

IR.036/2020

12 November 2020

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

To President

The 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 3rd Quarter of the year 2020 ended 30 September 2020 as follows;

Total Revenue

The Company has the total revenue for three-month period and nine-month period ended 30 September 2020 in the amount of Baht 11.71 million and Baht 61.70 million, respectively. When compared to the same period of the year 2019, that had the total revenue in the amount of Baht 69.12 million and Baht 208.85 million, respectively. For three-month period, the total revenue decreases in the amount of Baht 57.41 million or 83.06% and for nine-month period, the total revenue decreases in the amount of Baht 147.15 million or 70.46%.

Total Comprehensive Profit and Loss

The Company has the total profit for three-month period ended 30 September 2020 in the amount of Baht 16.73 million. When compared to the same period of the year 2019, that had the total loss in the amount of Baht 15.95 million which increased in the amount of Baht 32.68 million or 204.87%. The total comprehensive profit for three-month period ended 30 September 2020 is in the amount of Baht 16.02 million which increased of 185.81%. When compared to the same period of the year 2019, the total comprehensive loss is in the amount of Baht 18.67 million.

For nine-month period ended 30 September 2020, the Company has the total lose in the amount of Baht 16.93 million which **increased** in the amount of Baht 45.25 million or 159.79%. When compared to the same period of the year 2019, that had the total profit in the amount of Baht 28.32 million. The total comprehensive loss at the end of the period is in the amount of Baht 14.02 million. When compared to the same period of the year 2019, the total comprehensive profit is in the amount of Baht 21.13 million.

The Company would like to provide the explanation on the changes of the Profit and Loss Statement for three-month period and nine-month period ended 30 September 2020 as follows;

1. The revenues from construction and other revenues

The revenues from construction for three-month period is Baht 10.46 million which decreases in the amount of Baht 55.20 million or 84.07% and for nine-month period, the revenues from construction is Baht 57.78 million which decreases in the amount of Baht 133.75 million or 69.83% when compared to the same period of the year 2019. The revenues is from the former project which is completed, and the new project will start construction in October.

2. Cost of construction

Cost of construction for three-month period is in the amount of Baht 8.27 million which decreases in the amount of Baht 53.07 million or 86.52% and for nine-month period is in the amount of Baht 48.92 million which decreases in the amount of Baht 131.04 million or 72.81% when compared to the same period of the year 2019. The cost decreases according to the amount of work of the remaining project.

3. The administrative expenses

The administrative expenses for three-month period are as follows;

Expense/Income	2020	2019
Employee expenses and benefits	16,420,127	13,882,751
Other expenses	8,340,193	11,607,734
Expense (income) allocation	-	(2,574,362)
Bad debt	1,841,890	-
Total administrative expenses	26,602,210	22,916,123

The administrative expenses for three-month period is in the amount of Baht 26.60 million, which increases in the amount of Baht 3.69 million or 16.09%, consisting of the employee expenses and benefits in the amount of Baht 16.42 million, which increased due to two main reasons; (a) the reorganization in the Company, causing the Company to pay compensation in this period in the amount of Baht 2.30 million, and (b) there was the relocation of some employees, causing the Head office assumes these expenses slightly higher. Also, in this period, there is a write-off the bad debts

in the amount of Baht 1.84 million. However, other administrative expenses decreases in the amount of Baht 3.27 million. In this regard, the allocation expenses of the department that support the construction department decreased in line with the number of construction projects. Therefore, the Head office still has to assume these additional expenses.

The administrative expenses for nine-month period are as follows;

Expense/Income	2020	2019
Employee expenses and benefits	42,970,529	43,649,414
Other expenses	25,466,718	31,338,932
Expense (income) allocation	-	(6,157,336)
Bad debt	15,089,495	-
Total administrative expenses	83,526,742	68,831,010

The administrative expenses for nine-month period is in the amount of Baht 83.53 million, which increases in the amount of Baht 14.70 million or 21.35% when compared to the same period of the year 2019. This amount includes expenses of write-off the bad debts in the amount of Baht 15.09 million. The Company has already set an allowance for loss of such bad debt full and sufficient; and show the reversal of this allowance for loss separated from operating expenses in the financial statements. In this regard, the Company has administrative expenses (excluding the amount of write-off the bad debts) in the amount of Baht 68.44 million, which decreases in the amount of Baht 0.39 million or 0.57% when compared to the same period of the year 2019. The company is in the process of reducing expenses in accordance with the policy to control the Company's expenses in order to be consistent with the current income and economic conditions.

4. Allowance for impairment losses and provision for damages from lawsuit

The Company has reversed the impairment loss for three-month period and nine-month period in the amount of Baht 8.03 million and Baht 22.18 million, respectively; and showed the reversal of this allowance separated from administrative expenses in the financial statements after deducting the impairment losses of write-off the bad debts as mentioned above. Therefore, the reversal of the impairment loss for three-month period and nine-month period will be in the amount of Baht 6.19 million and Baht 7.09 million, respectively. It is a result of the bad debts have been repaid.



T ENGINEERING
CORPORATION PCL

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For this quarter, the Company has reversed the provision for damages from lawsuit in the amount of Baht 31.25 million because of the final judgment of the Supreme Court on 28 October 2020, which ordered the Employer to pay the Company in the amount of Baht 65.01 million with interest from the date of lawsuit filing until fully paid. Such amount is the amount after deducting compensation to the Employer in the amount of Baht 3.62 million.

5. The financial cost

The financial cost for three-month period and nine-month period is in the amount of Baht 0.06 million and Baht 0.36 million, respectively. The Company has no financial cost burden.

Please be informed accordingly.

Sincerely yours,

(Mr. Pitsanu Vichitcholchai)

Chief Executive Officer

T Engineering Corporation Public Company Limited