

IR.023/2019

26 November 2019

Re: Plan and Progress Report in Solving C Caution

To President

The Stock Exchange of Thailand

On November 26, 2019, T Engineering Corporation Public Company Limited (the "Company") arranged a Public Presentation to provide information to investors and related parties as the Company has been remarked as "C" due to the Company's shareholder's equity is less than 50% of paid-up capital after deducted discount on share capital for the financial statement of quarter 3/2019 ended on September 30, 2019. The summary is as follows;

**Causes**

- In the past, until 2014, the Company has suffered from long-term debt and loss from the operation by the former management. As a result, the Company has repayment obligation to reduce debts. The details of debt obligations are as follows;

	2014	2015	2016	2017	2018	Q3/2019
Accounts payable and accrued expenses	439.63	249.23	136.68	112.70	100.21	95.32
Retention receivables	65.73	61.44	46.16	31.78	24.33	20.91
Bank Overdraft	37.46	37.57	21.82	21.93	-	-
Promissory note	451.92	-	-	-	-	-
Long-term borrowing from a financial institution	-	178.17	109.17	40.17	-	-
<b>Total</b>	<b>994.75</b>	<b>526.41</b>	<b>313.82</b>	<b>206.58</b>	<b>124.54</b>	<b>116.23</b>

- Provision for long-term outstanding receivables
- Provision for damages from lawsuit that occurred in the year 2013 - 2014
- The Company has been unable to obtain the financial support from financial institutions due to major legal cases derived from the negative impact from the construction project occurred during the period of the year 2012 – 2014. As a result, the Company has been running the business by its existing cash flow of the Company.
- Competition in the construction industry including the increase in prices of construction materials and the risen of wages. As a result, the Company has a relatively low gross profit margin.



T ENGINEERING  
CORPORATION PCL

# บริษัท ที เอ็นจิเนียริ่ง คอร์ปอเรชั่น จำกัด (มหาชน) T Engineering Corporation Public Company Limited



ชั้นที่ 15 อาคารรัตนาคาร เลขที่ 3 ถนนสาทรใต้ แขวงยานนาวา เขตสาทร กรุงเทพฯ 10120 โทร : 02-018-7190-8 แฟกซ์ : 02-018-7199 ทะเบียนเลขที่ 0107548000501  
15th Floor, Rajanakarn Building, 3 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel : 02-018-7190-8 Fax : 02-018-7199 Tax ID : 0107548000501

## Solutions

- At present, the Company has no loans with financial institutions due to the Company has repaid its all loans to financial institutions. As a result, the Company has no long-term loans with financial institutions and the Company will be able to obtain the financial support from financial institutions to operate the business effectively.
- Improve operation cost management to be more efficient to reduce operating cost
- Reduce administrative cost at least 10-20% when compared to last year.
- Apply for tax refund in year 2015-2018 in the amount of approximately Baht 65 million.
- Reversal of a provision for damages from lawsuit if the Company wins the cases.
- Increase revenue by expanding customer base to EPC because the construction of this type of construction is more profitable than other types of construction.
- The Company is in the process of negotiating and studying a guideline for implementation with those who are capable of becoming partners with the Company. In terms of increasing the capacity of the construction business to have ability to operate and receive more valuable and profitable work, including in the new businesses that are more efficient in generating revenue, capital, and profits for the Company.
- The Company is in the process of considering the par reduction to reduce its registered capital to make the proportion of the shareholders of the Company is more than 50% of paid-up capital after deducted discount on share capital.

Please be informed accordingly.

Sincerely yours,

(Mr. Tradsin Chongussayakul)

Chief Executive Officer and Acting Managing Director

T Engineering Corporation Public Company Limited