

IR.031/2020

13 August 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 2nd Quarter of the year 2020 ended 30 June 2020 as follows;

Total Revenue

The Company has the total revenue for three-month period and six-month period ended 30 June 2020 in the amount of Baht 22.67 million and Baht 49.99 million, respectively. When compared to the same period of the year 2019, that had the total revenue in the amount of Baht 72.30 million and Baht 139.74 million, respectively. For three-month period, the total revenue decreases in the amount of Baht 49.63 million or 68.65% and for six-month period, the total revenue decreases in the amount of Baht 89.74 million or 64.22%.

Total Comprehensive Profit and Loss

The Company has the total loss for three-month period ended 30 June 2020 in the amount of Baht 9.39 million. When compared to the same period of the year 2019, that had the total loss in the amount of Baht 10.07 million which decreased in the amount of Baht 0.67 million or 6.69%. The total comprehensive loss period ended 30 June 2020 is in the amount of Baht 5.12 million.

For six-month period ended 30 June 2020, the Company has the total loss in the amount of Baht 33.66 million. When compared to the same period of the year 2019, that had the total profit in the amount of Baht 44.27 million. The total comprehensive loss at the end of the period is in the amount of Baht 30.04 million. When compared to the same period of the year 2019, the total comprehensive profit is in the amount of Baht 39.80 million.

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

1. The revenues from construction for three-month period is Baht 20.12 million which decreases in the amount of Baht 47.01 million or 70.03% and for six-month period, the revenues from construction is Baht 47.32 million which decreases in the amount of Baht 78.55 million or 62.40% when compared to the same period of the year 2019. The revenues is from the remaining project which is almost complete, and which is in the process of testing the system and handing over to the owner. The Company will start constructing the new bidding project around the beginning of September.
2. Cost of construction for three-month period is in the amount of Baht 13.99 million which decreases in the amount of Baht 48.83 million or 77.73% and for six-month period is in the amount of Baht 40.65 million which decreases in the amount of Baht 77.96 million or 65.73% when compared to the same period of the year 2019. The cost decreases in this quarter due to the remaining project is in the end stage of the project and the number of projects decreased from the previous year.
3. The administrative expenses for three-month period are as follows;

Expense/Income	2020	2019
Employee expenses and benefits	11,116,644.56	14,621,136.01
Other expenses	7,645,942.42	7,715,034.38
Expense (income) allocation	0	(3,582,974.51)
Total administrative expenses	18,762,586.98	18,753,195.88

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 has to assume these additional expenses. The administrative expenses for three-month period increases in the amount of Baht 0.009 million or 0.05% when compared to the same period of the year 2019.

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

Expense/Income	2020	2019
Employee expenses and benefits	26,550,391.34	29,766,662.86
Other expenses	17,087,844.10	19,731,198.78
Expense (income) allocation	0	(3,582,974.51)
Bad debt	13,247,605.00	0
Total administrative expenses	56,885,840.44	45,914,887.13

The administrative expenses for six-month period is in the amount of Baht 56.85 million, which increases in the amount of Baht 10.97 million or 23.89% 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 13.25 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 as mentioned above) in the amount of Baht 43.64 million, which decreases in the amount of Baht 2.28 million or 4.96% 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. The financial cost for three-month period and six-month period is in the amount of Baht 0.06 million and Baht 0.30 million, respectively. The Company still has been running the business by its working capital, so there is no financial cost burden.

Please be informed accordingly.

Sincerely yours,

(Mr. Pitsanu Vichitcholchai)

Chief Executive Officer

T Engineering Corporation Public Company Limited