

The 1st Quarter of 2013 Operating Performance Analysis
of TRC Construction Public Company Limited and Its Subsidiaries

(Unit: Million Baht)

<u>Consolidated FS</u>	The 1st Quarter				Difference	
	2013	Common Size	2012	Common Size		
Services income	640.33	99.68%	1,002.20	98.76%	-361.87	-36.11%
Interest income and other income	2.06	0.32%	12.56	1.24%	-10.49	-83.56%
Total revenues	642.40	100.00%	1,014.76	100.00%	-372.36	-36.69%
Cost of services	-571.62	-88.98%	-877.04	-86.43%	-305.42	-34.82%
Gross margin	68.71	10.70%	125.16	12.33%	-56.45	-45.10%
Administrative expenses	-54.48	-8.48%	-46.80	-4.61%	7.67	16.40%
EBIT	16.30	2.54%	90.91	8.96%	-74.62	-82.07%
Finance cost	-1.31	-0.20%	-0.56	-0.06%	0.75	133.21%
Income tax expenses	-8.95	-1.39%	-18.97	-1.87%	-10.02	-52.84%
Profit for the period	6.04	0.94%	71.38	7.03%	-65.34	-91.53%
Adjust: Minority interest of the subsidiaries	3.90	0.61%	-1.43	-0.14%	5.33	n/a
Profit attribute to equity holders of the parent	9.94	1.55%	69.95	6.89%	-60.01	-85.79%
Earnings per Share (Baht)	0.01		0.09			
Gross Profit Margin	10.73%		12.49%			
Net Profit Margin	1.55%		6.89%			
Debt to Equity (Times)	1.36		1.82			

The Summary of the 1st Quarter of 2013 Operating Performance

TRC Construction Public Company Limited (“the Company”) and its subsidiaries’ services income for the 1st quarter of 2013 was recorded at Baht 640.33 million decreasing 36.11% from Baht 1,002.20 million of last year. This was resulted from the decreased revenue recognition of the 400,000 LPD Bio-Ethanol Project (Work value of Baht 2,134 million) which was awarded to Sahakarn Wisavakorn Co., Ltd. (“SKW”), a subsidiary as this project has been nearly completed since the end of 2012. Main services income of this quarter was firstly from the Gas Pipeline Construction Work for Gulf JP’s IPP Projects of Gulf JP Co., Ltd. with work value of Baht 1,185 million and USD 16.345 million, secondly from the GUT Gas Pipeline Project of Gulf JP UT Co., Ltd with work value of Baht 1,547.43 million and PTTAR to IRPC Multiproduct Pipeline from IRPC Public Co., Ltd. with work value of Baht 722.80 million, respectively.

Cost of services was at Baht 571.62 million, decreasing from last year at Baht 877.04 million due to the decrease of services income. Proportion of cost of service per total revenue increased from 86.43% to 88.98%

Administrative expenses increased from Baht 46.80 million to Baht 54.48 million, representing 16.40% increase. Main administrative expenses were wage and salary. Proportion of administrative expenses per total revenue increased from 4.61% to 8.48% due to the decrease of services income.

The 2013 gross profit was at Baht 68.71 million, decreasing from Baht 125.16 million in the 1st quarter of 2012 or representing 45.10% decrease. Gross margin was at 10.73%, decreasing from the same quarter of 2012 at 12.49% due to the gross loss of SKW and TRC Engineering LLC (a subsidiary in Sultanate of Oman).

The 2013 net profit attributable to equity holders of the Company was at Baht 9.94 million, decreasing from the same quarter of 2012 at Baht 69.95 million or representing 85.79% decrease. Net profit margin was at 1.55%, decreasing from last year at 6.89% due to the operating loss of SKW and TRC Engineering LLC. However, the operating loss of TRC Engineering LLC in this quarter decreased from the 4th quarter of 2012. In 2013, TRC Engineering LLC will attend the bidding in Sultanate of Oman under the collaboration with Thai business alliance in Petrochemical Group. In the meantime, SKW is under the bidding stage for projects in both government and private sector. It is anticipated that both companies can be awarded for more projects and recover the operating performance.

Backlog as at the End of the 1st Quarter of 2013 Total of Baht 2,235 Million

	No. of the Projects	Value of the remaining uncompleted work as at 31 March 2013 (Million Baht)
TRC	14	1,889.29
Sahakarn Wisavakorn	4	130.61
TRC Middle East LLC (Sultanate of Oman)	1	215.50
TRC Engineering LLC (Sultanate of Oman)	<u>None</u>	<u>None</u>
Total	<u>19</u>	<u>2,235.40</u>

Future Potential Projects

The Company is currently waiting for the result of one gas pipeline project bidding which should be declared in the 3rd quarter of 2013. In addition, in coming May, TRC is going to submit the bid of Provincial Gas Transmission Pipeline Project from Nakorn Sawan to Nakorn Ratchasima, project value approximately of Baht 9,000 million, under the co-operation with Chinese strategic partner.

Par Split and Registered Capital Decrease/Increase

On 25 April 2013, the Company registered the par split of the ordinary shares from Baht 1.00 to Baht 0.50 in order to increase the number of shares trading in the SET. The par split has been effective to the shares in the SET since 3 May 2013.

On 26 April 2013, the registered capital decreased from Baht 471,502,434 to Baht 336,585,589 by deleting 269,833,690 unissued shares with a par value of Baht 0.50 remaining from the allotment under general mandate and shares reserved for ESOP-W1.

On 29 April 2013, the registered capital increased from Baht 336,585,589 to Baht 425,514,868.50 reserving for the issuance of stock dividend, right offering and ESOP-W2.

Dividend for the 2012 Performance

On 23 May 2013, the Company is going to pay dividend for the 2012 performance at the rate not exceeding of Baht 0.133694 per share consisting of

- cash dividend at the rate of Baht 0.050358 per shares and
- stock dividend at the ratio of 6 existing shares per 1 new share which is equivalent to not exceeding Baht 0.083336 per share.

The record date for the names of shareholders who have rights to receive dividend was on 9 May 2013. The dividend payment is in accordance with the resolution approved by the 2013 Annual General Meeting of Shareholders held on 24 April 2013.

Right Offering Subscription Period and ESOP-W2 Issuance Date

The 3/2013 Board of Directors' Meeting held on 10 May 2013 had a resolution as follows;

1. Right offering subscription period for the newly issued shares at the amount of not exceeding 33,658,559 shares, at a par value of Baht 0.50 at the ratio of 20 existing shares to 1 new share at the offering price of Baht 2.50 per share is scheduled to be during 17-21 June 2013.

(The record date for the name of shareholders who have right to receive the allotment of shares from right offering was on 9 May 2013.)

2. The date for the issuance of the Warrants to purchase the Company's ordinary shares No.2 ("ESOP-W2") at the amount of not exceeding 32,000,000 units allocated to directors and employees of the Company and its subsidiaries is scheduled to be on 1 July 2013. The ESOP-W2 holders can gradually exercise their ESOP-W2 on every 30th day of the ending month of each quarter, starting from the second quarter of year 2014 until the second quarter of year 2016.



(Mr. Smai Leesakul)

Chief Executive officer

13 May 2013