



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.020/2021

26 August 2021

Re: Plan and Progress Report in Solving C Caution

To President

The Stock Exchange of Thailand

On August 26, 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 of quarter 2/2021 ended on June 30, 2021. The summary is as follows;

Causes

- In the past, until 2014, the Company has suffered from debt and loss from the operation by the former management. The Company has reduced debts by gradually repayment. The details of obligations are as follows;

Unit : million baht

	2014	2015	2016	2017	2018	2019	2020	Q2/2021*
Accounts payable and accrued expenses	439.63	249.23	136.68	112.70	100.21	95.32	18.81	14.72
Retention receivables	65.73	61.44	46.16	31.78	24.33	19.19	13.19	12.53
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	27.25

*In the second quarter of the year 2021, the Company receives a loan from financial institution in the amount of Baht 30 million.

- Provision for long-term outstanding receivables
- Provision for damages from lawsuits even though the numbers of the said provision are gradually declining. In the first quarter of the year 2020, the Company has completely settled a major lawsuit dispute, and in the fourth quarter of the year 2020, the Company won a major litigation case.



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- For the past several years, the Company is unable to take full potential for competition in the construction industry. 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. However, in 2020, the Company has completely settled a major lawsuit dispute and won a major litigation case as previously mentioned. This problem tends to be resolved in a better direction.
- The competition in the construction industry, the increase in prices of construction materials and the risen of wages cause an impact to a low gross profit margin.
- The construction business sector is in a recession period. Therefore, the revenues is not as expected.

Solutions

- In the first quarter of the year 2020, the Company has completely settled a major lawsuit dispute, and in the fourth 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 opportunity to obtain the financial support from financial institutions to operate the business more efficiently.
- In the year 2021, the Company receives a loan from financial institution in the amount of Baht 30 million. The Company can utilize this amount as a working capital and increase the liquidity in business operation.
- In the fourth quarter of the year 2020, the Company won a major litigation case, which the Supreme Court made the final judgment that a project owner has to pay the Company of Baht 65,005,820.23 million with the interest at the rate of 7.5 percent per year since the next date of prosecution until payment completion, which calculating up to 13 August 2021, approximately Baht 44.15 million. The Company can utilize this amount as a working capital. This may increase opportunity for the Company to join in bidding more construction projects.
- The Company is in the process of improving the 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 2017-2019, which expected to receive approximately Baht 49 million.
- The Company has tried to increase revenues by expanding customer base to EPC because this type of construction is more profitable than other types of construction.



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- On August 20, 2021, the board of directors' meeting of the Company has passed the resolution to propose to the shareholders' meeting consider and approve the issuance and offering of not exceeding 54,044,000,000 newly issued ordinary shares of the Company with a par value of THB 1.00 per share to specific investors on a private placement basis, equivalent to 83.15 percent of the total issued and paid-up shares of the Company (after the PP Transactions) at the offering price of THB 0.02 per share, totaling THB 1,080,880,000, to five investors. The Company shall convene the Extraordinary General Meeting of Shareholders No. 1/2021 on October 12, 2021, at 10.00 hrs.

In this regard, if the above PP Transactions is successful, it will assist the Company to restore its ability to operate business, and enhance the Company's competitiveness, both short-term and long-term, and to bring about new business opportunities for the Company to improve its performance and successfully resolve the problems regarding the qualifications to maintain its status as a listed company on the SET.

- In case, the investment plan as mentioned above does not go according to the plan, the management considers that the Company has to increase capital within year 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