

No.IR.003/2019

28 February 2019

Re: Notification of the changes of the Profit and Loss Statement

To: President

Stock Exchange of Thailand

We, T Engineering Corporation Public Company Limited (the “Company”), would like to notify the Stock Exchange of Thailand regarding the business operation for the year 2018 ending 31 December 2018 as follows;

On August 14, 2018, the resolution of the Board of Directors’ meeting approved to dissolve T Asset Management Company Limited., a subsidiary of the Company. The subsidiary registered the dissolution on November 5, 2018 and registered the liquidation on January 28, 2019 with the Department of Business Development.

#### Outline of 2018 Business operation

The outline of the Company’s business operation in the year of 2018 is as follows;

##### 1. Total incomes and Gross profit

The Company and subsidiary had total income from the construction project Baht 666.58 million which increases in the amount of Baht 147.19 million or 28.34% when compared to the year 2017. There is a gross loss of 22.78% due to the expected loss estimation from one of the current construction projects. For all other completed projects in 2018 with 10% of gross profit margin still meet the Company’s expectation.

For other revenues is Baht 68.45 million, consists of profits from the sales of assets in the amount of Baht 52.18 million and the sales of construction waste in the amount of Baht 16.27 million. In year 2018, the Company sold land and buildings which were formerly the headquarters and sold 4 plots of land at Phan Thong in the area of 75 rai 34 square wah, according to the resolutions of the Board of Directors’ meeting, held on July 19, 2018 with the amount of Baht 412.97 million, along with the amortization of the property in such land. There is a net profit of Baht 52.18 million. For profit from

asset valuation after selling assets into the retained earnings of Baht 250.98 million (net amount after deducted corporate income tax).

2. Cost of construction

The total cost of construction is Baht 818.44 million which increases in the amount of Baht 312.94 million or 61.91% when compared to the year 2017. It is a result of recognition of the expected loss estimation in one of the long-term construction contracts. However, if the Company can control the cost of the construction in this project as per planned or any other factors, this loss can be reversed to a Company's profit at the end of the project. For other projects are still follow the proportion of revenue.

3. Expenses

The Company and subsidiary had overall expenses at Baht 123.45 million which decreases in the amount of Baht 6.38 million or 4.91% when compared to the year 2017.

4. Allowance for doubtful accounts and damages from lawsuit

The damages from lawsuit decreased when compared to the year 2017. In year 2018, the Company reversed the reserve for damages from a lawsuit in the amount of Baht 21.85 million due to the judgment of the Court of Appeal to the Company to receive the repayment for construction costs. The remaining provision for damages from lawsuit is sufficient to the amount which may occur.

5. The financial cost

In 2018, the Company still has been unable to obtain the financial support from financial institutions. As a result, the Company has been running the business by its working capital and wages from the owners, including support from distributors result in the Company and subsidiary have financial cost in the amount of Baht 4.15 million which decreased in the amount of Baht 9.36 million or 69.29% when compared to the year 2017.



T ENGINEERING  
CORPORATION PCL

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T Engineering Corporation Public Company Limited



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6. Dissolution of subsidiary

On August 14, 2018, the resolution of the Board of Directors' meeting approved to dissolve the subsidiary, which is a non-active subsidiary including the approval of land sale at Phan Thong which used to be a land to be developed. Moreover, the Company still faces problems and obstacles in finding funding sources, so the dissolution of this subsidiary will enhance to manage and reduce the cost.

To summarize for the year ended 31 December 2018, the Company and subsidiary have total revenues in the amount of Baht 666.58 million and net loss in the amount of Baht 186.72 million.

Please be informed accordingly.

Sincerely yours,

(Mr. Tradsin Chongussayakul)

Chief Executive Officer and Acting Managing Director  
T Engineering Corporation Public Company Limited