



T ENGINEERING
CORPORATION PCL

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



242,244 ถนนกรุงธนบุรี แขวงคลองตันใต้ เขตคลองสาน กรุงเทพฯ 10600 โทรศัพท์ : 02-018-7190-8 แฟกซ์ : 02-018-7199 ทะเบียนเลขที่ : 0107548000501
242,244 Krung Thonburi Road, Khlong Ton Sai, Khlong San, Bangkok 10600 Tel : 02-018-7190-8 Fax : 02-018-7199 Tax ID : 0107548000501

IR.006/2021

10 March 2021

Re: Plan and Progress Report in Solving C Caution

To President

The Stock Exchange of Thailand

On March 10, 2021, 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 in year 2020 ended on December 31, 2020. 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	2019	2020
Accounts payable and accrued expenses	439.63	249.23	136.68	112.70	100.21	95.32	18.81
Retention receivables	65.73	61.44	46.16	31.78	24.33	19.19	13.19
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	-	-	-
Total	994.75	526.41	313.82	206.58	124.54	114.51	32.00

- Provision for long-term outstanding receivables
- Provision for damages from lawsuits 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.



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- 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.
- The construction business in industrial sector is in a sluggish period. Therefore, the revenues is not as expected.

Solutions

- At present, the Company has no loans with any financial institutions due to the Company repaid all loans to financial institutions at the end of year 2018. As a result, the Company has no long-term loans with financial institutions. In addition, in the first quarter of the year 2020, the Company has completely settled a major lawsuit dispute, and in the third quarter of the year 2020 the Supreme Court has made a final judgment that the Company won a major litigation case. As a result, the Company has more opportunity to obtain the financial support from financial institutions to operate the business effectively. The Company is in the process of negotiating for financial support from various financial institutions.
- During the third quarter of the year 2020, the Company won a major litigation case, which the Supreme Court made the final judgment that our contractor has to pay the Company of Baht 65.01 million with the interest at the rate of 7.5 percent per year since the next date of prosecution until payment completion (calculating up to date, approximately Baht 41.88 million). The Company can utilize this amount as a working capital. This may increase opportunity for the Company to take part in bidding more construction projects. In addition, as a result of the Supreme Court's final judgment, the Company has reversed the provision for damages from this lawsuit in the amount of Baht 30.22 million. The shareholders' equity has increased accordingly.
- The Company is in the process of improving the operation cost management to be more efficient to reduce operating cost.
- The Company has reduced administrative cost.
- The Company is in the process of applying for tax refund in year 2015-2019, which expected to receive in the amount of approximately Baht 74 million.
- The Company has tried to increase revenue by expanding customer base to EPC because this type of construction is more profitable than other types of construction.



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- The Company is in the process of negotiating with potential partner in terms of new businesses that are more efficient in generating revenue, capital, and profits for the Company. It is tentative to conclude within the second quarter of the year 2021.
- In case, the investment plans as mentioned above do not meet the expectations, the managements considers that the Company needs to increase capital within July - August 2021 by increasing the capital of approximately Baht 75-100 million by allowing the shareholders to subscribe in excess of their rights. The Company can use the said proceeds for working capital.

Please be informed accordingly.

Sincerely yours,

(Mr. Pitsanu Vichitcholchai)

Chief Executive Officer

T Engineering Corporation Public Company Limited