		Retained earnings (deficit)			Other components of equity					Total equity attributable to shareholders of the Company
		Deficit on revaluation of investment in subsidiaries	Total other deficit	Appropriated - Statutory reserve		Unappropriated	Other comprehensive income		Total other components of shareholders' 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, 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
Balance as at January 1, 2023	1,198,393,355	-	-	-	-	(913,844,821)	14,918,450	899,774	15,818,224	300,366,758	2,461,130	302,827,888
Profit (loss) for the year	-	-	-	-	-	(540,315,854)	-	-	-	(540,315,854)	-	(540,315,854)
Other comprehensive income for the year	-	-	-	-	-	-	(709,691)	-	(709,691)	(709,691)	-	(709,691)
Total comprehensive income for the year	-	-	-	-	-	(540,315,854)	(709,691)	-	(709,691)	(541,025,545)	-	(541,025,545)
Effective loss from business dissolution in the subsidiary	13	-	-	-	-	-	-	-	-	-	(510,000)	(510,000)
Balance as at December 31, 2023	1,198,393,355	-	-	-	-	(1,454,160,675)	14,208,759	899,774	15,108,533	(240,658,787)	1,951,130	(238,707,657)

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, 2023

		Baht			
		Separate financial statements			
		Issued and	Retained earnings (deficit)		Total
		paid-up	Appropriated -	Unappropriated	shareholders'
Note		share capital	Statutory reserve		equity
Balance as at January 1, 2022		1,198,393,355	-	(868,644,827)	329,748,528
Profit (loss) for the year		-	-	(114,107,463)	(114,107,463)
Other comprehensive income for the year		-	-	5,819,594	5,819,594
Total comprehensive income for the year		-	-	(108,287,869)	(108,287,869)
Balance as at December 31, 2022		1,198,393,355	-	(976,932,696)	221,460,659
Balance as at January 1, 2023		1,198,393,355	-	(976,932,696)	221,460,659
Profit (loss) for the year		-	-	(445,707,111)	(445,707,111)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	(445,707,111)	(445,707,111)
Balance as at December 31, 2023		1,198,393,355	-	(1,422,639,807)	(224,246,452)

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, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit (loss) before tax	(527,875,487)	(106,463,321)	(434,388,902)	(114,084,226)
Adjustments to reconcile profit (loss) before tax				
to net cash provided by (paid from) operating activities				
Depreciation and amortisation	66,193,684	69,579,435	61,316,461	62,262,757
Expected credit loss allowance (Reverse)	131,566	979,227	114,025,405	979,227
Allowance for decline in value of inventories (Reverse)	(693,793)	-	(693,793)	-
Unrealised (gain) loss on exchange rate	(400,139)	344,179	(400,139)	344,179
(Gain) loss on disposal of equipment	(74,764)	(475,049)	(74,764)	(442,050)
Loss on write-off of equipment	417,771	1,931,353	247,940	1,926,638
Loss from business dissolution in the subsidiary	-	36,845,368	-	-
Loss from the reduction of proportion in joint venture	3,040,434	-	-	-
Share of (profit) loss from investments in associate	119,193,967	-	-	-
Share of (profit) loss from investments in joint venture	14,666,574	21,238,410	-	-
Provision for litigation (Reverse)	(1,701,056)	-	(1,701,056)	-
Provision for liabilities under construction projects	217,947,359	28,037,174	135,353,052	3,500,000
Non-current provisions for employee benefits	9,237,425	7,884,501	6,882,361	5,864,767
Interest income	(1,114,628)	(1,211,743)	(228,477)	(70,038)
Interest expenses	68,125,799	42,550,115	77,158,752	45,129,400
Profit (loss) from operating activities before changes in				
operating assets and liabilities	(32,905,288)	101,239,649	(42,503,160)	5,410,654
(Increase) decrease in operating assets				
Trade and other current receivables	45,312,703	161,254,198	25,889,406	92,700,707
Contract assets	355,119,648	(456,734,112)	119,588,312	192,774,957
Advance paid to subcontractors under construction contracts	(13,403,717)	26,538,062	(10,470,246)	15,497,471
Inventories	2,301,932	-	2,301,932	-
Other current assets	389,102	(25,867,681)	(5,211,287)	(1,168,741)
Other non-current assets	(138,772)	(3,413,362)	578,119	(10,119)

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, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Increase (decrease) in operating liabilities				
Trade and other current payables	179,861,009	9,888,990	102,417,329	(10,176,011)
Unbilled payables	(317,210,741)	334,553,432	(55,506,691)	(48,891,177)
Contract liabilities	(57,745,536)	(293,435,829)	(11,778,270)	(130,691,667)
Accounts payable - retention under construction contracts	76,132,173	55,323,381	1,365,637	5,029,787
Other current liabilities	50,857,602	25,901,442	30,772,786	(7,410,175)
Other non-current liabilities	-	13,890,006	-	-
Cash flows from provide by (used in) operating activities	288,570,115	(50,861,824)	157,443,867	113,065,686
Cash paid for provision for liabilities under construction projects	(229,716,903)	(39,545,075)	(168,043,221)	(1,263,223)
Cash paid for provision for litigation	(792,780)	-	(792,780)	-
Cash paid for non-current provision for employee benefits	(112,200)	(12,485,928)	(112,200)	(8,451,016)
Cash paid for income tax	(48,443,453)	(115,447,956)	(29,372,348)	(92,765,920)
Received from withholding tax refund	45,469,861	57,775,976	44,803,582	57,712,506
Net cash flows provided by (used in) operating activities	54,974,640	(160,564,807)	3,926,900	68,298,033
Cash flows from investing activities				
Decrease (increase) in restricted deposits at bank	(32,654,347)	(21,592,852)	(6,252,500)	2,995,000
Cash paid for investing in other non-current financial assets	(5,000,000)	-	-	-
Cash receive from short-term loans to related parties	11,991,258	6,008,744	-	-
Cash paid for short-term loans to related parties	-	(2,778,001)	(596,065)	(2,778,001)
Cash paid for long-term loans to related parties	-	-	(113,303,500)	-
Cash paid for investing in associate	(119,253,526)	-	(6,250,025)	-
Cash paid for investing in joint venture	-	(6,340,050)	-	(6,000,050)
Cash received from the payaback of capital in joint venture	6,749,825	-	6,749,825	-
Interest income	1,787,120	549,090	159,026	33,124
Cash received from disposal of equipment	74,766	475,056	74,766	442,056
Cash paid for purchase of property, plant and equipment	(9,588,157)	(15,608,854)	(5,712,996)	(15,218,641)
Cash paid for purchase of intangible assets	-	(224,470)	-	(153,470)
Net cash flows provided by (used in) investing activities	(145,893,061)	(39,511,337)	(125,131,469)	(20,679,982)

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, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(61,448,189)	143,292,146	(49,412,123)	(65,755,161)
Cash receive from short-term loans from other companies	19,500,000	-	16,000,000	-
Cash receive from short-term loans from person or related parties	219,702,031	75,300,000	376,416,527	232,913,933
Cash paid for short-term loans from person or related parties	(12,900,000)	(2,000,000)	(160,086,982)	(213,700,000)
Interest expenses	(49,774,062)	(39,302,849)	(55,891,332)	(16,770,620)
Cash paid for lease liabilities	(11,619,210)	(10,813,797)	(6,121,931)	(6,957,215)
Cash payments for return of capital to minor shareholders of the subsidiary	(510,000)	-	-	-
Net cash flows provided by (used in) financing activities	102,950,570	166,475,500	120,904,159	(70,269,063)
Increase (decrease) in translation adjustment	(709,691)	(3,631,811)	-	-
Net increase (decrease) in cash and cash equivalents	11,322,458	(37,232,455)	(300,410)	(22,651,012)
Cash and cash equivalents at the beginning of the year	15,709,111	52,941,566	7,037,598	29,688,610
Cash and cash equivalents at the end of the year	27,031,569	15,709,111	6,737,188	7,037,598
Supplemental cash flows information				
Non-cash items consist of				
Increase (decrease) in purchase of fixed assets				
that have yet to be paid	376,641	(5,082,478)	347,492	(5,036,916)
Increase in lease liabilities	16,940,131	7,731,682	5,308,382	7,123,048

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, 2023

1. GENERAL INFORMATION

(A) Operating Results of the Company

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.

(B) Assumption underlying the preparation of the financial statements

As at December 31, 2023, the Group have higher current liabilities than current assets for Baht 926 million (Separate financial statements: Baht 1,332 million). The capital deficiency loss is Baht 239 million (Separate financial statements: Baht 224 million) and operating loss of Baht 540 million (Separate financial statements: Baht 446 million), mainly due to the recording of bad debts and allowance for doubtful accounts from lending to subsidiaries and indirect subsidiaries to invest in ASEAN Potash Chaiyaphum Public Company Limited (associated company) and the outstanding balances related to construction projects received from the associated company. This is due to the uncertain situation in the project development of the associated company. The management plans to allocate the capital increase ordinary shares.

According to the resolution of the Board of Directors Meeting No. 8/2023 held on October 9, 2023, and According to the Extraordinary Shareholders Meeting No. 1/2023 held on November 27, 2023 to consider approving the allocation of capital increase ordinary shares in an amount not exceeding 2,396,786,710 shares with a par value of Baht 0.125 per share and offer for sale to existing shareholders of the Company in proportion to their shareholding in an allocation ratio of 4 existing ordinary shares to 1 capital increase ordinary share at an offering price of Baht 0.20 to enhance the liquidity of the Group. In addition, the management has prepared the business operation plan, set a policy for new customer base expansion to increase revenues, policy to control expense to reduce operating costs and the Company has adequate short-term loan for its operation.

Later on February 1, 2024, the Company has received the capital increase from the allocation amounted Baht 479,357,342. The Company has registered the paid-up change in registered capital of Baht 1,497,991,693.50 with the Department of Business Development, Ministry of Commerce. Therefore, the Company can continue to operate on a going concern. From the above reasons, these financial statements have been prepared in accordance with generally accepted accounting principles based on the accounting assumption that the business will continue as a going concern. Therefore, assets are not adjusted for their salable prices and liabilities are not adjusted for the amounts that would have to be repaid and reclassified. This may be necessary if the Company cannot continue to operate as a going concern.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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,	
			2023	2022
<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
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
TRC International Limited (held by TRC Investment Limited)	Holding company	Hong Kong	100.00	100.00
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

- 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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

- 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.

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, 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.

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

3.3 Revised financial reporting standards to be applied in the future

The Federation of Accounting Professions has announced to apply the revised financial reporting standards 2023 and it was announced in the Royal Gazette on August 8, 2023 on altogether 4 topics: definition of the accounting estimates, disclosure of information of the accounting policy, deferred income tax related to assets and liabilities arising from one transaction and other adjustments due to the change of the Accounting Standard No. 17 “Insurance Contracts”. This adjustment is an adjustment for the financial reporting standards to be clearer and more appropriate. This is effective for the financial statements for the accounting period beginning on or after January 1, 2024.

The Management of the Group have assessed and believed that this revision will not significantly affect the financial statements in the year that such standard is applied.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

- 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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

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).

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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).

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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.

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.

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NOTES TO FINANCIAL STATEMENTS (CONT.)
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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.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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:

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

The expected credit loss allowance

In determining an 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.

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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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DECEMBER 31, 2023

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.

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.

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NOTES TO FINANCIAL STATEMENTS (CONT.)
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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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NOTES TO FINANCIAL STATEMENTS (CONT.)
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5. RELATED PERSON OR PARTY TRANSACTIONS

During the year, the Group had significant business transactions with person or 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
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
TRC Utility Company Limited	Thailand	Joint venture
		from July 27, 2023 the status of such company changed from the Joint venture to the Associated company with 40% shareholding
Sahakarn Underground Joint Venture	Thailand	Joint venture
XSENSE - OLIVE Joint Venture	Thailand	Joint venture
EXPRESS WORLD TRACKING Joint Venture	Thailand	Joint venture
		from May 16, 2023 the status of such company changed from the Joint venture to the Related party
KPK 1999 Company Limited	Thailand	Related company and Common director
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, 2023 and 2022 are as follows :

	In Million Baht				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	2023	2022	2023	2022	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of construction services	-	-	8	29	Cost plus margin
Finance cost	-	-	44	25	At rate of 4.50% - 7.00% p.a. (2022 : At rate of 2.50% - 6.25% p.a.)
Other income	-	-	16	15	Cost plus margin
<u>Transactions with person or related parties</u>					
Other service income	12	53	-	-	Contract price
Finance cost	17	4	17	4	At rate of 6.25% - 9.00% p.a. (2022 : At rate of 6.25% - 8.00% p.a.)
Other income	3	5	3	4	Cost plus margin
Interest income	1	1	-	-	At rate of 2.50% p.a. (2022 : At rate of 2.50% p.a.)

The significant outstanding balances with person or related parties and companies as at December 31, 2023 and 2022 are as follows :

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2023	2022	2023	2022
<u>Trade and other current receivables - related parties</u>				
Subsidiary companies	-	-	574,534	528,838
Associated company	381,661	383,420	381,394	383,420
Joint venture	25,778	35,876	3,376	7,583
Total	407,439	419,296	959,304	919,841
<u>Less</u> The expected credit loss allowance	(381,051)	(383,420)	(910,529)	(841,010)
Trade and other current receivables - related parties - net	26,388	35,876	48,775	78,831

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DECEMBER 31, 2023

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2023	2022	2023	2022
<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	37,927	42,528	-	-
Total	37,927	42,528	-	-
<u>Short-term loans to related parties</u>				
Subsidiary companies	-	-	5,186	4,595
Associated company	3,200	-	-	-
Joint venture	2,778	17,969	2,778	2,778
Total	5,978	17,969	7,964	7,373
<u>Less : The expected credit loss allowance</u>	-	-	(5,186)	(4,595)
Total short-term loans to related parties - net	5,978	17,969	2,778	2,778
<u>Long-term loans to related parties</u>				
Subsidiary companies	-	-	1,419,821	1,306,517
Total	-	-	1,419,821	1,306,517
<u>Less : The expected credit loss allowance</u>	-	-	(1,419,821)	(1,306,517)
Total long-term loans to related parties - net	-	-	-	-
<u>Trade and other current payables - person or related parties</u>				
Subsidiary companies	-	-	72,500	77,704
Joint ventures	38,359	41,741	53	44
Related company	10,247	-	10,247	-
Director and Chairman of the Board of Directors	9,923	3,347	9,923	3,347
Total	58,529	45,088	92,723	81,095

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	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31,		As at December 31,	
	2023	2022	2023	2022
<u>Short-term loans from person or related parties</u>				
Subsidiary companies	-	-	648,442	638,914
Joint ventures	-	7,000	-	7,000
Related company	186,500	-	186,500	-
Director and Chairman of the Board of Directors	93,602	66,300	93,602	66,300
Total	280,102	73,300	928,544	712,214
<u>Accounts payable - retention under construction contracts</u>				
<u>- related party</u>				
Joint ventures	20,071	12,996	-	-
Total	20,071	12,996	-	-
<u>Non-other current liabilities - related party</u>				
Joint ventures	13,890	13,890	-	-
Total	13,890	13,890	-	-

As at December 31, 2023 and 2022, 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, 2022			31, 2023
<u>Short-term loans</u>					
Sahakarn Underground Joint Venture	Joint Venture	3,191	-	(3,191)	-
TRC Utility Company Limited	Joint Venture	12,000	-	(8,800)	3,200
	(from July 27, 2023 the status changed to the Associated company)				
XSENSE - OLIVE Joint Venture	Joint Venture	2,778	-	-	2,778
Total		17,969	-	(11,991)	5,978
Less : The expected credit loss allowance		-		-	-
Short-term loans - net		17,969	-	(11,991)	5,978

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		In Thousand Baht			
		Consolidated Financial Statements			
Loans to	Related by	Balance as at	Increase	Decrease	Balance as at
		December			December
		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				
		Separate Financial Statements				
Loans to	Related by	Balance as at	Increase	Decrease	Exchange rate	Balance as at
		December			adjustment	December
		31, 2022				31, 2023
<u>Short-term loans</u>						
TRC Investment Limited	Subsidiary company	4,595	595	-	(4)	5,186
XSENSE - OLIVE Joint Venture	Joint Venture	2,778	-	-	-	2,778
Total		7,373	595	-	(4)	7,964
Less : The expected credit loss allowance		(4,595)	(595)	-	4	(5,186)
Short-term loans - net		2,778	-	-	-	2,778

<u>Long-term loans</u>						
TRC Investment Limited	Subsidiary company	1,260,508	101,250	-	-	1,361,758
TRC International Limited	Subsidiary company	46,009	12,054	-	-	58,063
Total		1,306,517	113,304	-	-	1,419,821
Less : The expected credit loss allowance		(1,306,517)	(113,304)	-	-	(1,419,821)
Long-term loans - net		-	-	-	-	-

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

Loans to related parties carried interest at rate of 2.50% - 9.25% per annum (December 31, 2022 : 2.50% - 5.00% per annum) due for repayment on demand and no security to guarantee.

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

		In Thousand Baht			
		Consolidated Financial Statements			
Short-term loans from	Related by	Balance as at December 31, 2022	Increase	Decrease	Balance as at December 31, 2023
XSENSE - OLIVE Joint Venture	Joint Venture	7,000	-	(7,000)	-
KPK 1999 Company Limited	Related company	-	186,500	-	186,500
Pasit Leesakul	Director	41,000	-	-	41,000
Paichit Rattananon	Chairman of the Board of Directors	25,300	33,202	(5,900)	52,602
Total		73,300	219,702	(12,900)	280,102

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NOTES TO FINANCIAL STATEMENTS (CONT.)

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		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	-	43,000	(2,000)	41,000
Paichit Rattananon	Chairman of the Board of Directors	-	25,300	-	25,300
Total		-	75,300	(2,000)	73,300

		In Thousand Baht			
		Separate Financial Statements			
		Balance as at December 31, 2022	Increase	Decrease	Balance as at December 31, 2023
Short-term loans from	Related by				
Sahakarn Wisavakorn Company Limited	Subsidiary company	618,500	156,400	(131,808)	643,092
SAHAHYDRO PATTAYA Joint Venture	Subsidiary company	9,414	314	(9,728)	-
Olive Technology Company Limited	Subsidiary company	11,000	-	(5,650)	5,350
XSENSE - OLIVE Joint Venture	Joint Venture	7,000	-	(7,000)	-
KPK 1999 Company Limited	Related company	-	186,500	-	186,500
Pasit Leesakul	Director	41,000	-	-	41,000
Paichit Rattananon	Chairman of the Board of Directors	25,300	33,202	(5,900)	52,602
Total		712,214	376,416	(160,086)	928,544

		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	-	43,000	(2,000)	41,000
Paichit Rattananon	Chairman of the Board of Directors	-	25,300	-	25,300
Total		693,000	232,914	(213,700)	712,214

Short-term loan from related parties carried interest at rate of 6.25% - 9.00% per annum (December 31, 2022 : 2.50 - 8.00% per annum) and due for repayment on demand and no security to guarantee.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 34.4 and 34.5.

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, 2023 and 2022, are as follows :

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2023	2022	2023	2022
Management				
Management benefit expenses				
Short-term employee benefits	19	20	18	18
Post-employment benefits	1	1	1	1
Total	20	21	19	19

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,	
	2023	2022	2023	2022
Cash	1,127	1,377	170	180
Deposits at banks (saving and current account)	25,905	14,332	6,567	6,858
Total	27,032	15,709	6,737	7,038

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

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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,	
	2023	2022	2023	2022
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	239	-	239	-
Past due				
Up to 3 months	-	16,668	-	-
3 - 6 months	-	-	-	-
6 - 12 months	22,090	-	-	-
Over 12 months	381,051	383,420	381,051	383,420
Total trade accounts receivable - related parties	403,380	400,088	381,290	383,420
Less : The expected credit loss allowance	(381,051)	(383,420)	(381,051)	(383,420)
Total trade accounts receivable - related parties - net	22,329	16,668	239	-
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	106,723	94,901	59,222	33,973
Past due				
Up to 3 months	19,860	43,368	4,318	23,631
3 - 6 months	-	10,564	-	-
6 - 12 months	-	4,956	-	-
Over 12 months	14,777	214	214	214
Total trade accounts receivable - unrelated parties	141,360	154,003	63,754	57,818
Less : The expected credit loss allowance	(214)	(214)	(214)	(214)
Total trade accounts receivable - unrelated parties - net	141,146	153,789	63,540	57,604
Total trade accounts receivable - net	163,475	170,457	63,779	57,604
<u>Other current receivables</u>				
Advance to related parties	3,685	18,161	48,429	78,795
Interest receivable from related parties	374	1,047	529,585	457,627
Others	36,598	58,202	9,018	8,468
Total other current receivables	40,657	77,410	587,032	544,890
Less : The expected credit loss allowance	(834)	(834)	(530,312)	(458,425)
Total other current receivables - net	39,823	76,576	56,720	86,465
Total trade and other current receivables - net	203,298	247,033	120,499	144,069

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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 126 million included in the trade accounts receivable balance as at December 31, 2023 (Separate financial statements : Baht 58 million) (December 31, 2022 : Baht 84 million, Separate financial statements : Baht 46 million).

8. CONTRACT ASSETS / CONTRACT LIABILITIES

8.1 Contract balances

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2023	2022	2023	2022
Contract assets				
Unbilled receivable	2,087,599	2,472,845	401,226	494,535
Accounts receivable - retention under construction contracts	307,428	277,301	40,035	66,315
Less : The expected credit loss allowance	(7,854)	(7,854)	(7,854)	(7,854)
Total contract assets	<u>2,387,173</u>	<u>2,742,292</u>	<u>433,407</u>	<u>552,996</u>
Contract liabilities				
Unearned construction - revenue	3,015	3,280	-	3,280
Advances received from customers under construction				
Project	<u>556,796</u>	<u>614,276</u>	<u>75,402</u>	<u>83,900</u>
Total contract liabilities	<u>559,811</u>	<u>617,556</u>	<u>75,402</u>	<u>87,180</u>

8.2 Unbilled receivable

As at 31 December 2023 and 2022, the Group had balance of unbilled receivables of Baht 2,088 million and Baht 2,391 million, respectively (Separate financial statements: Baht 401 million and Baht 413 million, respectively) was expected to be billed within one year.

As at December 31, 2022 the Group had balance of unbilled receivables of Baht 82 million (Separate financial statement : Baht 82 million) was expected to be billed after one year. the detail of Note 35 (the second case of the Company).

8.3 Revenue recognised in relation to contract balances

During the years 2023 and 2022, the Group recognised contract liabilities at the beginning of the year of Baht 243 million and Baht 387 million, respectively (Separate financial statements: Baht 64 million and Baht 192 million, respectively) as revenue.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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8.4 Revenue to be recognised for the remaining performance obligations

As at December 31, 2023 and 2022, the Group expected to recognise revenue totaling Baht 3,712 million and Baht 4,460 million, respectively (Separate financial statements: Baht 377 million and Baht 586 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,	
	2023	2022	2023	2022
Raw materials and construction supplies	-	2,302	-	2,302
<u>Less</u> Allowance for decline in value of inventories	-	(694)	-	(694)
Inventories - net	-	1,608	-	1,608

During the year 2023, the Group reversed allowance for decline in value of inventories from the sales.

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,	
	2023	2022	2023	2022
Year 2019	-	566	-	-
Year 2021	23,576	68,480	-	44,804
Year 2022	53,810	53,810	35,053	35,053
Year 2023	47,260	-	29,373	-
	124,646	122,856	64,426	79,857

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,	
	2023	2022	2023	2022
Prepaid expenses	10,685	15,115	7,768	9,175
Account receivable - Revenue Department	16,109	21,845	-	-
Undue Input Vat	22,519	12,742	8,056	1,438
Total other current assets	49,313	49,702	15,824	10,613

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 34.4.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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,		As at December 31,		As at December 31,				
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022			
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
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
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.)
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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		Cost method - net	
									impairment of investment			
							As at December 31,		As at December 31,		As at December 31,	
2023		2022		2023		2022		2023		2022		
<u>Held by Sahakarn Wisavakorn Company Limited</u>												
Hydrotek Sahakarn Joint Venture	Construction services	Thailand	-	49.00	-	1,000,000	-	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	-	-	-	-	-	-	-	-	-	-
					Omani Rial	Omani Rial						
TRC Engineering LLC	Construction services	Sultanate of Oman	-	-	-	-	-	-	-	-	-	-
					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							799,833	1,289,833	-	-	799,833	1,289,833

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

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Hydrotek Sahakarn Joint Venture

On October 31, 2019, the Board of Directors' Meeting No.2/2019 approved to cease the business operation. As at December 31, 2023 such subsidiary had completed of the 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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
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14. INVESTMENTS IN ASSOCIATE

14.1 Details of associate

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

Company's name	Business type	Country of registration	In Thousand Baht									
			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,	
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<u>Held by the Company</u>												
TRC Utility Company Limited	To produce and distribute tap water	Thailand	40.00	-	31,250	-	9,506	-	-	-	9,506	-
<u>Held by TRC Investment Limited</u>												
ASEAN Potash Chaiyaphum Public Company Limited	Mining Industries	Thailand	22.46	22.46	3,256,727	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	3,256,727	2,805,797	85,989	85,989	(85,989)	(85,989)	-	-
Total							1,222,237	1,212,731	(1,212,731)	(1,212,731)	9,506	-

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

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

							In Thousand Baht					
Company's name	Business type	Country of registration	Shareholding percentage (%)		Paid-up capital (Thousand Baht)		Allowance for loss on					
							Cost method		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,	
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<u>Held by the Company</u>												
TRC Utility Company Limited	To produce and distribute tap water	Thailand	40.00	-	31,250	-	12,500	-	-	-	12,500	-
Total							12,500	-	-	-	12,500	-

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

ASEAN Potash Chaiyaphum 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 Chaiyaphum Provincial Industrial Office requesting payment of the installments 1 - 7 of the special benefits of totaling Baht 3,980 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 January 2024, otherwise the concession certificate might be revoked in accordance with Section 128 of the Minerals Act B.E. 2560.

According to the resolution of the Board of Directors' Meeting No.3/2023 held on March 22, 2023, it had a resolution to approve the loan with TRC Investment Limited (subsidiary) and TRC International Limited (indirect subsidiary) in the total amount Baht 113.30 million to invest in the ordinary shares capital increase No.1/2023 of ASEAN Potash Chaiyaphum Public Company Limited for 4,509,300 shares at Baht 100 per share by the shareholding proportion in the associated company at 22.4535 percent and 2.6730 percent, respectively, and on May 29, 2023, the subsidiary and indirect subsidiary have paid for the shares in total amount of Baht 113.30 million in the full amount.

According to the Extraordinary Shareholders' Meeting No. 1/2023 held on November 27, 2023, it was resolved to approve the additional investment limit in capital increase ordinary shares in proportion to ASEAN Potash Chaiyaphum Public Company Limited not over Baht 4,020,240,000.

The Company's subsidiary has recorded an allowance for impairment of investment in the full amount with the total value of Baht 1,474 million. Due to the associated company had significant uncertainty, such as the obligation to pay the special benefits which resulted in the risk of being revoked the concession certificate along with uncertainty in seeking additional funding to develop potash mining projects both in the part of the capital increase that had no progress in securing 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 a large amount of many loss of 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 required to be paid 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 values of those assets are restored, the Company will then be able to reverse the excess loss reserve and can recognize the future profits to compensate for the loss from such reserves.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

As at December 31, 2023, the associated company was still unable to settle payment for the special state benefits to the Department of Primary Industries and Mines and local government organizations, installment 1 - 7 of Baht 3,980 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. The associated company has suspended the mine construction project temporary. And during the year 2022, the associated company had been sued from the parties on the breach of agreement by claiming compensation for damages and interest with the capital amount Baht 3,971 million. Which is under consideration of the Court and associated company was still unable to comply with the conditions attached to the concession certificate regarding the remittance to the fund and the delivery to the Department of Primary Industries and Mines and local government organizations and the communities located in the concession areas amount Baht 550 million. The management of the associated company has recorded the provisions in the full amount.

14.2 Share of Profit (loss)

During the year ended December 31, 2023 and 2022, the Company has recognised its share of profit (loss) from investments in associate in the consolidated financial statements as follows:

Company's name	In Thousand Baht			
	Share of profit (loss) from investments in associated company		Share of other comprehensive income from investments in associated company	
	2023	2022	2023	2022
TRC Utility Company Limited	(5,890)	-	-	-
ASEAN Potash Chaiphum Public Company Limited	(113,304)	-	-	-
Total	(119,194)	-	-	-

During the year ended December 31, 2023 the Company has recognized share of loss from investment in ASEAN Potash Chaiphum Public Company Limited in the consolidated financial statements equal to the cost price according to the shareholding proportion of the subsidiaries as the share of loss in that ASEAN Potash Chaiphum Public Company Limited has the value equal to the value of the interest of the ASEAN Potash Chaiphum 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, 2023

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

14.3 Summary of significant financial information on associate
 ASEAN Potash Chaiphum Public Company Limited

Summary of information about financial position as at December 31, 2023 and 2022

	In Million Baht	
	2023	2022
Current assets	174	6
Non-current assets	6,570	6,579
Current liabilities	(6,462)	(5,632)
Non-current liabilities	(840)	(1,376)
Net assets	(558)	(423)
Shareholding percentage (%)	25.13	25.13
Share of net assets	(140)	(106)
Elimination entries	-	-
Goodwill	847	847
Total	707	741
Less: Allowance for loss on impairment of investment	(1,213)	(1,213)
Unrecognized cumulative effect of the share of loss from associated company	(506)	(472)

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

Summary of information about comprehensive income for the year ended December 31, 2023 and 2022

	In Million Baht	
	2023	2022
Revenue	35	5
Profit (loss)	(586)	(545)
Other comprehensive income	-	-
Total comprehensive income	(586)	(545)

TRC Utility Company Limited

Summary of information about financial position as at December 31, 2023

	In Million Baht
	2023
Current assets	7
Non-current assets	25
Current liabilities	(7)
Non-current liabilities	(5)
Net assets	20
Shareholding percentage (%)	40.00
Share of net assets	8
Elimination entries	-
Goodwill	2
Total	10
Less: Allowance for loss on impairment of investment	-
Carrying amounts of associate based on equity method	10

Summary of information about comprehensive income for the year ended December 31, 2023

	In Million Baht
	2023
Revenue	25
Profit (loss)	(12)
Other comprehensive income	-
Total comprehensive income	(12)

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

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	In Thousand Baht									
		Shareholding percentage (%)		Cost (Thousand Baht)		Carrying amounts based on		Allowance for loss on		Carrying amounts based on equity	
						equity method		impairment of investment		method - net	
						As at December 31,		As at December 31,		As at December 31,	
2023		2022		2023		2022		2023		2022	
<u>Held by the Company</u>											
Sinopec-TRC Joint Venture	Construction service	-	30	-	2,376	-	2,376	-	-	-	2,376
AT Energy Solution Company Limited	Energy production and distribution	50	50	100,000	100,000	86,644	90,334	-	-	86,644	90,334
TRC Utility Company Limited	To produce and distribute tap water	-	50	-	12,999	-	15,238	-	-	-	15,238
<u>Held by Sahakarn Wisavakorn Company Limited</u>											
SH Crossing Company Limited	Construction service	51	51	20,400	20,400	-	15,225	-	-	-	15,225
Sahakarn Underground Joint Venture	Construction service	50	50	200	200	-	-	-	-	-	-
<u>Held by Olive Technology Company Limited</u>											
XSENSE - OLIVE Joint Venture	Data management and processing	40	40	40	40	1,068	818	-	-	1,068	818
EXPRESS WORLD TRACKING Joint Venture	Data management and processing	-	30	-	300	-	-	-	-	-	-
Total				120,640	136,315	87,712	123,991	-	-	87,712	123,991

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

Company's name	Business type	Shareholding percentage (%)		In Thousand Baht					
				Cost method		Allowance for loss on impairment of investment		Cost method – net	
				As at December 31,		As at December 31,		As at December 31,	
				2023	2022	2023	2022	2023	2022
Sinopec-TRC Joint Venture	Construction service	-	30	-	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	-	12,999	-	-	-	12,999
Total				100,000	115,375	-	-	100,000	115,375

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
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Sinopec-TRC Joint Venture

As at December 31, 2023, the management approved to write-off the investment in joint venture in the whole amount due to the completion of the project operation of the joint venture. The Company recognizes the loss on write-off in the amount of Baht 2.38 million in administrative expenses account.

TRC Utility Company Limited

According to the Extraordinary Shareholders' Meeting No.1/2023 held on July 13, 2023, it was approved to reduce the registered capital of the Company from Baht 50,000,000 to Baht 12,500,000 divided into 500,000 shares by reducing the par value per share Baht 25 and to increase the registered capital Baht 18,750,000 by issuing 750,000 ordinary shares at the par value of Baht 25. As a result, the Company's new registered capital is Baht 31,250,000 divided into 1,250,000 shares at the par value of Baht 25.

TRC Construction Public Company Limited had a resolution to approve the waiver of partial capital increase ordinary shares purchase of TRC Utility Company Limited in the amount 125,000 shares of the number of ordinary shares that rights are granted to S Group AEC (Thailand) Company Limited as a new investor.

From the said transaction, the shareholding percentage of the company has changed from 50 percent to 40 percent of the total number of ordinary shares in TRC Utility Company Limited. Along with the agreement in the joint venture agreement, the Board of Directors of TRC Utility Company Limited, the Board of Directors formed through an appointment, totaling 5 persons, each contracting party consists of TRC Construction Public Company Limited, not more than 2 persons, S Group AEC (Thailand) Company Limited, not more than 2 persons, and Planet Utility Company Limited, not more than 1 person, and the conditions of the resolution of the board meeting must receive the affirmative vote from the directors of at least 3 out of 5 directors. The Company has classified the investment in TRC Utilities Company Limited as investment in associate and recognized the difference arising from the reduction in shareholding proportion under the account of administrative expenses shown in the statement of comprehensive income for the period in the consolidated financial statements in the amount of Baht 723,978.26.

EXPRESS WORLD TRACKING Joint venture

During the year 2022, Olive Technology Company Limited (the 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.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

On February 23, 2023, Olive Technology Company Limited (the subsidiary) received the letter from EXPRESS WORLD TRACKING Joint Venture to call for the investment at amount of Baht 30 million whose proportion was represented 30 percent or Baht 9 million, the due date was within March 10, 2023. On March 15, 2023, then, it received the letter for additional call for the investment at amount of Baht 90 million whose proportion was represented 30 percent or Baht 27 million, the due date was within March 17, 2023. Including the called-for investment in proportion to the subsidiary in the amount of Baht 36 million. And on April 24, 2023, the subsidiary had paid a partial investment amount of Baht 5 million causing the subsidiary to have obligation to pay investment in the joint venture in the amount of Baht 31 million.

Later, on May 16, 2023, Olive Technology Company Limited (the subsidiary) signed on the addendum to the EXPRESS WORLD TRACKING Joint Venture agreement to change the investment proportion in the joint venture from 30 percent to 4.17 percent or amount of Baht 5,000,000 of the investment in joint venture to Baht 120,000,000.

From the said transaction, the shareholding percentage of the subsidiary has decreased. Along with the EXPRESS WORLD TRACKING Joint Venture agreement, the party, agreed to change the quorum and resolution of the Board of Directors of the joint venture. The quorum of the joint venture must have the representatives of the parties joining the meeting not less than 2 parties combined at least 3 persons. The conditions of the resolution of the meeting must receive the majority votes. The Company has classified the investment in EXPRESS WORLD TRACKING Joint Venture as other non-current financial assets and recognized the difference arising from the reduction in shareholding proportion under the account of administrative expenses shown in the statement of comprehensive income for the period in the consolidated financial statements in the amount of Baht 2,316,454.94.

XSENSE-OLIVE Joint Venture

During the year 2022, Olive Technology Company Limited (the 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, 2023

15.1 Share of profit (loss)

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

Company's name	In Thousand Baht			
	Share of profit (loss) from investments in joint ventures		Share of other comprehensive income from investments in joint ventures	
	For the years ended December 31,		For the years ended December 31,	
	2023	2022	2023	2022
SH Crossings Company Limited	(15,225)	(8,479)	-	-
AT Energy Solution Company Limited	(3,124)	(12,303)	(566)	(202)
Sahakarn Underground Joint Venture	-	(546)	-	-
TRC Utility Company Limited	1,382	(186)	-	-
XSENSE - OLIVE Joint Venture	250	778	-	-
EXPRESS WORLD TRACKING Joint Venture	2,616	(300)	-	-
Total	(14,101)	(21,036)	(566)	(202)

Sahakarn Underground Joint Venture

During the year ended December 31, 2023, the Company stopped recognizing share of loss from the investment in Sahakarn Underground Joint Venture in the consolidated financial statements as the share of loss from investment equals or exceeds the value of the share of loss of the joint venture. The Company did not guarantee against the liabilities obligation of the joint venture.

15.2 Summary of significant financial information on joint venture

SH Crossings Company Limited

Summary information about financial position

	In Million Baht	
	2023	2022
Cash and cash equivalent	-	-
Other current assets	136	166
Non-current assets	3	5
Current liabilities	(143)	(142)
Net assets	(4)	29
Shareholding percentage (%)	51	51
Share of net assets	(2)	15

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

Summary information about comprehensive income

	In Million Baht	
	For the years ended December 31,	
	2023	2022
Revenue	27	73
Depreciation and amortization	(2)	(4)
Income tax expense	-	-
Profit (loss)	(34)	(17)
Other comprehensive income	-	-
Total comprehensive income	(34)	(17)

AT Energy Solution Company Limited

Summary information about financial position

	In Million Baht	
	2023	2022
Cash and cash equivalent	15	19
Other current assets	11	27
Non-current assets	325	333
Current liabilities	(28)	(29)
Non - current liabilities	(148)	(168)
Net assets	175	182
Shareholding percentage (%)	50	50
Share of net assets	88	91

Summary information about comprehensive income

	In Million Baht	
	For the years ended December 31,	
	2023	2022
Revenue	50	54
Depreciation and amortization	18	17
Income tax expense	(4)	(4)
Profit (loss)	(6)	(25)
Other comprehensive income	(1)	(0)
Total comprehensive income	(7)	(25)

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

16. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements (In Thousand Baht)					
	Balance as at January 1,2023	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31,2023
Cost					
Land	142,062	-	-	-	142,062
Building	400,755	3,645	-	-	404,400
Tools and equipment	643,702	5,378	(141,986)	10,607	517,701
Furniture, fixtures and office equipment	89,845	757	(27,414)	-	63,188
Vehicles	77,825	-	(1,221)	-	76,604
Construction in progress	16,627	185	-	(10,607)	6,205
Total cost	1,370,816	9,965	(170,621)	-	1,210,160
Accumulated depreciation					
Building	(98,015)	(20,302)	-	-	(118,317)
Tools and equipment	(536,768)	(32,913)	141,635	-	(428,046)
Furniture, fixtures and office equipment	(87,435)	(1,511)	27,348	-	(61,598)
Vehicles	(76,611)	(634)	1,221	-	(76,024)
Total accumulated depreciation	(798,829)	(55,360)	170,204	-	(683,985)
Property, plant and equipment - net	571,987				526,175

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 - net	619,142				571,987

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

	Separate financial statements (In Thousand Baht)				
	Balance as at	Additions	Disposals /	Transfer in/	Balance as at
	January		Written-off	(Transfer out)	December
	1, 2023				31, 2023
Cost					
Land	140,472	-	-	-	140,472
Building	391,835	-	-	-	391,835
Tools and equipment	475,203	5,164	(120,831)	10,607	370,143
Furniture, fixtures and office equipment	79,701	712	(25,044)	-	55,369
Vehicles	61,189	-	(1,221)	-	59,968
Construction in progress	16,627	185	-	(10,607)	6,205
Total cost	1,165,027	6,061	(147,096)	-	1,023,992
Accumulated depreciation					
Building	(97,247)	(19,770)	-	-	(117,017)
Tools and equipment	(382,815)	(31,239)	120,649	-	(293,405)
Furniture, fixtures and office equipment	(77,583)	(1,377)	24,978	-	(53,982)
Vehicles	(59,993)	(627)	1,221	-	(59,399)
Total accumulated depreciation	(617,638)	(53,013)	146,848	-	(523,803)
Property, plant and equipment - net	547,389				500,189

	Separate financial statements (In Thousand Baht)				
	Balance as at	Additions	Disposals /	Transfer in/	Balance as at
	January		Written-off	(Transfer out)	December
	1, 2022				31, 2022
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 - net	592,513				547,389

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2023	2022	2023	2022
Depreciation charged to the statements of comprehensive income				
Cost of sales and services	8,221	11,310	5,245	8,332
Administrative expenses	47,139	44,513	47,768	45,121
Total	55,360	55,823	53,013	53,453

As at December 31, 2023 and 2022, 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 432 million and Baht 567 million, respectively (Separate financial statements : Baht 330 million and Baht 442 million, respectively).

As at December 31, 2022, the Group has tools and motor vehicles acquired under finance lease agreements, with net book value amounting to approximately Baht 1 million (Separate financial statements : Baht 1 million).

As at December 31, 2023 and 2022, 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.

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, 2023	Addition	Change in conditions/ written-off	December 31, 2023
<u>At cost</u>				
Land and land improvement	5,487	-	(5,487)	-
Furniture, fixture and office equipment	21,694	14,439	(6,630)	29,503
Vehicles	9,101	2,501	(5,152)	6,450
Total	36,282	16,940	(17,269)	35,953
<u>Less Accumulated depreciation</u>				
Land and land improvement	(5,159)	(328)	5,487	-
Furniture, fixture and office equipment	(9,771)	(6,228)	6,630	(9,369)
Vehicles	(6,679)	(2,101)	5,152	(3,628)
Total	(21,609)	(8,657)	17,269	(12,997)
Right-of-use assets - net	14,673			22,956

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

	In Thousand Baht			
	Consolidated financial statements			
	Balance as at	Transactions during the year		Balance as at
	January	Addition	Change in	December
	1, 2022		conditions/ written-off	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			
	Separate financial statements			
	Balance as at	Transactions during the year		Balance as at
	January	Addition	Change in	December
	1, 2023		conditions/ written-off	31, 2023
<u>At cost</u>				
Land and land improvement	1,386	-	(1,386)	-
Furniture, fixture and office equipment	20,849	5,309	(6,262)	19,896
Vehicles	3,863	-	(2,088)	1,775
Total	26,098	5,309	(9,736)	21,671
<u>Less Accumulated depreciation</u>				
Land and land improvement	(1,193)	(193)	1,386	-
Furniture, fixture and office equipment	(9,221)	(5,641)	6,262	(8,600)
Vehicles	(2,714)	(320)	2,088	(946)
Total	(13,128)	(6,154)	9,736	(9,546)
Right-of-use assets - net	12,970			12,125

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

	In Thousand Baht			
	Separate financial statements			
	Balance as at	Transactions during the year		Balance as at
	January 1, 2022	Addition	Change in conditions/ written-off	December 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

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.

18. INTANGIBLE ASSETS

	Consolidated financial statements (In Thousand Baht)				
	Balance as at	Additions	Disposals /	Transfer in/	Balance as at
	January		Written-off	(Transfer out)	December
	1, 2023				31, 2023
Cost					
Computer software	31,268	-	-	-	31,268
Total cost	31,268	-	-	-	31,268
Accumulated amortisation					
Computer software	(22,171)	(2,177)	-	-	(24,348)
Total accumulated amortisation	(22,171)	(2,177)	-	-	(24,348)
Intangible assets - net	9,097				6,920

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

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

Separate financial statements (In Thousand Baht)					
	Balance as at January 1, 2023	Additions	Disposals / Written-off	Transfer in/ (Transfer out)	Balance as at December 31, 2023
Cost					
Computer software	30,621	-	-	-	30,621
Total cost	30,621	-	-	-	30,621
Accumulated amortisation					
Computer software	(21,722)	(2,151)	-	-	(23,873)
Total accumulated amortisation	(21,722)	(2,151)	-	-	(23,873)
Intangible assets - net	8,899				6,748

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, 2023

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2023	2022	2023	2022
Amortisation charged to the statements of comprehensive income				
Cost of sales and services	27	31	15	17
Administrative expenses	2,150	2,201	2,136	2,175
Total	2,177	2,232	2,151	2,192

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	
	2023	2022	2023	2022
Deferred tax assets	9,534	20,777	6,792	17,869
Deferred tax liabilities	(527)	(269)	(527)	(286)
	9,007	20,508	(6,265)	17,583

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2023 and 2022, were as follows:

	In Thousand Baht				
	Consolidated financial statements				Balance as at December 31, 2023
	Balance as at December 31, 2022	Recognized in Profit and Loss		Recognized in Other Comprehensive Income	
		Additions	Utilized/ Reversal		
Deferred tax assets resulted from					
Allowance for decline in value in inventories	139	-	(139)	-	-
Employee benefit obligations	7,741	1,815	(22)	-	9,534
Other provision	12,897	-	(12,897)	-	-
Total	20,777	1,815	(13,058)	-	9,534
Deferred tax liabilities from					
Financial lease	(269)	(258)	-	-	(527)
Total	(269)	(258)	-	-	(527)
Net	20,508	1,557	(13,058)	-	9,007

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

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)	7,741
Other provision	15,199	5,873	(8,175)	12,897
Total	27,591	7,450	(10,672)	20,777
Deferred tax liabilities from				
Financial lease	(287)	-	18	(269)
Total	(287)	-	18	(269)
Net	27,304	7,450	(10,654)	20,508

In Thousand Baht				
Separate financial statements				
Balance as at	Recognized in Profit and Loss		Recognized in Other	Balance as at
December 31,	Additions	Utilized/	Comprehensive	December 31,
2022		Reversal	Income	2023
Deferred tax assets resulted from				
Allowance for decline in value				
in inventories	139	-	(139)	-
Employee benefit obligations	5,437	1,377	(22)	6,792
Other provision	12,293	-	(12,293)	-
Total	17,869	1,377	(12,454)	6,792
Deferred tax liabilities from				
Financial lease	(286)	(241)	-	(527)
Total	(286)	(241)	-	(527)
Net	17,583	1,136	(12,454)	6,265

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

In Thousand Baht					
	Separate financial statements				Balance as at December 31, 2022
	Balance as at December 31, 2021	Recognized in Profit and Loss		Recognized in Other Comprehensive Income	
		Additions	Utilized/ Reversal		
Deferred tax assets resulted from					
Allowance for decline in value in inventories	139	-	-	-	139
Employee benefit obligations	7,410	1,173	(1,691)	(1,455)	5,437
Other provision	11,845	700	(252)	-	12,293
Total	19,394	1,873	(1,943)	(1,455)	17,869
Deferred tax liabilities from					
Financial lease	(333)	-	47	-	(286)
Total	(333)	-	47	-	(286)
Net	19,061	1,873	(1,896)	(1,455)	17,583

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

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

In Thousand Baht					
	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		As at December 31,		As at December 31,	
		2023	2022	2023	2022
Bank overdrafts	MOR, MOR-1	38,082	13,458	19,542	6,333
Trust receipts	MLR-0.65, MLR-1	185,686	171,804	12,266	39,370
Promissory note	MLR-1, MLR-2,	654,693	754,647	226,182	261,700
	Fixed rate				
Total		878,461	939,909	257,990	307,403

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2023

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,	
	2023	2022	2023	2022
Trade accounts payable - related parties	38,266	41,357	24,813	27,219
Trade accounts payable - unrelated parties	839,628	653,128	385,346	289,576
Advances from related parties	40	340	2,145	8,322
Fixed assets payable	2,460	2,057	2,366	1,994
Accrued interest expense - person or related parties	20,223	3,391	65,765	45,554
Accrued expenses - unrelated parties	86,491	88,646	50,414	34,551
Total trade and other current payables	987,108	788,919	530,849	407,216

22. SHORT-TERM LOANS FROM OTHER COMPANIES

The movements of short-term loans from other companies for the year ended December 31, 2023, were as follows:

	Interest rate (% per annum)	In Thousand Baht			
		Consolidated financial statements			
		Balance as at	Transactions during the year		Balance as at
		December 31, 2022	Increase	Decrease	December 31, 2023
Other companies	7.00 - 8.00	-	19,500	-	19,500
Total		-	19,500	-	19,500

	Interest rate (% per annum)	In Thousand Baht			
		Separate financial statements			
		Balance as at	Transactions during the year		Balance as at
		December 31, 2022	Increase	Decrease	December 31, 2023
Other companies	8.00	-	16,000	-	16,000
Total		-	16,000	-	16,000

The Group have short-term loans from other companies no security to guarantee.

TRC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

23. 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, 2023	3,970	60,516	64,486	3,000	58,463	61,463
Increase during the year	2,000	247,449	249,449	2,000	164,584	166,584
Decrease from occurrence of actual expense	(119)	(229,598)	(229,717)	(119)	(167,924)	(168,043)
Reversal of provisions	(2,270)	(29,231)	(31,501)	(2,000)	(29,231)	(31,231)
As at December 31, 2023	3,581	49,136	52,717	2,881	25,892	28,773

	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

24. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2023 and 2022 are presented below

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2023	2022	2023	2022
Lease liabilities, beginning	18,183	21,264	14,278	14,112
Addition	16,940	7,732	5,309	7,123
Accretion of interest	1,169	939	758	682
Payments	(12,788)	(11,752)	(6,880)	(7,639)
Decrease from cancel of lease agreement	-	-	-	-
Lease liabilities, ending	23,504	18,183	13,465	14,278
<u>Less : current portion</u>	<u>(10,808)</u>	<u>(10,379)</u>	<u>(7,070)</u>	<u>(6,784)</u>
Lease liabilities - net	12,696	7,804	6,395	7,494

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NOTES TO FINANCIAL STATEMENTS (CONT.)
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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,	
	2023	2022	2023	2022
Depreciation of right-of-use assets	8,657	11,524	6,154	6,617
Interest expense on lease liabilities	1,169	939	758	682
Expense relating to short-term lease	7,656	7,262	5,368	5,246
Leases of low - value assets	640	668	394	154
Total	18,122	20,393	12,674	12,699

For the years ended December 31, 2023 and 2022, the Group have total cash outflows for leases of Baht 21 million and Baht 20 million, respectively (Separate financial statements : Baht 13 million and Baht 13 million, respectively) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 17 million and Baht 8 million, respectively (Separate financial statements : Baht 5 million and Baht 7 million, respectively).

25. OTHER CURRENT LIABILITIES

Other current liabilities are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2023	2022	2023	2022
VAT payable	-	-	1,452	1,788
Accrued withholding tax	58,928	33,348	12,284	6,503
Deposit received	25,000	-	25,000	-
Others	600	323	643	315
Total	84,528	33,671	39,379	8,606

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NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2023

26. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

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

	Consolidated Financial Statements (In Thousand Baht)					
	2023			2022		
	Post-employment benefits	Other long- term benefits	Total	Post-employment benefits	Other long- term benefits	Total
Non-current provisions for employee benefits, beginning	32,884	5,821	38,705	52,807	8,459	61,266
Gain estimation over actuarial principles	-	-	-	(14,603)	(3,357)	(17,960)
Current service cost and Interest cost	7,451	1,786	9,237	6,304	1,581	7,885
Non-current provisions for employee benefits paid	(112)	-	(112)	(11,624)	(862)	(12,486)
Non-current provisions for employee benefits, ending	40,223	7,607	47,830	32,884	5,821	38,705

	Separate Financial Statements (In Thousand Baht)					
	2023			2022		
	Post-employment benefits	Other long- term benefits	Total	Post-employment benefits	Other long- term benefits	Total
Non-current provisions for employee benefits, beginning	23,311	3,877	27,188	31,934	5,115	37,049
Gain estimation over actuarial principles	-	-	-	(5,545)	(1,730)	(7,275)
Current service cost and Interest cost	5,681	1,201	6,882	4,808	1,057	5,865
Non-current provisions for employee benefits paid	(112)	-	(112)	(7,886)	(565)	(8,451)
Non-current provisions for employee benefits, ending	28,880	5,078	33,958	23,311	3,877	27,188

26.2 Expenses recognized in the statement of comprehensive income for the year ended December 31, 2023 and 2022 are as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2023	2022	2023	2022
The statement of comprehensive income				
Recognized in profit or loss				
Cost of construction services	4,716	4,370	3,796	2,664
Administrative expenses	4,521	3,515	3,086	3,201
Total	9,237	7,885	6,882	5,865
Recognized in other comprehensive income				
Gain on actuarial gain loss	-	(17,960)	-	(7,275)
Total	9,237	(10,075)	6,882	(1,410)

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- 26.3 Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2023 and 2022 arise from

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2023	2022	2023	2022
Recognized in other comprehensive income				
Population assumption	-	595	-	248
Financial assumption	-	3,446	-	2,182
Improvement from experience	-	13,919	-	4,845
Total	-	17,960	-	7,275

- 26.4 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,	
	2023	2022	2023	2022
Discount rate (% per annum)	2.22 - 2.31	2.22 - 2.31	2.22	2.22
Salary increase rate (% per annum)	1.00	1.00	1.00	1.00
Employee turnover rate (depending on age)	0 - 37.00	0 - 37.00	0 - 37.00	0 - 37.00
(% 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	30,350	30,350	30,350

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26.5 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, 2023 and 2022 are summarized below :

	In Million Baht							
	Consolidated Financial Statements				Separate Financial Statements			
	2023		2022		2023		2022	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (Changing 1%)	(2.6)	2.9	(2.4)	2.7	(1.8)	2.0	(1.6)	1.8
Future salary increase rate (Changing 1%)	3.2	(2.9)	2.5	(2.3)	2.2	(2.0)	1.7	(1.6)
Employee turnover rate (Changing 1%)	(2.8)	0.8	(2.5)	0.7	(1.9)	0.5	(1.7)	0.5
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)	0.1	(0.1)	0.1	(0.1)	0.1	(0.1)

27. 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, 2023 and 2022, the Group's debt-to-equity ratio was (17.45) : 1 and 13.38 : 1, respectively.

According to the separate statements of financial position as at December 31, 2023 and 2022, the Company's debt-to-equity ratio was (9.14) : 1 and 8.17 : 1, respectively.

28. 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.

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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.

29. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2023 and 2022 are as follow:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Construction materials and consumables				
used and subcontractors costs	1,962,106	2,234,702	532,176	538,656
Salary and wage and other employee benefits	444,218	443,132	358,809	368,198
Depreciation	64,017	67,347	59,167	60,070
Amortisation expenses	2,177	2,232	2,151	2,192
Rental and service expenses from operating lease				
agreements	116,665	99,486	77,793	60,334

30. INCOME TAX EXPENSE (INCOME)

30.1 Major components of tax expense (income)

For the years ended December 31, 2023 and 2022 consisted of:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Income tax expense (income) shown in profit or loss :				
Current tax expense :				
Income tax expense for the year	945	2,886	-	-
Deferred tax expense (income) :				
Changes in temporary differences relating to the				
original recognition and reversal	11,495	3,205	11,318	23
Total	12,440	6,091	11,318	23

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30.2 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, 2023 and 2022 which are summarized as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit (loss) for the year	(527,875)	(106,463)	(434,389)	(114,084)
The applicable tax rate (%)	15% - 20%	12% - 20%	20%	20%
Tax expense (income) at the applicable tax rate	(105,526)	(15,377)	(86,878)	(22,817)
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:	(13,477)	4,815	-	-
Tax effect of intercompany transactions				
- Expenses not allowed as expenses in determining taxable profit	10,025	11,787	40,691	17,501
- Share of (gain) loss from investment in associated	23,839	-	-	-
- Share of (gain) loss from investment in joint venture	2,820	4,208	-	-
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	94,759	7,041	57,505	5,339
Total reconciliation items	117,966	21,468	98,196	22,840
Total tax expense (income)	12,440	6,091	11,318	23

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

For the years ended December 31, 2023 and 2022 are summarized as follows:

	Consolidated financial statements			
	2023		2022	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(527,875)		(106,463)	
Tax expense (income) at the applicable tax rate	(105,526)	(15 - 20)	(15,377)	(12 - 20)
Reconciliation items	117,966	22.35	21,468	20.16
Tax expense (income) at the average effective tax rate	12,440	2.36	6,091	5.72

	Separate financial statements			
	2023		2022	
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(434,389)		(114,084)	
Tax expense (income) at the applicable tax rate	(86,878)	(20.00)	(22,817)	(20.00)
Reconciliation items	98,196	22.60	22,840	20.02
Tax expense (income) at the average effective tax rate	11,318	2.60	23	0.02

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, 2023, the Group have deductible temporary differences totaling Baht 2,559 million (Separate financial statements : Baht 2,515 million) (2022: Baht 2,268 million, Separate financial statements : Baht 2,268 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, 2023, the Group have unused tax losses totaling Baht 919 million, USD 10 million (Separate financial statements : Baht 703 million) (2022: Baht 599 million, USD 41 million. (Separate financial statements : Baht 412 million) will expire by 2028.

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31. 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	
	2023	2022	2023	2022
Profit (loss) for the year (Thousand Baht)	(540,316)	(111,961)	(445,707)	(114,107)
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)	(0.0564)	(0.0117)	(0.0465)	(0.0119)

32. 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 2023 amounting to approximately Baht 5 million (Separate financial statements: Baht 3 million) (2022 : Baht 5 million, Separate financial statements: Baht 3 million) were recognised as expenses.

33. 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.

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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, 2023 and 2022, respectively.

	In Thousand Baht						
	For the year ended December 31, 2023						
	Pipeline system	Engineering system	Civil work	Sales and other services	Total Segments	Adjustments and eliminations	Consolidated
Timing of revenue recognition							
- Point in time	-	-	-	446	446	(446)	-
- Over time	472,511	-	1,359,407	309,349	2,141,267	-	2,141,267
Revenue from sales and services	472,511	-	1,359,407	309,795	2,141,713	(446)	2,141,267
Depreciation	(26,379)	-	(18,703)	(20,389)	(65,471)	1,454	(64,017)
Administrative expense	(65,865)	-	(111,054)	(49,653)	(226,572)	20,208	(206,364)
Segment profit (loss)	(63,359)	-	(252,292)	(110,318)	(425,969)	46,903	(379,066)
Other income							51,497
Interest revenue							1,115
Financial cost							(68,126)
Share of profit (loss) from investments in associated							(119,194)
Share of profit (loss) from investments in joint ventures							(14,101)
Profit (loss) before income tax expense							(527,875)
Income tax income (expense)							(12,440)
Profit (loss) for the year							(540,315)

	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	Consolidated
Timing of revenue recognition							
- Point in time	-	-	-	27,038	27,038	(25,438)	1,600
- Over time	724,846	-	2,256,144	360,700	3,341,690	-	3,341,690
Revenue from sales and services	724,846	-	2,256,144	387,738	3,368,728	(25,438)	3,343,290
Depreciation	(31,405)	-	(19,366)	(18,030)	(68,801)	1,454	(67,347)
Administrative expense	(104,365)	-	(92,659)	(61,647)	(258,671)	350	(258,321)
Segment profit (loss)	(54,736)	-	(14,468)	13,161	(56,043)	20,282	(35,761)
Other income							28,519
Interest revenue							1,212
Loss from business dissolution in the subsidiary							(36,846)
Financial cost							(42,550)
Share of profit (loss) from investments in joint ventures							(21,037)
Profit (loss) before income tax expense							(106,463)
Income tax income (expense)							(6,091)
Profit (loss) for the year							(112,554)

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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 2023, the Group have revenue from two major customers in amount of Baht 276 million and Baht 218 million, respectively arising from pipeline system segment and other services segment (2022 : Baht 726 million and Baht 550 million, two major customers from pipeline system segments).

34. COMMITMENTS AND CONTINGENT LIABILITIES

34.1 Purchase construction materials and subcontracted work commitments

As at December 31, 2023, the Group have outstanding commitments of Baht 3,111 million and USD 1 million in respect of purchase construction materials and subcontracted work (Separate financial statements : Baht 187 million and USD 1 million) (December 31, 2022 : Baht 3,734 million and USD 1 million in respect of purchase construction materials and subcontracted work (Separate financial statements : Baht 391 million and USD 1 million)).

34.2 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 3 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,	
	2023	2022	2023	2022
Payable :				
In up to 1 year	3	4	1	2
In over 1 and up to 3 years	-	-	-	-

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34.3 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,	
	2023	2022	2023	2022
Payable :				
In up to 1 year	-	1	-	1

34.4 Bank guarantees

As at December 31, 2023 and 2022, 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,	
	2023	2022	2023	2022
Guarantee of construction contract and bidding	1,049	1,330	250	424
Guarantee of advance payment bond and retention	1,438	1,511	258	192
Guarantee of others	128	153	88	108
Total	2,615	2,994	596	724

As at December 31, 2023, the Group had the obligations from related parties to use the letter of guarantee of the Group amounted Baht 341 million (December 31, 2022 : Baht 341 million).

34.5 Guarantees

- (a) As at December 31, 2023, the Company has commitments from guarantee of credit facilities of the subsidiary amounting to Baht 977 million (December 31, 2022 : Baht 985 million).
- (b) As at December 31, 2023, the Group have commitment from cross guarantee of credit facilities of the Group amounting to Baht 3,230 million (December 31, 2022 : Baht 3,230 million).

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34.6 Other commitments

	In Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,		As at December 31,	
	2023	2022	2023	2022
Other commitments				
Construction material purchase	-	50	-	48
Total	-	50	-	48

35. LITIGATIONS

As at December 31, 2023, the Group was sued claiming damage on the breach of hiring agreement in total 17 cases in the compensation amount of Baht 84 million (Separate financial statements : Baht 27 million), the case is under consideration of the Court. The Group cannot assess the period of cash paid for damages (if any) from such claim. The management of the Group believes such case will not cause significant damage to the Group. The information to fight the case is adequate and stands a chance to win the case. However, the management of the Group have recorded the provisions of Baht 46 million (Separate financial statements : Baht 27 million) in the financial statements.

Significant changes in the lawsuits are as follows :

	Amount (Million Baht)	Status of the Cases	Remark
<u>The Company</u>			
Case 1	20	The case is final. (The Company : plaintiff)	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 December 6, 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 ordered 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 July 3, 2023, the Supreme Administrative Court ordered the Company to repay the principal of Baht 10.15 million along with the interest at 7.5 percent of the principal of Baht 10 million to the accused person from the suing date (December 28, 2011) to April 10, 2021 and 5 percent per annum of the principal Baht 10 million from April 11, 2023 onwards. On August 25, 2023 the Company paid the amount of the sum with interest to the defendant in total Baht 18.30 million.

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The Company (Cont.)</u>			
Case 2	118	The case is final. (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. On April 21, 2023 a statement was submitted to dismiss the case to the arbitrator. On June 30, 2023 the arbitrator ordered the counterparty to compensate the company in the amount of Baht 119 million and the company to compensate the counterparty Baht 61 million and the counterparty to compensate the company on the difference of Baht 58 million. The arbitrator ordered the counterparty to pay the company within 30 days from the arbitration. On July 26, 2023 both parties have an agreement and already made payment.
Case 3	24.45	Under scheduling for the court hearing (The Company : plaintiff)	On June 13, 2023 the project contractor filed to the court on the breach of hire of work agreement and demanded the company to pay debt Baht 24.45 million along with the interest rate 5 percent per annum of the principal Baht 23.77 million from the suing date until the company pays to this contractor. The lawsuit is under the process of statement filing to the court. The scheduled statement date is August 24, 2023. Later, on September 4, 2023 all parties present themselves in court. The Company filed a statement and countersued the plaintiff to pay damages to the company in the amount Baht 22.31 million. The contractor has scheduled to negotiate with the company. The court permitted to postpone the mediation to reach agreement and settlement of issues on October 9, 2023. Later, both parties could not agree. The court scheduled the plaintiff's witness investigation on February 21, 2024 and defendant's witness investigation on February 22 - 23, 2024. On February 22, 2024 the court scheduled the witness investigation. The case has been completed for trial and it has scheduled the court hearing on April 30, 2024. The case is under scheduling for the court hearing. The Company recorded such liabilities in the financial statements. The Company's management believes the information in fighting the case is adequate and stands a chance to win the case.

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The Subsidiary</u>			
Case 1	28.6	Under the Supreme Court's consideration (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 September 25, 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 January 22, 2021, the Subsidiary had appealed to the Appeal Court for the additional damage compensation. On November 11, 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 January 10, 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.
Case 2	14.15	Awaiting the judgment of the Appeal Court (The Subsidiary : objector)	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 March 10, 2022 for subsidiary to pay 9.62 million Baht with interest rate 3% from the judgment date with the responsibility for expenses incurred as the subsidiary did not agree with the judgment. The subsidiary proceeded to withdraw the judgment of the arbitrator to the Central Intellectual Property and International Trade Court. On June 24, 2022, the litigant filed a petition to the court to enforce the final judgment of arbitrator to the Civil Court and requested the subsidiary pay the sum in accordance with the arbitrator's judgment. The Court ordered to investigate the petition on August 30, 2022. On July 12, 2022, the subsidiary filed a petition to the Civil Court to postpone the case consideration as the final judgment of the arbitrator is under the process to withdraw the case by the Central Intellectual Property and International Trade Court. On August 8, 2022, the court has scheduled the hearing for the order to temporarily wait for the court judgment of the case. As the petitioner has filed an objection to court to judge whether the case is governed by the Intellectual Property and International Trade Court. Later, to temporarily wait for court judgment and it was proposed to the Appeal Court of the special case for judgment.

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The Subsidiary</u> (Cont.)			
Case 2 (Cont.)			<p>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 has investigated the witness and petition of both parties. On March 24, 2023 the court ordered to enforce by the judgment of the arbitrator for the subsidiary to pay Baht 9.62 million along with the interest at 3 percent p.a. from March 10, 2022 onwards until payment is complete to the petitioner. Later, on May 24, 2023 the Subsidiary filed an appeal to the court and sent a copy of the appeal to the plaintiff. Presently, the case is under scheduling for the appeal hearing. The case is not final.</p> <p>The management of the subsidiary believes the information to fight the case is adequate and stands the chance to win the case. The subsidiary has not considered providing a provision in the financial statements.</p>
Case 3	66.8	The case is final (The Subsidiary : defendant)	<p>On January 14, 2022, the project contractor of the subsidiary filed a charge against the subsidiary on breaches of product and installation service agreement and claiming damages from the subsidiary Baht 66.88 million with interest at 15 percent per annum Baht 61.77 million from the filing date until payment is completely made to plaintiff. The court scheduled for settlement of issues and define the guidelines in taking legal action or witness investigation. On April 3, 2023 the subsidiary filed a statement and countersued such contractor. Later, on July 26, 2023 the court ordered the subsidiary and contractor to negotiate and agree on the damages. Both parties will present information to the management of each party and postpone the mediation. On August 30, 2023, both parties came to court. The plaintiff and defendant could not negotiate and reach agreement. This case is further entered into the witness investigation process.</p> <p>On November 15, 2023, the court mediated for the subsidiary and the contractor to compromise by allowing the subsidiary to pay debts to the contractor in the amount of Baht 54 million. The subsidiary agreed to pay the plaintiff in monthly installments and the payment shall be completed within 12 installments. The payment schedule is installments 1-3, payment of not less than Baht 3 million, installments 4-12, payment of not less than Baht 5 million starting the first installment payment within February 29, 2024, and payment shall be completed within January 31, 2025. The said lawsuit is final.</p>

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	Amount (Million Baht)	Status of the Cases	Remark
<u>The Subsidiary (Cont.)</u>			
Case 4	18.13	Pending witness investigation (The Subsidiary : defendant)	On October 5, 2023, the Company contracted the subsidiary's construction project being the plaintiff who filed a lawsuit against a subsidiary on breach of contract requesting to pay debt and claiming damages for hire of work. The amount of capital is Baht 18.13 million along with interest at the rate of 5 percent per year of the principal amount Baht 18.13 million from the date of filing the lawsuit until the defendant completes payment to the plaintiff. On January 16, 2024, the subsidiary's and the contractor's lawyers have come to court to determine the issue of dispute and set the date for examining the plaintiff's witness on May 30, 2024 and examining the defendant's witness on May 31, 2024. The case is in the process of examining the plaintiff's and defendant's witnesses. The subsidiary has recorded this amount of debt in the financial statements and the Subsidiary's management believes that the information in the legal fight is sufficient and that there is a chance of winning the case.

36. 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, 2023 and 2022 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 31, 2023 and 2022, 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, 2023					
	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	-	-	27	-	27	0.00 - 0.55
Trade and other current receivables	-	-	-	203	203	-
Contract assets	-	-	-	2,387	2,387	-
Short-term loans to related parties	6	-	-	-	6	2.50 - 6.25
Restricted deposits at banks	-	-	86	-	86	0.50
	<u>6</u>	<u>-</u>	<u>113</u>	<u>2,590</u>	<u>2,709</u>	
Financial liabilities						
Bank overdrafts and short-term loans from financial institution	472	-	406	-	878	4.25 - 8.45
Trade and other current payables	-	-	-	987	987	-
Contract liabilities	-	-	-	560	560	-
Short-term loans from other companies	19	-	-	-	19	7.00 - 8.00
Short-term loans from related parties	280	-	-	-	280	8.00 - 9.00
Accounts payable - retention under construction contracts	-	-	-	361	361	- 3.81 - 6.58
Lease liabilities	11	13	-	-	24	
	<u>782</u>	<u>13</u>	<u>406</u>	<u>1,908</u>	<u>3,109</u>	

	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	-
Short-term loans to related parties	18	-	-	-	18	2.50 - 6.25
Restricted deposits at banks	-	-	54	-	54	0.25
	<u>18</u>	<u>-</u>	<u>69</u>	<u>2,990</u>	<u>3,077</u>	
Financial liabilities						
Bank overdrafts and short-term loans from financial institution	490	-	450	-	940	3.00 - 7.60
Trade and other current payables	-	-	-	789	789	-
Contract liabilities	-	-	-	618	618	-
Short-term loans from related parties	73	-	-	-	73	6.25 - 8.00
Accounts payable - retention under construction contracts	-	-	-	285	285	-
Lease liabilities	10	8	-	-	18	3.81 - 6.44
	<u>573</u>	<u>8</u>	<u>450</u>	<u>1,692</u>	<u>2,723</u>	

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	In Million Baht					
	Separate financial statements					
	As at December 31, 2023					
	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	-	-	7	-	7	0.00 - 0.55
Trade and other current receivables	-	-	-	120	120	-
Contract assets	-	-	-	433	433	-
Short-term loans to related parties	3	-	-	-	3	2.50
Restricted deposits at banks	-	-	32	-	32	0.50
	<u>3</u>	<u>-</u>	<u>39</u>	<u>553</u>	<u>595</u>	
Financial liabilities						
Bank overdrafts and short-term loans from						
financial institutions	77	-	181	-	258	5.00 - 7.58
Trade and other current payables	-	-	-	531	531	-
Contract liabilities	-	-	-	75	75	-
Short-term loans from other companies	16	-	-	-	16	8.00
Short-term loans from related parties	929	-	-	-	929	6.25 - 9.00
Accounts payable - retention under						
construction contracts	-	-	-	34	34	-
Lease liabilities	<u>7</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>3.81 - 6.46</u>
	1,029	6	181	640	1,856	

	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	6.44
	1,026	7	-	527	1,560	

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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, 2023 and 2022, the Group had 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,	
	2023	2022	2023	2022	2023	2022
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	-	185	10	34.2233	34.5624

Foreign currency	Separate financial statements					
	Financial assets as at		Financial liabilities as at		Average exchange rate as at	
	December 31,		December 31,		December 31,	
	2023	2022	2023	2022	2023	2022
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	21	20	185	10	34.2233	34.5624

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.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2023 and 2022 are as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2023	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2023
Bank overdrafts and short-term loans from financial institutions	939,909	(61,448)	-	878,461
Short-term loans from other companies	-	19,500	-	19,500
Short-term loans from related parties	73,300	206,802	-	280,102
Lease liabilities	18,183	(11,619)	16,940	23,504
Total	1,031,392	153,235	16,940	1,201,567

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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	-
Short-term loans from related parties	-	73,300	-
Lease liabilities	21,264	(10,813)	7,732
Total	817,881	205,779	7,732

Separated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2023	Cash flows Increase (decrease)*	Non-cash Transaction Increase
			Balance as at December 31, 2023
Bank overdrafts and short-term loans from financial institutions	307,403	(49,413)	-
Short-term loans from other companies	-	16,000	-
Short-term loans from related parties	712,214	216,330	-
Lease liabilities	14,278	(6,122)	5,309
Total	1,033,895	176,795	5,309

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)	-
Short-term loans from related parties	693,000	19,214	-
Lease liabilities	14,112	(6,957)	7,123
Total	1,080,270	(53,498)	7,123

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

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on February 28, 2024.