

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS**

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**

We have reviewed the statement of financial position of T Engineering Corporation Public Company Limited as at September 30, 2019, and the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, and the related statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2019, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

### **Emphasis of Matter**

Without modifying our conclusion on the aforementioned interim financial information, we draw attention to Note 29 to the interim financial statements, the Company has many litigations which are currently under the process of the courts.

**BANGKOK**  
November 13, 2019

Chavala Tienpasertkij  
Certified Public Accountant (Thailand)  
Registration No. 4301  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2019**

**Unit : Baht**

|   | Notes | As at<br>September 30,<br>2019<br>“Unaudited” | As at<br>December 31,<br>2018 |
|---|-------|---|-------------------------------|
| <b>ASSETS</b>   |       |   |                               |
| <b>CURRENT ASSETS</b>                                     |       |   |                               |
| Cash and cash equivalents                                 | 4.3   | 12,832,964                                    | 42,241,305                    |
| Current investments                                       | 5     | 5,295,840                                     | 4,014,000                     |
| Trade and other current receivables                       | 6     | 79,445,397                                    | 181,645,189                   |
| Inventories   | 7     | -   | 155,771                       |
| Current tax assets  |       | 6,737,575                                     | 23,500,735                    |
| Deposit for business acquisition                          | 8     | 5,676,167                                     | -                             |
| Asset held for distribution to owners                     | 9     | -   | 854,268                       |
| Other current assets                                      |       | 2,207,000                                     | 3,968,887                     |
| Total Current Assets                                      |       | 112,194,943                                   | 256,380,155                   |
| <b>NON-CURRENT ASSETS</b>                                 |       |   |                               |
| Deposits at financial institution with restriction of use | 10    | 257,351,500                                   | 297,312,009                   |
| Investments held as available for sale                    | 11    | 28,874,844                                    | 36,060,300                    |
| Investment in joint arrangement                           | 12    | -   | -                             |
| Trade and other non-current receivables                   | 13    | 8,304,697                                     | 9,447,433                     |
| Property, plant and equipment                             | 14    | 79,287,845                                    | 82,762,700                    |
| Retention receivables                                     | 15    | 71,416,450                                    | 82,158,878                    |
| Intangible assets   |       | 4,028,816                                     | 5,178,209                     |
| Other non-current assets                                  | 16    | 107,624,980                                   | 82,071,859                    |
| Total Non-current Assets                                  |       | 556,889,132                                   | 594,991,388                   |
| <b>TOTAL ASSETS</b>                                       |       | <b>669,084,075</b>                            | <b>851,371,543</b>            |

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT SEPTEMBER 30, 2019**

**Unit : Baht**

|  | Notes | As at<br>September 30,<br>2019<br>“Unaudited” | As at<br>December 31,<br>2018 |
|--|-------|---|-------------------------------|
| <b>LIABILITIES AND SHAREHOLDERS’ EQUITY</b>  |       |   |                               |
| <b>CURRENT LIABILITIES</b>   |       |   |                               |
| Trade and other current payables   | 17    | 169,445,265                                   | 198,874,945                   |
| Current portion of long-term liabilities under<br>finance lease agreements                 | 18    | 303,881                                       | 282,431                       |
| Other short-term borrowing   |       | 12,235,690                                    | 12,235,690                    |
| Current retention payables   |       | 26,246,311                                    | 21,624,685                    |
| Unearned construction revenues and advances from customers<br>under construction contracts | 24    | 35,701,112                                    | 8,756,754                     |
| Short-term provisions  |       | 4,164,808                                     | 1,472,323                     |
| Provision for expected loss on construction contracts                                      | 19.1  | -   | 192,805,344                   |
| Provision for penalty arising from delay   | 19.2  | -   | 23,609,726                    |
| Provision for current liabilities from employee benefits                                   |       | 1,948,372                                     | -                             |
| Other current liabilities  | 20    | 24,503,573                                    | 14,363,506                    |
| Total Current Liabilities  |       | 274,549,012                                   | 474,025,404                   |
| <b>NON-CURRENT LIABILITIES</b>   |       |   |                               |
| Non-current retention payables   |       | 20,908,598                                    | 24,605,446                    |
| Long-term liabilities under finance lease agreements                                       | 18    | 80,733  | 311,402                       |
| Deferred tax liabilities   |       | 2,850,335                                     | 2,931,335                     |
| Provisions for loss on litigations   | 29    | 77,665,645                                    | 78,460,809                    |
| Non-current provisions for employee benefits   |       | 7,522,765                                     | 6,663,744                     |
| Total Non-current Liabilities  |       | 109,028,076                                   | 112,972,736                   |
| <b>TOTAL LIABILITIES</b>   |       | <b>383,577,088</b>                            | <b>586,998,140</b>            |

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2019**

**Unit : Baht**

|   | Notes | As at<br>September 30,<br>2019<br>“Unaudited” | As at<br>December 31,<br>2018 |
|---|-------|---|-------------------------------|
| <b>LIABILITIES AND SHAREHOLDERS’ EQUITY</b>       |       |   |                               |
| (CONTINUED)                                       |       |   |                               |
| SHAREHOLDERS’ EQUITY                              |       |   |                               |
| SHARE CAPITAL                                     |       |   |                               |
| Authorized share capital                          | 21    |   |                               |
| 10,545,938,156 ordinary shares of Baht 1 each     |       | 10,545,938,156                                |                               |
| 13,035,049,764 ordinary shares of Baht 1 each     |       |   | 13,035,049,764                |
| Issued and paid-up share capital                  |       |   |                               |
| 10,114,938,156 ordinary shares of                 |       |   |                               |
| Baht 1 each, fully paid                           |       | 10,114,938,156                                | 10,114,938,156                |
| Discount on ordinary shares                       |       | (8,500,747,796)                               | (8,500,747,796)               |
| Retained earnings (deficit)                       |       |   |                               |
| Appropriated                                      |       |   |                               |
| Legal reserve                                     |       | 5,526,839                                     | 5,526,839                     |
| Accumulated deficit                               |       | (1,327,379,780)                               | (1,356,022,820)               |
| Expired warrant surplus                           | 22    | 7,859,252                                     | 7,859,252                     |
| Other components of shareholders’ equity          |       | (14,689,684)                                  | (7,180,228)                   |
| TOTAL SHAREHOLDERS’ EQUITY                        |       | 285,506,987                                   | 264,373,403                   |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY</b> |       | <b>669,084,075</b>                            | <b>851,371,543</b>            |

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED SPETEMBER 30, 2019**  
**“Unaudited”**

**Unit : Baht**

|   | Notes | Consolidated         | Separate             |                    |
|---|-------|----------------------|----------------------|--------------------|
|   |       | financial statements | financial statements |                    |
|   |       | 2018                 | 2019                 | 2018               |
| Revenues from construction contracts  | 24    | 178,503,745          | 65,660,790           | 178,503,745        |
| Cost of construction contracts  | 24    | -174,927,260         | -61,342,565          | -174,927,260       |
| <b>Gross profit</b>   |       | <u>3,576,485</u>     | <u>4,318,225</u>     | <u>3,576,485</u>   |
| Other income  |       | 1,798,554            | 3,456,660            | 1,798,554          |
| Administrative expenses   |       | -29,468,763          | -22,916,123          | -29,449,763        |
| Finance costs   |       | -1,536,539           | -810,596             | -1,536,539         |
| <b>Loss before income tax expense</b>   |       | <u>-25,630,263</u>   | <u>-15,951,834</u>   | <u>-25,611,263</u> |
| Income tax expense  | 25    | -                    | -                    | -                  |
| <b>Loss for the periods</b>   |       | <u>-25,630,263</u>   | <u>-15,951,834</u>   | <u>-25,611,263</u> |
| <b>Other comprehensive income (loss)</b>  |       |                      |                      |                    |
| Components of other comprehensive income that will be subsequently reclassified to profit or loss       |       |                      |                      |                    |
| Gains (losses) on remeasuring investments held as available for sale                                    |       |                      |                      |                    |
|   | 11    | 3,148,333            | -2,715,301           | 3,148,333          |
| Income tax related to items that will be subsequently reclassified to profit or loss                    |       |                      |                      |                    |
|   |       | -629,667             | -                    | -629,667           |
| Total components of other comprehensive income that will be subsequently reclassified to profit or loss |       |                      |                      |                    |
|   |       | <u>2,518,666</u>     | <u>-2,715,301</u>    | <u>2,518,666</u>   |
| Other comprehensive income (loss) for the periods - net of tax  |       |                      |                      |                    |
|   |       | <u>2,518,666</u>     | <u>-2,715,301</u>    | <u>2,518,666</u>   |
| <b>Total comprehensive loss</b>   |       | <u>-23,111,597</u>   | <u>-18,667,135</u>   | <u>-23,092,597</u> |

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**“Unaudited”**

**Unit : Baht**

|   |              | <b>Consolidated</b>         | <b>Separate</b>             |                       |
|---|--------------|-----------------------------|-----------------------------|-----------------------|
|   |              | <b>financial statements</b> | <b>financial statements</b> |                       |
|   | <b>Notes</b> | <b>2018</b>                 | <b>2019</b>                 | <b>2018</b>           |
| <b>Loss for the periods attributable to</b>                     |              |                             |                             |                       |
| Owners of the parent  |              | -25,630,263                 | -15,951,834                 | -25,611,263           |
| Non-controlling interests                                       |              | -                           | -                           | -                     |
|   |              | <u>(25,630,263)</u>         | <u>(15,951,834)</u>         | <u>(25,611,263)</u>   |
| <b>Total comprehensive loss for the periods attributable to</b> |              |                             |                             |                       |
| Owners of the parent  |              | -23,111,597                 | -18,667,135                 | -23,092,597           |
| Non-controlling interests                                       |              | -                           | -                           | -                     |
|   |              | <u>(23,111,597)</u>         | <u>(18,667,135)</u>         | <u>(23,092,597)</u>   |
| <b>Basic losses per share</b>                                   |              |                             |                             |                       |
| Basic losses per share (Baht)                                   | 23           | <u>(0.0025)</u>             | <u>(0.0016)</u>             | <u>(0.0025)</u>       |
| Weighted average number of ordinary shares (shares)             | 23           | <u>10,114,934,919</u>       | <u>10,114,938,156</u>       | <u>10,114,934,919</u> |
| <b>Diluted losses per share</b>                                 |              |                             |                             |                       |
| Diluted losses per share (Baht)                                 | 23           | <u>(0.0025)</u>             | <u>(0.0016)</u>             | <u>(0.0025)</u>       |
| Diluted weighted average number of ordinary shares (shares)     | 23           | <u>10,114,934,919</u>       | <u>10,114,938,156</u>       | <u>10,114,934,919</u> |

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**“Unaudited”**

**Unit : Baht**

|   | Notes | Consolidated<br>financial statements<br>2018 | Separate<br>financial statements<br>2019 | 2018         |
|---|-------|--|--|--------------|
| Revenues from construction contracts  | 24    | 551,284,203                                  | 191,532,920                              | 551,284,203  |
| Cost of construction contracts  | 24    | -699,001,892                                 | -179,959,836                             | -699,001,892 |
| <b>Gross profit (loss)</b>  |       | -147,717,689                                 | 11,573,084                               | -147,717,689 |
| Other income  |       | 16,492,850                                   | 17,320,840                               | 16,491,020   |
| Reversal from termination of construction contract  | 24    | -  | 70,730,200                               | -            |
| Administrative expenses   |       | -91,101,133                                  | -68,831,010                              | -91,044,226  |
| Reversal of provisions for loss on litigations  | 29.1  | 21,854,500                                   | -  | 21,854,500   |
| Finance costs   |       | -5,483,969                                   | -2,555,074                               | -5,483,969   |
| <b>Profit (loss) before income tax income (expense)</b>   |       | -205,955,441                                 | 28,238,040                               | -205,900,364 |
| Income tax income (expense)   | 25    | (5,757,385)                                  | 81,000                                   | (5,757,385)  |
| <b>Profit (loss) for the periods</b>  |       | -211,712,826                                 | 28,319,040                               | -211,657,749 |
| <b>Other comprehensive income (loss)</b>  |       |  |  |              |
| Components of other comprehensive income that will be subsequently reclassified to profit or loss               |       |  |  |              |
| Gains (losses) on remeasuring investments   |       |  |  |              |
| held as available for sale  | 11    | 4,023,500                                    | -4,632,174                               | 4,023,500    |
| Reversal of (gains) losses from sale of investments   |       |  |  |              |
| held as available for sale  | 11    | 7,721,904                                    | -2,553,282                               | 7,721,904    |
| Income tax related to items that will be subsequently reclassified to profit or loss                            |       |  |  |              |
|   |       | -2,349,080                                   | -  | -2,349,080   |
| Total components of other comprehensive income that will be subsequently reclassified to profit or loss         |       |  |  |              |
|   |       | 9,396,324                                    | -7,185,456                               | 9,396,324    |
| Components of other comprehensive income that will not be subsequently reclassified to profit or loss           |       |  |  |              |
| Reversal of gains on revaluation of asset from sale of asset  |       |  |  |              |
|   |       | -1,023,560                                   | -  | -1,023,560   |
| Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss |       |  |  |              |
|   |       | 204,712                                      | -  | 204,712      |
| Total components of other comprehensive income that will not be subsequently reclassified to profit or loss     |       |  |  |              |
|   |       | -818,848                                     | -  | -818,848     |
| Other comprehensive income (loss) for the periods - net of tax  |       |  |  |              |
|   |       | 8,577,476                                    | -7,185,456                               | 8,577,476    |
| <b>Total comprehensive income (loss)</b>  |       | -203,135,350                                 | 21,133,584                               | -203,080,273 |



**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**“Unaudited”**

**Unit : Baht**

|  |              | <b>Consolidated</b>         | <b>Separate</b>             |                       |
|--|--------------|-----------------------------|-----------------------------|-----------------------|
|  |              | <b>financial statements</b> | <b>financial statements</b> |                       |
|  | <b>Notes</b> | <b>2018</b>                 | <b>2019</b>                 | <b>2018</b>           |
| <b>Profit (loss) for the periods attributable to</b>                     |              |                             |                             |                       |
| Owners of the parent   |              | -211,712,826                | 28,319,040                  | -211,657,749          |
| Non-controlling interests  |              | -                           | -                           | -                     |
|  |              | <u>(211,712,826)</u>        | <u>28,319,040</u>           | <u>(211,657,749)</u>  |
| <b>Total comprehensive income (loss) for the periods attributable to</b> |              |                             |                             |                       |
| Owners of the parent   |              | -203,135,350                | 21,133,584                  | -203,080,273          |
| Non-controlling interests  |              | -                           | -                           | -                     |
|  |              | <u>(203,135,350)</u>        | <u>21,133,584</u>           | <u>(203,080,273)</u>  |
| <b>Basic earnings (losses) per share</b>                                 |              |                             |                             |                       |
| Basic earnings (losses) per share (Baht)                                 | 23           | <u>(0.0209)</u>             | <u>0.0028</u>               | <u>(0.0209)</u>       |
| Weighted average number of ordinary shares (shares)                      | 23           | <u>10,114,932,002</u>       | <u>10,114,938,156</u>       | <u>10,114,932,002</u> |
| <b>Diluted earnings (losses) per share</b>                               |              |                             |                             |                       |
| Diluted earnings (losses) per share (Baht)                               | 23           | <u>(0.0209)</u>             | <u>0.0028</u>               | <u>(0.0209)</u>       |
| Diluted weighted average number of ordinary shares (shares)              | 23           | <u>10,114,932,002</u>       | <u>10,114,938,156</u>       | <u>10,114,932,002</u> |

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**“UNAUDITED”**

**Unit : Baht**

|  | Consolidated financial statements |  |                                |  |                             |                       |                  |  |   |  |                                  |                               |
|--|-----------------------------------|--|--------------------------------|--|-----------------------------|-----------------------|------------------|--|---|--|----------------------------------|-------------------------------|
|  | Notes                             | Issued and<br>paid-up<br>share capital | Discount on<br>ordinary shares | Capital reserve<br>for<br>share-based<br>payment | Retained earnings (deficit) |                       |                  | Other components of shareholders' equity |   |  | Non-<br>controlling<br>interests | Total<br>Shareholders' equity |
|  |                                   |  |                                |  | Appropriated                | Accumulated           | Expired          | Other comprehensive income (loss)        |   | Total other                              |                                  |                               |
|  |                                   |  |                                |  | Legal reserve               | deficit               | warrant surplus  | Gain on<br>revaluation<br>of assets      | Gains (losses) on<br>remeasuring<br>investments held as<br>available for sale | components of<br>shareholders'<br>equity |                                  |                               |
| Balances as at January 1, 2018                   |                                   | 10,114,930,520                         | (8,500,747,796)                | 7,594,702  | 5,526,839                   | (1,420,283,513)       | -                | 262,702,283                              | (21,485,390)  | 241,216,893                              | 30                               | 448,237,675                   |
| Changes in shareholders' equity                  |                                   |  |                                |  |                             |                       |                  |  |   |  |                                  |                               |
| Increase in ordinary shares                      |                                   | 7,636                                  | -                              | -  | -                           | -                     | -                | -  | -   | -  | -                                | 7,636                         |
| Capital reserve for share-based payment          | 22.1                              | -                                      | -                              | 264,550  | -                           | -                     | -                | -  | -   | -  | -                                | 264,550                       |
| Expired warrant                                  | 22.1                              | -                                      | -                              | -7,859,252                                       | -                           | -                     | 7,859,252        | -  | -   | -  | -                                | -                             |
| Surplus on revaluation of assets                 | 14                                | -                                      | -                              | -  | -                           | 818,848               | -                | -  | -   | -  | -                                | 818,848                       |
| Total comprehensive income (loss) for the period |                                   | -                                      | -                              | -  | -                           | -211,712,826          | -                | -818,848                                 | 9,396,324   | 8,577,476                                | -                                | (203,135,350)                 |
| Balances as at September 30, 2018                |                                   | <u>10,114,938,156</u>                  | <u>(8,500,747,796)</u>         | <u>-</u>   | <u>5,526,839</u>            | <u>-1,631,177,491</u> | <u>7,859,252</u> | <u>261,883,435</u>                       | <u>-12,089,066</u>  | <u>249,794,369</u>                       | <u>30</u>                        | <u>246,193,359</u>            |

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**“UNAUDITED”**

**Unit : Baht**

|  | Separate financial statements |  |                                   |  |                               |                        |                            |  |   | Total<br>Shareholders' equity |  |
|--|-------------------------------|--|-----------------------------------|--|-------------------------------|------------------------|----------------------------|--|---|-------------------------------|--|
|  | Notes                         | Issued and<br>paid-up<br>share capital | Discount on<br>ordinary<br>shares | Capital reserve<br>for<br>share-based<br>payment | Retained earnings (deficit)   |                        |                            | Other components of shareholders' equity |   |                               |  |
|  |                               |  |                                   |  | Appropriated<br>legal reserve | Accumulated<br>deficit | Expired<br>warrant surplus | Other comprehensive income (loss)        |   |                               | Total other<br>components of<br>shareholders' equity |
|  |                               |  |                                   |  |                               |                        |                            | Gain on<br>revaluation<br>of assets      | Gains (losses) on<br>remeasuring<br>investments held as<br>available for sale |                               |  |
| Balances as at January 1, 2018                   |                               | 10,114,930,520                         | (8,500,747,796)                   | 7,594,702  | 5,526,839                     | (1,420,203,138)        | -                          | 262,702,283                              | (21,485,390)  | 241,216,893                   | 448,318,020  |
| Changes in shareholders' equity                  |                               |  |                                   |  |                               |                        |                            |  |   |                               |  |
| Increase in ordinary shares                      |                               | 7,636                                  | -                                 | -  | -                             | -                      | -                          | -  | -   | -                             | 7,636  |
| Capital reserve for share-based payment          | 22.1                          | -                                      | -                                 | 264,550  | -                             | -                      | -                          | -  | -   | -                             | 264,550  |
| Expired warrant                                  | 22.1                          | -                                      | -                                 | (7,859,252)                                      | -                             | -                      | 7,859,252                  | -  | -   | -                             | -  |
| Surplus on revaluation of assets                 | 14                            | -                                      | -                                 | -  | -                             | 818,848                | -                          | -  | -   | -                             | 818,848  |
| Total comprehensive income (loss) for the period |                               | -                                      | -                                 | -  | -                             | (211,657,749)          | -                          | (818,848)                                | 9,396,324   | 8,577,476                     | (203,080,273)  |
| Balances as at September 30, 2018                |                               | <u>10,114,938,156</u>                  | <u>(8,500,747,796)</u>            | <u>-</u>   | <u>5,526,839</u>              | <u>(1,631,042,039)</u> | <u>7,859,252</u>           | <u>261,883,435</u>                       | <u>(12,089,066)</u>   | <u>249,794,369</u>            | <u>246,328,781</u>                                   |
| Balances as at January 1, 2019                   |                               | 10,114,938,156                         | (8,500,747,796)                   | -  | 5,526,839                     | (1,356,022,820)        | 7,859,252                  | 11,725,339                               | (18,905,567)  | (7,180,228)                   | 264,373,403  |
| Changes in shareholders' equity                  |                               |  |                                   |  |                               |                        |                            |  |   |                               |  |
| Surplus on revaluation of assets                 | 14                            | -                                      | -                                 | -  | -                             | 324,000                | -                          | -324,000                                 | -   | (324,000)                     | -  |
| Total comprehensive income (loss) for the period |                               | -                                      | -                                 | -  | -                             | 28,319,040             | -                          | -  | -7,185,456  | (7,185,456)                   | 21,133,584   |
| Balances as at September 30, 2019                |                               | <u>10,114,938,156</u>                  | <u>(8,500,747,796)</u>            | <u>-</u>   | <u>5,526,839</u>              | <u>(1,327,379,780)</u> | <u>7,859,252</u>           | <u>11,401,339</u>                        | <u>(26,091,023)</u>   | <u>(14,689,684)</u>           | <u>285,506,987</u>                                   |

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**“UNAUDITED”**

**Unit : Baht**

|  |              | <b>Consolidated</b>         | <b>Separate</b>             |                     |
|--|--------------|-----------------------------|-----------------------------|---------------------|
|  |              | <b>financial statements</b> | <b>financial statements</b> |                     |
|  | <b>Notes</b> | <b>2018</b>                 | <b>2019</b>                 | <b>2018</b>         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |              |                             |                             |                     |
| Profit (loss) before income tax income (expense)                   |              | (205,955,441)               | 28,238,040                  | (205,900,364)       |
| Adjustments :  |              |                             |                             |                     |
| Depreciation and amortization                                      |              | 7,983,467                   | 4,100,353                   | 7,983,467           |
| Employee benefit expenses  |              | 1,501,526                   | 2,807,393                   | 1,501,526           |
| Write-off receivables  |              | -                           | 932,720                     | -                   |
| Write-off deposits   |              | -                           | 100,225                     | -                   |
| Doubtful accounts (reversal)                                       |              | 500,000                     | (5,676,167)                 | 500,000             |
| Reversal of allowance for doubtful accounts - withholding tax      |              | -                           | (2,358,448)                 | -                   |
| Provision for expected loss on<br>construction contract (reversal) | 19.1         | 164,515,594                 | (185,737,428)               | 164,515,594         |
| Provision for penalty arising from delay (reversal)                | 19.2         | 23,609,726                  | (3,232,991)                 | 23,609,726          |
| Reversal of unbilled construction revenues                         | 24           | -                           | 104,040,492                 | -                   |
| Provisions for loss on litigations (reversal)                      | 29           | (21,854,500)                | 198,073                     | (21,854,500)        |
| Capital reserve for share-based payment                            |              | 264,550                     | -                           | 264,550             |
| Short-term provisions  |              | 1,111,508                   | 976,697                     | 1,111,508           |
| Reversal of trade payables   |              | (2,326,238)                 | (3,562,095)                 | (2,326,238)         |
| Reversal of retention payable                                      |              | -                           | (155,640)                   | -                   |
| Gain on sales of property, plant and equipment                     |              | (5,572,500)                 | (2,399,916)                 | (5,572,500)         |
| Loss (gain) on write-off of equipment                              |              | (486,317)                   | 17,542                      | (486,317)           |
| (Gain) loss on revaluation of current investments                  |              | 1,284,427                   | (1,758,124)                 | 1,284,427           |
| (Gain) loss on sales of investments held as available for sale     |              | 6,808,285                   | (2,392,355)                 | 6,808,285           |
| Loss on sales of investments held for trading                      |              | 460,425                     | 320,147                     | 460,425             |
| Interest income  |              | (398,151)                   | (1,956,873)                 | (398,151)           |
| Interest expenses  |              | 2,691,832                   | 36,972                      | 2,691,832           |
|  |              | <u>(25,861,807)</u>         | <u>(67,461,383)</u>         | <u>(25,806,730)</u> |
| Operating assets (increase) decrease                               |              |                             |                             |                     |
| Current investments  |              | 479,862                     | 156,137                     | 479,862             |
| Trade and other current receivables                                |              | (48,445,710)                | (771,361)                   | (48,445,710)        |
| Inventories  |              | 15,827,571                  | 155,771                     | 15,827,571          |
| Other current assets   |              | 1,666,830                   | 1,761,887                   | 1,666,830           |
| Deposits at financial institution with restriction of use          |              | 21,519,863                  | 39,960,509                  | 21,519,863          |
| Trade and other non-current receivables                            |              | 1,406,608                   | 210,016                     | 1,406,608           |
| Retention receivables  |              | (31,119,402)                | 10,742,428                  | (31,119,402)        |
| Other non-current assets   |              | 294,549                     | 205,837                     | 294,549             |

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019**  
**“UNAUDITED”**

**Unit : Baht**

|   | Notes | Consolidated<br>financial statements<br>2018 | Separate<br>financial statements<br>2019 | 2018                    |
|---|-------|--|--|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>                                 |       |  |  |                         |
| Operating liabilities increase (decrease)   |       |  |  |                         |
| Trade and other current payables  |       | (12,076,852)                                 | (30,466,501)                             | (12,058,102)            |
| Current retention payables  |       | 12,212,786                                   | 4,663,262                                | 12,212,786              |
| Unearned construction revenues and advance from customer<br>under construction contract |       | 2,261,542                                    | 26,944,358                               | 2,261,542               |
| Short-term provisions   |       | (466)  | (753,212)                                | (466)                   |
| Provision for penalty arising from delay  |       | -  | (20,376,735)                             | -                       |
| Other current liabilities   |       | 3,251,158                                    | 10,140,067                               | 3,251,158               |
| Provisions for loss on litigations  |       | -  | (993,237)                                | -                       |
| Non-current retention payables  |       | (7,826,036)                                  | (3,582,844)                              | (7,826,036)             |
| Cash paid for operations  |       | (66,409,504)                                 | (29,465,001)                             | (66,335,677)            |
| Cash received from interest   |       | 422,410                                      | 887,534                                  | 422,410                 |
| Cash paid for income tax  |       | (15,884,751)                                 | (6,737,575)                              | (15,884,732)            |
| Net cash used in operating activities   |       | <u>(81,871,845)</u>                          | <u>(35,315,042)</u>                      | <u>(81,797,999)</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |       |  |  |                         |
| Cash received from subsidiary   |       | -  | 854,268                                  | -                       |
| Cash received from sales of investments<br>held as available for sale                   |       | 17,034,787                                   | 2,392,355                                | 17,034,787              |
| Payment for purchases of equipment  |       | (787,279)                                    | (171,648)                                | (787,279)               |
| Cash received from sales of property, plant and equipment                               |       | 10,635,254                                   | 3,077,917                                | 10,635,254              |
| Cash received from deposit from sale of land  |       | 82,593,500                                   | -  | 82,593,500              |
| Net cash received from investing activities   |       | <u>109,476,262</u>                           | <u>6,152,892</u>                         | <u>109,476,262</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       |  |  |                         |
| Decrease in bank overdraft  |       | (5,472,369)                                  | -  | (5,472,369)             |
| Repayments for long-term borrowings from<br>a financial institution                     |       | (40,171,401)                                 | -  | (40,171,401)            |
| Repayments for liabilities under financial lease agreements                             |       | (353,353)                                    | (209,219)                                | (353,353)               |
| Cash received share subscription from exercising warrants                               |       | 7,636  | -  | 7,636                   |
| Cash received from other short-term borrowing   |       | 5,000,000                                    | -  | 5,000,000               |
| Cash paid for interest expenses   |       | (2,691,832)                                  | (36,972)                                 | (2,691,832)             |
| Net cash used in financing activities   |       | <u>(43,681,319)</u>                          | <u>(246,191)</u>                         | <u>(43,681,319)</u>     |
| Net decrease in cash and cash equivalents   |       | (16,076,902)                                 | (29,408,341)                             | (16,003,056)            |
| Cash and cash equivalents as at January 1,  |       | 21,633,197                                   | 42,241,305                               | 20,638,581              |
| <b>Cash and cash equivalents as at September 30,</b>                                    |       | <u><u>5,556,295</u></u>                      | <u><u>12,832,964</u></u>                 | <u><u>4,635,525</u></u> |

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED  
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019  
“UNAUDITED”**

**1. OPERATION AND GENERAL INFORMATION OF THE COMPANY**

T Engineering Corporation Public Company Limited (the “Company”) was incorporated in Thailand under the Civil and Commercial Code on April 10, 1981 and engages as a plant and building construction and other related services.

On July 14, 2005, the Company was registered under the Public Limited Company Act. On September 28, 2006, the Company was listed in the Market for Alternative Investment (“MAI”) on the Stock Exchange of Thailand.

The registered office of the Company is located at 15<sup>th</sup> floor, Rajanakarn Building, 3 South Sathorn Road, Yannawa, Sathorn District, Bangkok.

On August 14, 2018, the Board of Directors’ meeting passed a resolution to approve the closure of a subsidiary. The subsidiary already registered the dissolution with the Department of Business Development on November 5, 2018 and registered the liquidation on January 28, 2019 (see Note 9).

As at September 30, 2019 and December 31, 2018, the Company had total current liabilities in excess of total current assets of Bath 162.35 million and Baht 217.65 million, respectively. However, the Company’s management believes that the preparation of the financial statements in accordance with the ongoing concern basis is still appropriate because the Company still has current construction projects and has a new construction project during the period resulting that the Company to have liquidity for continuing operations at least 12 months from September 30, 2019.

**2. BASIS FOR PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS**

- 2.1 The interim financial statements is prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The statement of financial position as at December 31, 2018, presented herein for comparison, have been derived from the financial statement of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.

- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2019 should be read in conjunction with the audited financial statements for the year ended December 31, 2018.
- 2.5 The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” also require the Company’s managements to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on managements’ reasonable consideration of current events, actual results may differ from these estimates.
- 2.6 The Company prepared and presented the interim financial statements which did not recognize its interest in a joint arrangement in Joint Venture between Thai Industrial & Engineering Service Plc. and Reungnarong Co., Ltd. according to Thai Financial Reporting Standard No. 11 (Revised 2018) “Joint Arrangements” because such joint arrangement ceased its operation since 2014 and such investment in a joint operation has no material impact to the financial statements (see Note 12).
- 2.7 The consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2018 included the accounts of the Company and its subsidiary. This subsidiary is detailed as follows:

| <b>Subsidiary</b>                  | <b>Incorporation country</b> | <b>Type of business</b>                   | <b>Percentage of investments (%)</b><br><b>September 30, 2018</b> |
|------------------------------------|------------------------------|---|---|
| T Asset Management Company Limited | Thailand                     | Property development and asset management | 99.99%  |

The consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2018 have included the subsidiary’s interim financial statements for the three-month and nine-month periods ended September 30, 2018 which were reviewed. Material intercompany transactions between the Company and its subsidiary have been eliminated from these consolidated interim financial statements.

On August 14, 2018, the Board of Directors’ meeting passed a resolution to approve the closure of the subsidiary which the subsidiary already registered the dissolution with the Department of Business Development on November 5, 2018 and registered the liquidation on January 28, 2019 (see Notes 1 and 9). Therefore, the Company did not prepare the consolidated statement of financial position as at September 30, 2019 and the consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, and the consolidated statement of changes in shareholders’ equity and cash flows for the period ended September 30, 2019.

In addition, as at December 31, 2018, the Company classified investment in a subsidiary as non-current asset classified as held for sale or as held for distribution to owners but did not present discontinued operations according to Thai Financial Reporting Standard No. 5 (Revised 2018) “Non-current Asset Held for Sale and Discontinued Operations” because such subsidiary’s operation results have no material impact to the financial statements (see Note 9).

2.8 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new Thai Financial Reporting Standards including the Guideline on accounting issued by the Federation of Accounting Professions which become effective for the financial statements for the accounting periods beginning on or after January 1, 2019. These Thai Financial Reporting Standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards except for TFRS 15 “Revenue from Contracts with Customers” as disclosed in Note 3. The adoption of these Thai Financial Reporting Standards does not have any significant impact on the Company’s interim financial statements.

2.9 Thai Financial Reporting Standard announced in the Royal Gazette but not yet effective.

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

**Thai Accounting Standards (“TAS”)**

TAS 32 Financial Instruments: Presentation

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.



### Thai Financial Reporting Standards No. 16 “Leases”

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No. 15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No. 27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No. 4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

### Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when they become effective. The Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2018, except for the change in the accounting policies due to the adoption of Thai Financial Reporting Standards No. 15 “Revenue from Contracts with Customers”. However, the adoption of Thai Financial Reporting Standards does not have any significant impact on the interim financial statements.

The new accounting policies superseded the previous accounting policies regarding revenue recognition and other relevant transactions are as follows:

## **Construction contracts**

### Revenues from construction contract

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. Revenues from construction contract will be recognized over time on an input method based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue from construction contract is recognized only to the extent of contract costs incurred that it is probably will be recoverable.

### Contract loss

When it is probable that total contract costs will exceed total contract revenue, the Company will recognize the expected loss on a contract in the statement of profit or loss and other comprehensive income.

### Unbilled construction revenues and unearned construction revenues

The Company becomes entitled to invoice customers for construction based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The Company recognizes unbilled construction revenues as part of trade and other current receivable in the statement of financial position. Such amount will be classified as trade receivables which it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date under the input cost method, the Company recognizes different amount as unearned construction revenues in the statement of financial position.

### Work in progress

Costs that relate to future activity on the contract are recognized as work in progress provided it is probable that they will be recovered.

#### 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Non-cash items for the nine-month periods ended September 30, 2019 and 2018 are as follows:

|   | <b>Consolidated<br/>financial statements<br/>2018<br/>Baht</b> | <b>Separate<br/>financial statements<br/>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|---|--|--|----------------------|
| Unrealized gains (losses)<br>on remeasuring investments<br>held as available for sale             | 4,023,500  | (4,632,174)  | 4,023,500            |
| Reversal of unrealized losses (gains)<br>on remeasuring investments<br>held as available for sale | 7,721,904  | (2,553,282)  | 7,721,904            |
| Unrealized gains (losses) on<br>revaluation of current investment                                 | (1,284,427)  | 1,758,124  | (1,284,427)          |
| Transfer provision for expected loss<br>on construction contract to<br>provision for warranty     | -  | (2,469,000)  | -                    |
| Transfer provision for expected loss<br>on construction contract to<br>accrued expense            | -  | (4,598,916)  | -                    |

4.2 Changes in liabilities from financing activities for the nine-month periods ended September 30, are as follows:

|  | <b>Consolidated financial statements</b> |                             |                     |   |
|--|--|-----------------------------|---------------------|---|
|  | <b>As at September 30, 2018</b>          | <b>Financing cash flows</b> |                     | <b>Balance as at September 30, 2018</b> |
| <b>Balance as at January 1, 2018</b>             |  | <b>Cash received</b>        | <b>Cash paid</b>    |   |
|  | <b>Baht</b>                              | <b>Baht</b>                 | <b>Baht</b>         | <b>Baht</b>                             |
| Bank overdraft                                   | 21,926,033                               | 43,285,228                  | (48,757,597)        | 16,453,664                              |
| Long-term borrowing from a financial institution | 40,171,401                               | -                           | (40,171,401)        | -                                       |
| Liabilities under finance lease agreements       | 1,014,111                                | -                           | (353,353)           | 660,758                                 |
| Other short-term borrowing                       | 12,235,690                               | 5,000,000                   | -                   | 17,235,690                              |
| <b>Total</b>                                     | <b>75,347,235</b>                        | <b>48,285,228</b>           | <b>(89,282,351)</b> | <b>34,350,112</b>                       |

  

|  | <b>Separate financial statements</b> |                             |                  |   |
|--|--------------------------------------|-----------------------------|------------------|---|
|  | <b>As at September 30, 2019</b>      | <b>Financing cash flows</b> |                  | <b>Balance as at September 30, 2019</b> |
| <b>Balance as at January 1, 2019</b>       |                                      | <b>Cash received</b>        | <b>Cash paid</b> |   |
|  | <b>Baht</b>                          | <b>Baht</b>                 | <b>Baht</b>      | <b>Baht</b>                             |
| Liabilities under finance lease agreements | 593,833                              | -                           | (209,219)        | 384,614                                 |
| Other short-term borrowing                 | 12,235,690                           | -                           | -                | 12,235,690                              |
| <b>Total</b>                               | <b>12,829,523</b>                    | <b>-</b>                    | <b>(209,219)</b> | <b>12,620,304</b>                       |

| As at September 30, 2018                         | Separate financial statements         |                       |                     | Balance as at September 30, 2018<br>Baht |
|--|---------------------------------------|-----------------------|---------------------|--|
|  | Balance as at January 1, 2018<br>Baht | Financing cash flows  |                     |  |
|  |                                       | Cash received<br>Baht | Cash paid<br>Baht   |  |
| Bank overdraft                                   | 21,926,033                            | 43,285,228            | (48,757,597)        | 16,453,664                               |
| Long-term borrowing from a financial institution | 40,171,401                            | -                     | (40,171,401)        | -  |
| Liabilities under finance lease agreements       | 1,014,111                             | -                     | (353,353)           | 660,758                                  |
| Other short-term borrowing                       | 12,235,690                            | 5,000,000             | -                   | 17,235,690                               |
| <b>Total</b>                                     | <b>75,347,235</b>                     | <b>48,285,228</b>     | <b>(89,282,351)</b> | <b>34,350,112</b>                        |

4.3 Cash and cash equivalents as at September 30, 2019 and December 31, 2018 consisted of the following:

|  | As at September 30, 2019<br>Baht | As at December 31, 2018<br>Baht |
|--|----------------------------------|---------------------------------|
| Cash on hand                                   | 577,077                          | 567,665                         |
| Cheque on hand                                 | 161,107                          | -                               |
| Cash at banks                                  |                                  |                                 |
| - Current accounts                             | 9,024,637                        | 4,470,648                       |
| - Savings accounts                             | 2,982,171                        | 36,632,309                      |
| - Fixed accounts (maturity less than 3 months) | 87,972                           | 570,683                         |
| <b>Total</b>                                   | <b>12,832,964</b>                | <b>42,241,305</b>               |

As at September 30, 2019 and December 31, 2018, savings accounts carry interest rate at 0.38% - 0.40% per annum.

As at September 30, 2019 and December 31, 2018, fixed deposits at banks (maturity less than 3 months) carry interest rate at 0.80%-1.63% per annum and 0.75%-1.38% per annum, respectively.

## 5. CURRENT INVESTMENTS

Current investments as at September 30, 2019 and December 31, 2018 consisted of the following:

|   | As at September 30, 2019<br>Baht | As at December 31, 2018<br>Baht |
|---|----------------------------------|---------------------------------|
| Current investments                             |                                  |                                 |
| Held-for-trading securities - equity securities | 14,739,788                       | 15,216,072                      |
| Unrealized loss                                 | (9,443,948)                      | (11,202,072)                    |
| <b>Total</b>                                    | <b>5,295,840</b>                 | <b>4,014,000</b>                |

Unrealized loss on revaluation of current investments in held-for-trading securities

As at September 30, 2019 and 2018, the Company has unrealized loss on revaluation of current investments in held-for-trading securities of Baht 9.44 million and Baht 8.95 million, respectively, which changing in unrealized gain on revaluation of current investments in held-for-trading securities are recognized as other income in the separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019 of Baht 0.12 million and Baht 1.76 million, respectively, and other income in the consolidated and separate statements of profit or loss and other comprehensive income for the three-month period ended September 30, 2018 of Baht 0.73 million, and recognized changing in unrealized loss on revaluation of current investments in held-for-trading securities as expense in the consolidated and separate statements of profit or loss and other comprehensive income for the nine-month period ended September 30, 2018 of Baht 1.28 million.

Trading of held-for-trading securities

For the three-month periods ended September 30, 2019 and 2018, the Company did not purchase or sell any held-for-trading securities.

For the nine-month periods ended September 30, 2019 and 2018, the Company did not purchase held-for-trading securities, but sold held-for-trading securities of Baht 0.16 million and Baht 0.48 million, respectively.

**6. TRADE AND OTHER CURRENT RECEIVABLES**

Trade and other current receivables as at September 30, 2019 and December 31, 2018 consisted of the following:

|  | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|--|--|---|
| Trade receivables                            |  |   |
| - Other parties                              | 31,655,266                                       | 33,036,551                                      |
| Trade receivables                            | <u>31,655,266</u>                                | <u>33,036,551</u>                               |
| Unbilled construction revenues (see Note 24) | 36,090,258                                       | 143,436,032                                     |
| Other current receivables                    |  |   |
| Other current receivables                    |  |   |
| - Other parties                              | 1,818,097  | 1,479,169                                       |
| Advance payments for construction            | 7,465,717  | 1,697,165                                       |
| Advance payments                             | 220,902  | 188,957   |
| Prepaid expenses                             | 2,195,157  | 1,807,315                                       |
| Other current receivables                    | <u>11,699,873</u>                                | <u>5,172,606</u>                                |
| Total  | <u><u>79,445,397</u></u>                         | <u><u>181,645,189</u></u>                       |

The aging of trade receivables as at September 30, 2019 and December 31, 2018, are as follows:

|                               | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|-------------------------------|--|---|
| Within credit term            | 21,667,748                                       | 33,036,551                                      |
| Overdue                       |  |   |
| Over 6 months up to 12 months | 9,987,518  | -   |
| Total                         | <u>31,655,266</u>                                | <u>33,036,551</u>                               |

## 7. INVENTORIES

Inventories as at September 30, 2019 and December 31, 2018, consisted of the following:

|                  | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|------------------|--|---|
| Work in progress | -  | 155,771   |
| Total            | <u>-</u>   | <u>155,771</u>                                  |

## 8. DEPOSIT FOR BUSINESS ACQUISITION

On April 9, 2015, the Company paid deposit of Baht 10 million to a counterparty in order to inspect the business status of a local hotel. However, on September 7, 2015, the Company's Board of Directors' meeting approved not to invest in this hotel. Later, the Company sued the counterparty for refunding the deposit. On October 11, 2016, the Civil Court already rendered its judgement to dismiss the case and gave the right for the counterparty to seize such deposit. The Company appealed the case. On December 27, 2017, the Appeal Court reaffirmed the Civil Court for the cases. The Company processed petition to the Supreme Court on April 9, 2018. The Company still has the allowance for doubtful debt as at December 31, 2018 amounting to Baht 10 million.

Subsequently, on July 25, 2019, the Supreme Court rendered its judgement to reverse the Appeal Court's judgement and ordered the counterparty to pay Baht 10 million with interest from the date of prosecution until payment completion to the Company. On October 2, 2019, the counterparty agreed to make payment totally 3 installments. The Company had already received the first and second payments in October 2019 of Baht 5.68 million. Therefore, the Company reversed the allowance for doubtful debt as at September 30, 2019 of Baht 5.68 million to deduct administrative expense in the statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019 according to received amount, resulting in allowance for doubtful debt as at September 30, 2019 of Baht 4.32 million.

## 9. ASSET HELD FOR DISTRIBUTION TO OWNERS

On August 14, 2018, the Board of Directors' meeting passed a resolution to approve the closure of the subsidiary which the subsidiary already registered the dissolution with the Department of Business Development on November 5, 2018 and registered the liquidation on January 28, 2019. The Company already received money from liquidation of the subsidiary in February 2019.

As at December 31, 2018, the Company classified investment in a subsidiary as asset classified as asset held for distribution to owners of Baht 0.85 million, which recognized impairment loss on investment in a subsidiary to administrative expense in the separate statement of profit or loss and other comprehensive income for the year ended December 31, 2018 of Baht 0.15 million (for the three-month and nine-month periods ended September 30, 2019: Nil). However, the Company did not present discontinued operations because such investment in a subsidiary and subsidiary's operation results have no material impact to the financial statements (see Note 2.7).

## 10. DEPOSITS AT FINANCIAL INSTITUTION WITH RESTRICTION OF USE

As at September 30, 2019, deposits at financial institutions with restriction of use amounting to Baht 257.35 million, were saving deposits and fixed deposits with maturity term of 3 - 12 months, carrying interest rate at 0.38% - 1.63% per annum, which the Company used as collateral for facility of letters of guarantee issued by financial institutions (see Note 27.1).

As at December 31, 2018, deposits at financial institution with restriction of use amounting to Baht 297.31 million, were saving deposits and fixed deposits with maturity term of 3 months, carrying interest rate at 0.38% - 1.38% per annum, which the Company used as collateral for facility of letters of guarantee issued by financial institutions (see Note 27.1).

## 11. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale as at September 30, 2019 and December 31, 2018, consisted of the following:

|  | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|--|--|---|
| Investments held as available for sale |  |   |
| Equity securities                      | 54,965,867                                       | 54,965,867                                      |
| Unrealized loss                        | (26,091,023)                                     | (18,905,567)                                    |
| Total                                  | <u>28,874,844</u>                                | <u>36,060,300</u>                               |

### Unrealized loss on change in fair value of investments held as available for sale

As at September 30, 2019 and 2018, the Company has unrealized loss on change in fair value of investments held as available for sale of Baht 26.09 million and Baht 15.11 million, respectively.

The Company recognized unrealized loss on change in fair value of investment held as available for sale as other comprehensive loss of Baht 2.72 million and Baht 4.63 million in the separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, respectively, and recognized unrealized gain on change in fair value of investment held as available for sale of Baht 3.15 million and Baht 4.02 million as other comprehensive income in the consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, respectively.

The Company recognized reversal of unrealized gain from sales investments held as available for sale as other comprehensive loss in the separate statements of profit or loss and other comprehensive income for the nine-month period ended September 30, 2019 of Baht 2.55 million, and reversal of unrealized loss from sales investments held as available for sale as other comprehensive income in the consolidated and separate statements of profit or loss and other comprehensive income for the nine-month period ended September 30, 2018 of Baht 7.72 million (for the three-month periods ended September 30, 2019 and 2018 : Nil).

#### Trading of investments held as available for sale

For the nine-month period ended September 30, 2019, the Company did not purchase investments held as available for sale, sold investments held as available for sale of Baht 2.39 million (for the three-month period ended September 30, 2019, the Company did not purchase or sell investments held as available for sale).

For the three-month and nine-month periods ended September 30, 2018, the Company did not purchase investments held as available for sale. For the nine-month period ended September 30, 2018, the Company sold investments held as available for sale of Baht 17.03 million (for the three-month period ended September 30, 2018 : Nil).

## 12. INVESTMENT IN JOINT ARRANGEMENT

Investment in joint arrangement as at September 30, 2019 and December 31, 2018, is as follows:

| Name of joint arrangement   | Type of Business      | Ownership interest (%)   |                         | Cost (Baht)              |                         |
|---|-----------------------|--------------------------|-------------------------|--------------------------|-------------------------|
|   |                       | As at September 30, 2019 | As at December 31, 2018 | As at September 30, 2019 | As at December 31, 2018 |
| Joint Venture between Thai Industrial & Engineering Service Plc. And Reaungnarong Co., Ltd. | Construction business | 51                       | 51                      | 510,000                  | 510,000                 |
| <u>Less</u> Allowance for impairment  |                       |                          |                         | <u>(510,000)</u>         | <u>(510,000)</u>        |
| Total investment in joint arrangement   |                       |                          |                         | <u>-</u>                 | <u>-</u>                |

The Company prepared and presented the interim financial statements which did not include the interest in a joint arrangement in Joint Venture between Thai Industrial & Engineering Service Plc. and Reaungnarong Co., Ltd. since it is not material to the financial statements (see Note 2.6).



### 13. TRADE AND OTHER NON-CURRENT RECEIVABLES

Trade and other non-current receivables as at September 30, 2019 and December 31, 2018, consisted of the followings:

|  | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|--|--|---|
| Trade receivables                            |  |   |
| - Other parties                              | 147,850,268                                      | 147,850,268                                     |
| <u>Less</u> Allowance for doubtful accounts  | <u>(147,850,268)</u>                             | <u>(147,850,268)</u>                            |
| Trade receivables                            | <u>-</u>   | <u>-</u>  |
| Unbilled construction revenues               | 39,619,782                                       | 39,619,782                                      |
| <u>Less</u> Allowance for doubtful accounts  | <u>(39,619,782)</u>                              | <u>(39,619,782)</u>                             |
| Unbilled construction revenues (see Note 24) | <u>-</u>   | <u>-</u>  |
| Other non-current receivables                |  |   |
| Other receivables                            |  |   |
| - Related party (see Note 26)                | 435,392  | 435,392   |
| - Other parties                              | 6,314,352  | 6,646,117                                       |
| - Other receivable - bank (see Note 29.1)    | 5,334,318  | 5,334,318                                       |
| <u>Less</u> Allowance for doubtful accounts  | <u>(6,314,352)</u>                               | <u>(6,314,352)</u>                              |
| Other receivables                            | <u>5,769,710</u>                                 | <u>6,101,475</u>                                |
| Advance payments                             | 180,000  | 207,490   |
| Advance payments for construction            | 2,354,987  | 3,044,164                                       |
| Prepaid expenses                             | -  | 94,304  |
| Other non-current receivables                | <u>8,304,697</u>                                 | <u>9,447,433</u>                                |
| Total  | <u><u>8,304,697</u></u>                          | <u><u>9,447,433</u></u>                         |

The aging of trade receivables as at September 30, 2019 and December 31, 2018, are as follows:

|                | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|----------------|--|---|
| Overdue        |  |   |
| Over 12 months | 147,850,268                                      | 147,850,268                                     |
| Total          | <u>147,850,268</u>                               | <u>147,850,268</u>                              |

For the nine-month periods ended September 30, 2019 and 2018, the movements of allowance for doubtful accounts are as follows:

|  | <b>Consolidated<br/>financial statements<br/>2018<br/>Baht</b> | <b>Separate<br/>financial statements<br/>2019<br/>Baht</b> | <b>2018<br/>Baht</b>      |
|--|--|--|---------------------------|
| Beginning balances   | 202,824,854  | 193,784,402  | 202,824,854               |
| <u>Add</u> Allowance for doubtful<br>accounts during the periods | <u>500,000</u>   | <u>-</u>   | <u>500,000</u>            |
| Ending balances  | <u><u>203,324,854</u></u>                                      | <u><u>193,784,402</u></u>                                  | <u><u>203,324,854</u></u> |

#### 14. PROPERTY, PLANT AND EQUIPMENT

As at September 30, 2019, property, plant and equipment in the financial statements decreased approximately Baht 3.47 million mainly due to increase in accumulated depreciation and sold of land and buildings. The Company transferred the rights on such land and buildings to the purchaser on June 25 and 28, 2019. The Company transferred the gain on revaluation of asset from sale of asset of Baht 0.32 million to retained earnings (deficit) and recognized gain on sale of property, plant and equipment Baht 2.40 million as part of other income in the separate statements of profit or loss and other comprehensive income for the nine-month period ended September 30, 2019 (for the three-month period ended September 30, 2019 : Nil).

On May 11, 2018, the Company redeemed the collateral at financial institution with restriction and transferred the rights on such land and buildings, which was originally the head office location and used as collateral at financial institution to the purchaser. The Company recorded gain on revaluation of asset from sale of asset of Baht 0.82 million to retained earnings (deficit) and recognized gain on sale of such land and buildings of Baht 5.15 million as part of other income in the consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018.

#### 15. RETENTION RECEIVABLES

Retention receivables as at September 30, 2019 and December 31, 2018, consisted of the following:

|   | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|---|--|---|
| Retention receivables                       | 129,454,103                                      | 140,762,100                                     |
| <u>Less</u> Allowance for doubtful accounts | (58,037,653)                                     | (58,603,222)                                    |
| Total                                       | <u>71,416,450</u>                                | <u>82,158,878</u>                               |

For the nine-month periods ended September 30, the movements of allowance for doubtful accounts are as follows:

|  | <b>Consolidated<br/>financial statements<br/>2018<br/>Baht</b> | <b>Separate<br/>financial statements<br/>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|--|--|--|----------------------|
| Beginning balances                       | 58,684,476   | 58,603,222   | 58,684,476           |
| <u>Less</u> Write-off during the periods | -  | (565,569)  | -                    |
| Ending balances                          | <u>58,684,476</u>  | <u>58,037,653</u>  | <u>58,684,476</u>    |

## 16. OTHER NON-CURRENT ASSETS

Other non-current assets as at September 30, 2019 and December 31, 2018, consisted of the following:

|   | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|---|--|---|
| Guarantees and deposits                     | 3,712,830  | 4,018,891                                       |
| Withholding tax deducted at source          | 105,031,539                                      | 81,899,342                                      |
| Total                                       | <u>108,744,369</u>                               | <u>85,918,233</u>                               |
| <u>Less</u> Allowance for doubtful accounts | <u>(1,119,389)</u>                               | <u>(3,846,374)</u>                              |
| Total                                       | <u><u>107,624,980</u></u>                        | <u><u>82,071,859</u></u>                        |

## 17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2019 and December 31, 2018, consisted of the following:

|                                 | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|---------------------------------|--|---|
| Trade payables                  |  |   |
| - Other parties                 | 76,049,575                                       | 103,361,498                                     |
| Trade payables                  | <u>76,049,575</u>                                | <u>103,361,498</u>                              |
| Other current payables          |  |   |
| Other current payables          |  |   |
| - Related parties (see Note 26) | 1,200,000  | 1,200,000                                       |
| - Other parties                 | 75,287,083                                       | 78,913,514                                      |
| Accrued expenses                | 16,908,607                                       | 15,399,933                                      |
| Other current payables          | <u>93,395,690</u>                                | <u>95,513,447</u>                               |
| Total                           | <u><u>169,445,265</u></u>                        | <u><u>198,874,945</u></u>                       |

## 18. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements as at September 30, 2019 and December 31, 2018 consisted of the following:

| <b>Payment periods</b>  | <b>The minimum amount to be paid in the future</b> |   |
|---|--|---|
|   | <b>As at<br/>September 30,<br/>2019<br/>Baht</b>   | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
| Within 1 year   | 328,164  | 328,164   |
| 1 - 5 years   | 82,041   | 328,164   |
|   | <u>410,205</u>                                     | <u>656,328</u>                                  |
| <u>Less</u> Deferred interest under<br>finance lease agreements | <u>(25,591)</u>                                    | <u>(62,495)</u>                                 |
| Total   | <u><u>384,614</u></u>                              | <u><u>593,833</u></u>                           |

| Payment periods | Present value of the minimum amount<br>to be paid in the future |                                       |
|-----------------|---|---------------------------------------|
|                 | As at<br>September 30,<br>2019<br>Baht                          | As at<br>December 31,<br>2018<br>Baht |
| Within 1 year   | 303,881   | 282,431                               |
| 1 - 5 years     | 80,733  | 311,402                               |
| Total           | <u>384,614</u>  | <u>593,833</u>                        |

**19. PROVISION FOR EXPECTED LOSS ON CONSTRUCTION CONTRACT AND PROVISION FOR PENALTY ARISING FROM DELAY**

19.1 For the nine-month periods ended September 30, the movements of provision for expected loss on construction contract are as follows:

|   | Consolidated                         | Separate                             |                                      |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
|   | financial statements<br>2018<br>Baht | financial statements<br>2019<br>Baht | financial statements<br>2018<br>Baht |
| Beginning balances as at January 1,   | 28,289,750                           | 192,805,344                          | 28,289,750                           |
| <u>Add</u> Provision for expected loss on construction contract increased during the period - recognized as cost of construction contract | 164,515,594                          | -                                    | 164,515,594                          |
| <u>Less</u> Transfer to provision for warranty (*)  | -                                    | (2,469,000)                          | -                                    |
| <u>Less</u> Transfer to accrued expenses (**)   | -                                    | (4,598,916)                          | -                                    |
| <u>Less</u> Reversal from termination of construction contract during the period (see Note 24)  | -                                    | (185,737,428)                        | -                                    |
| Ending balances as at September 30,   | <u>192,805,344</u>                   | <u>-</u>                             | <u>192,805,344</u>                   |

(\*) Presented as a part of short-term provisions in the statement of financial position.

(\*\*) Presented as a part of trade and other current payable in the statement of financial position.

19.2 For the nine-month periods ended September 30, the movements of provision for penalty arising from delay are as follows:

|  | Consolidated                         | Separate                            |                                     |
|--|--------------------------------------|-------------------------------------|-------------------------------------|
|  | financial statements<br>2018<br>Baht | financial statement<br>2019<br>Baht | financial statement<br>2018<br>Baht |
| Beginning balances as at January 1,  | -                                    | 23,609,726                          | -                                   |
| <u>Add</u> Provision for penalty arising from delay which is recognized as a deduction from revenue from construction contract during the period | 23,609,726                           | -                                   | 23,609,726                          |
| <u>Less</u> Reversal from termination of construction contract during the period (see Note 24)   | -                                    | (3,232,991)                         | -                                   |
| <u>Less</u> Payment during the period  | -                                    | (20,376,735)                        | -                                   |
| Ending balances as at September 30,  | <u>23,609,726</u>                    | <u>-</u>                            | <u>23,609,726</u>                   |

## 20. OTHER CURRENT LIABILITIES

Other current liabilities as at September 30, 2019 and December 31, 2018, consisted of the following:

|                            | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|----------------------------|--|---|
| Undue VAT                  | 12,287,744                                       | 12,362,386                                      |
| Revenue Department payable | 10,979,966                                       | -   |
| Others                     | 1,235,863  | 2,001,120                                       |
| Total                      | <u>24,503,573</u>                                | <u>14,363,506</u>                               |

## 21. SHARE CAPITAL

On August 9, 2018, the warrants (T-W3) were exercised to 7,636 ordinary shares totalling Baht 7,636, which the Company registered the capital increase with the Ministry of Commerce on August 21, 2018.

On April 25, 2019, the Annual General Shareholders' Meeting passed the resolution to decrease the Company's authorized share capital from the amount of Baht 13,035,049,764 to Baht 10,545,938,156 by decreasing the unissued ordinary shares capital of 2,489,111,608 shares at par value of Baht 1 each which resulted in the remaining reserved and unsubscribed for the private placement. The Company registered the decrease in registered share capital with the Ministry of Commerce on May 13, 2019.

## 22. WARRANTS

22.1 The Annual General Meeting of Shareholders held on April 25, 2013, had the resolution approve the issuance of Warrants No. 1 (TIES-WA) in the number of 22,000,000 units to the management and employees. In addition, the Extraordinary General Meeting of Shareholders held on November 17, 2014 has a resolution to approve the allotment and offering of newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) and adjustment of right which specified that the Company is obliged to adjust the exercise price and exercise ratio. The preliminary details of the warrants are described below:

Type of Warrants : Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited allocated to the management and employees

Type : Specified warrant's holder and non-transferable

Term of Warrants : 5 years from the issuing date of warrants

Number of issued and offered warrants : 22,000,000 units

Offering Price : 0 Baht per unit

- Allocation method : 17,000,000 units directly allocated to management and employees 5,000,000 units allocated by the appointed person from the Board of Directors and/or Managing Director in order to allocate to new management and employees who will work for the Company within 1 year from the date of the shareholders' meeting approve this offering
- Exercise Ratio : 1 warrant to 11.971 ordinary shares (Formerly: 1 warrant to 1 ordinary share)
- Exercise Price : Baht 1 (Formerly: Baht 2.50)
- Exercise Period : The first: 1 year after the Company issued warrants, and not exceed 25% of the allocated warrants
- The second: 2 years after the Company issued warrants, and not exceed 50% of the allocated warrants
- The third: 3 years after the Company issued warrants, and not exceed 75% of the allocated warrants
- The forth: 4 years after the Company issued warrants, and not exceed 100% of the allocated warrants

Holders of warrants are able to exercise the warrants to ordinary shares on the last business day of March, June, September and December throughout the term of the warrants. The unexercised warrants as at May 14, 2018 which was the last exercised date were 8,140,000 units and the Company transferred expired share capital from share-based payment of Baht 7.86 million to be a separate item under retained earnings (deficit) in the statement of financial position.

- 22.2 The Extraordinary General Meeting of Shareholders held on September 5, 2015, had the resolution to issue Warrants No. 3 (T-W3) in the number of not exceeding 1,451,232,630 units to the existing shareholders at the ratio of 4 existing ordinary shares to 1 warrant. The preliminary details of the warrants are described below:

- Type of Warrants : Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited No. 3 (T-W3)
- Type : Specified warrant's holder and transferable
- Term of Warrants : 3 years from the issuing date of warrants
- Number of issued and offered warrants : 1,451,232,630 units
- Offering Price : 0 Baht per unit

Exercise Ratio : 1 warrant to 1.594 ordinary shares (subject to change in case of the adjustment exercise ratio to the terms and conditions)

Exercise Price : Baht 1 per share (subject to change in case of the adjustment exercise price to the terms and conditions)

On August 9, 2018 which was the last warrants exercised date, warrants of 4,791 units were exercised to ordinary share of 7,636 ordinary shares. The unexercised warrants as at August 9, 2018 were 1,451,227,839 units.

22.3 The Extraordinary General Meeting of Shareholders held on September 5, 2015, had the resolution to approve the issuance of Warrants No. 4 (T-W4) in the amount of not exceeding 3,000,000,000 units to whom subscribe and pay for the newly ordinary shares issued and offered via Private Placement at the ratio of 10 newly shares to 1 warrant. The preliminary details of the warrants are described below:

Type of Warrants : Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited No.4 (T-W4)

Type : Specified warrant's holder and transferable

Term of Warrants : 3 years from the issuing date of warrants

Number of issued and offered warrants : 3,000,000,000 units

Offering Price : 0 Baht per unit

Exercise Ratio : 1 warrant to 1 ordinary share (subject to change in case of the adjustment exercise ratio to the terms and conditions)

Exercise Price : Baht 1 per share (subject to change in case of the adjustment exercise price to the terms and conditions).

On September 13, 2019 which was the last warrants exercised date, no one exercised the right. The unexercised warrants as at September 13, 2019 were 431,000,000 units.

**23. BASIC EARNINGS (LOSSES) PER SHARE AND DILUTED EARNINGS (LOSSES) PER SHARE**

Basic earnings (losses) per share for the three-month and nine-month periods ended September 30, 2019 and 2018 are calculated by dividing profit (loss) for the periods by weighted average number of ordinary shares issued during the periods.

For the three-month and nine-month periods ended September 30, are as follows:

|  | <b>For the three-month periods ended September 30,</b> |                 |   |
|--|--|-----------------|---|
|  | <b>Consolidated<br/>financial statements<br/>2018</b>  | <b>2019</b>     | <b>Separate<br/>financial statements<br/>2018</b> |
| Loss for the periods (Baht)                            | (25,630,263)   | (15,951,834)    | (25,611,263)                                      |
| Weighted average number<br>of ordinary shares (shares) | 10,114,934,919   | 10,114,938,156  | 10,114,934,919                                    |
| Basic losses per share (Baht)                          | <u>(0.0025)</u>  | <u>(0.0016)</u> | <u>(0.0025)</u>                                   |

|  | <b>For the nine-month periods ended September 30,</b> |                |   |
|--|---|----------------|---|
|  | <b>Consolidated<br/>financial statements<br/>2018</b> | <b>2019</b>    | <b>Separate<br/>financial statements<br/>2018</b> |
| Profit (loss) for the periods (Baht)                   | (211,712,826)   | 28,319,040     | (211,657,749)                                     |
| Weighted average number<br>of ordinary shares (shares) | 10,114,932,002  | 10,114,938,156 | 10,114,932,002                                    |
| Basic earnings (losses) per share (Baht)               | <u>(0.0209)</u>                                       | <u>0.0028</u>  | <u>(0.0209)</u>                                   |

**DILUTED EARNINGS (LOSSES) PER SHARE**

Diluted earnings (losses) per share for the three-month and nine-month periods ended September 30, 2019 and 2018 are calculated by dividing the profit (loss) for the periods of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the periods and the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, fair value of the Company's ordinary shares for the three-month and nine-month periods ended September 30, 2019 and 2018 were lower than the exercise price causing the Company to exclude the effect of dilutive potential ordinary share from the calculation of diluted earnings (losses) per share.



## 24. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

Significant information of construction contracts as at September 30, 2019 and December 31, 2018, are as follows:

|  | <b>Consolidated<br/>financial statements</b>    | <b>Separate<br/>financial statements</b>         |   |
|--|---|--|---|
|  | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
| Contract revenues  | 1,790,893,747                                   | 1,475,333,898                                    | 1,790,893,747                                   |
| Cost incurred to date  | 1,607,786,160                                   | 1,367,212,293                                    | 1,607,786,160                                   |
| Profit (loss) recognized to date   | (130,411,058)                                   | 25,604,641                                       | (130,411,058)                                   |
| Cost and profit or loss recognized to date   | 1,477,375,102                                   | 1,392,816,934                                    | 1,477,375,102                                   |
| <u>Less</u> Progress billings to date  | (1,342,695,824)                                 | (1,254,933,203)                                  | (1,342,695,824)                                 |
| Reversal of unbilled construction revenues   | -   | (104,040,492)                                    | -   |
| Unbilled construction revenues   | (143,436,032)                                   | (36,090,258)                                     | (143,436,032)                                   |
| Unearned construction revenues   | (8,756,754)                                     | (2,247,019)                                      | (8,756,754)                                     |
| <u>Add</u> Advance from customer under construction contract                                 | -   | (33,454,093)                                     | -   |
| Total unearned construction revenues and advance from customer under construction contract   | (8,756,754)                                     | (35,701,112)                                     | (8,756,754)                                     |
| Cost of construction contracts incurred during the period/year                               | 818,597,125                                     | 179,959,836                                      | 818,597,125                                     |
| Expected loss on construction contracts  | (164,515,594)                                   | -  | (164,515,594)                                   |
| Cost of construction contracts incurred recognized as expense during the period/year         | (653,925,760)                                   | (179,959,836)                                    | (653,925,760)                                   |
| Cost of construction contracts related to activities in the future which recognized as asset | 155,771   | -  | 155,771   |
| Unbilled construction revenues at the beginning of the period/year                           | 91,270,070                                      | 143,436,032                                      | 91,270,070                                      |
| Unearned construction revenues at the beginning of the period/year                           | (9,113,376)                                     | (8,756,754)                                      | (9,113,376)                                     |
| Revenues from construction contracts recognized as revenues during the period/year           | 666,579,644                                     | 191,532,920                                      | 666,579,644                                     |
| Progress billings during the period/year   | (614,057,060)                                   | (188,328,467)                                    | (614,057,060)                                   |
| Reversal of unbilled construction revenues   | -   | (104,040,492)                                    | -   |
| Unearned construction revenues at the ending of period/year                                  | 8,756,754                                       | 2,247,019  | 8,756,754                                       |
| Unbilled construction revenues   | 143,436,032                                     | 36,090,258                                       | 143,436,032                                     |

|   | <b>For the three-month periods ended September 30,</b> |                             |                  |
|---|--|-----------------------------|------------------|
|   | <b>Consolidated</b>                                    | <b>Separate</b>             |                  |
|   | <b>financial statements</b>                            | <b>financial statements</b> |                  |
|   | <b>2018</b>  | <b>2019</b>                 | <b>2018</b>      |
|   | <b>Baht</b>  | <b>Baht</b>                 | <b>Baht</b>      |
| Revenues from construction contracts<br>recognized as revenues during the periods   | 178,503,745  | 65,660,790                  | 178,503,745      |
| Cost of construction contracts incurred<br>recognized as expense during the periods | (174,927,260)  | (61,342,565)                | (174,927,260)    |
| Profit recognized during the periods  | <u>3,576,485</u>                                       | <u>4,318,225</u>            | <u>3,576,485</u> |

|   | <b>For the nine-month periods ended September 30,</b> |                             |                      |
|---|---|-----------------------------|----------------------|
|   | <b>Consolidated</b>                                   | <b>Separate</b>             |                      |
|   | <b>financial statements</b>                           | <b>financial statements</b> |                      |
|   | <b>2018</b>   | <b>2019</b>                 | <b>2018</b>          |
|   | <b>Baht</b>   | <b>Baht</b>                 | <b>Baht</b>          |
| Revenues from construction contracts<br>recognized as revenues during the periods   | 551,284,203   | 191,532,920                 | 551,284,203          |
| Expected loss on construction contracts   | (164,515,594)   | -                           | (164,515,594)        |
| Cost of construction contracts incurred<br>recognized as expense during the periods | (534,486,298)   | (179,959,836)               | (534,486,298)        |
| Profit (loss) recognized during the periods   | <u>(147,717,689)</u>                                  | <u>11,573,084</u>           | <u>(147,717,689)</u> |

On March 22, 2019, the company which was the counterparty of the contract with the Company agreed to terminate the construction contract. The Company then reversed unbilled construction revenues of Baht 104.04 million (see Note 6), reversed provision for expected loss on construction contract of Baht 185.74 million (see Note 19.1) and reversed provision for penalty arising from delay of Baht 3.23 million (see Note 19.2). The Company recorded the result of termination of the construction contract totaling Baht 70.73 million as “reversal from termination of construction contract” in the statement of profit or loss and other comprehensive income for the nine-month period ended September 30, 2019 (for the three-month period ended September 30, 2019 : Nil).

## 25. INCOME TAX

Reconciliations of income tax for the three-month and nine-month periods ended September 30, are as follows:

|  | <b>For the three-month periods ended September 30,</b> |                             |              |
|--|--|-----------------------------|--------------|
|  | <b>Consolidated</b>                                    | <b>Separate</b>             |              |
|  | <b>financial statements</b>                            | <b>financial statements</b> |              |
|  | <b>2018</b>  | <b>2019</b>                 | <b>2018</b>  |
|  | <b>Baht</b>  | <b>Baht</b>                 | <b>Baht</b>  |
| Loss before income tax expense                                 | (25,630,263)   | (15,951,834)                | (25,611,263) |
| Income tax at 20%  | (5,126,053)  | (3,190,367)                 | (5,122,253)  |
| Effect of tax losses not<br>recognized as deferred tax asset   | 4,982,707  | 2,775,291                   | 4,978,907    |
| Effect of the non-taxable income<br>and non-deductible expense | 143,346  | 415,076                     | 143,346      |
| <b>Income tax expense</b>                                      | <u>-</u>   | <u>-</u>                    | <u>-</u>     |

|  | <b>For the nine-month periods ended September 30,</b> |                             |                  |
|--|---|-----------------------------|------------------|
|  | <b>Consolidated</b>                                   | <b>Separate</b>             |                  |
|  | <b>financial statements</b>                           | <b>financial statements</b> |                  |
|  | <b>2018</b>   | <b>2019</b>                 | <b>2018</b>      |
|  | <b>Baht</b>   | <b>Baht</b>                 | <b>Baht</b>      |
| Profit (loss) before income tax expense                        | (205,955,441)   | 28,238,040                  | (205,900,364)    |
| Income tax at 20%  | (41,191,088)  | 5,647,608                   | (41,180,073)     |
| Effect of tax losses not<br>recognized as deferred tax asset   | 8,612,114   | 10,081,806                  | 8,601,099        |
| Effect of the non-taxable income<br>and non-deductible expense | 38,336,359  | (15,810,414)                | 38,336,359       |
| <b>Income tax (income) expense</b>                             | <b>5,757,385</b>                                      | <b>(81,000)</b>             | <b>5,757,385</b> |

The Company has not recognized deferred tax assets for unused tax losses because they expect no certain future taxable profit to be utilized. As at September 30, 2019, the Company has unused tax losses carried forward amounting to Baht 182.57 million. Some tax losses will expire in 2021. As at December 31, 2018, the Group and the Company have unused tax losses carried forward amounting to Baht 434.54 million and Baht 434.48 million, respectively. Such tax losses will expire in 2019.

## 26. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has certain transactions with related parties. These related parties are related through common shareholdings and/or directorships. Significant related party transactions included in the financial statements are determined at the normal business prices based on the general market prices or prices agreed by the agreement in case no market reference.

Balances with related parties as at September 30, 2019 and December 31, 2018, are as follows:

|  | <b>As at</b>         | <b>As at</b>        |
|--|----------------------|---------------------|
|  | <b>September 30,</b> | <b>December 31,</b> |
|  | <b>2019</b>          | <b>2018</b>         |
|  | <b>Baht</b>          | <b>Baht</b>         |
| Other non-current receivables (see Note 13)  |                      |                     |
| Joint Venture between Thai Industrial & Engineering<br>Service Plc. and Reaungnarong Co., Ltd. | 435,392              | 435,392             |
| Other current payables (see Note 17)   |                      |                     |
| Joint Venture between Thai Industrial & Engineering<br>Service Plc. and Reaungnarong Co., Ltd. | 1,200,000            | 1,200,000           |

## Directors and key management's compensation

Directors and key management's compensation for the three-month and nine-month periods ended September 30, 2019 and 2018, consisted of the following:

|   | For the three-month periods ended September 30, |                      |            |
|---|---|----------------------|------------|
|   | Consolidated                                    | Separate             |            |
|   | financial statements                            | financial statements |            |
|   | 2018  | 2019                 | 2018       |
|   | Baht  | Baht                 | Baht       |
| Short-term benefits                               | 3,870,000                                       | 2,705,700            | 3,870,000  |
| Post-employee benefits                            | 158,577   | 42,898               | 158,577    |
| Directors remuneration                            | 985,000   | -                    | 985,000    |
| Total directors and key management's compensation | 5,013,577                                       | 2,748,598            | 5,013,577  |
|   |   |                      |            |
|   | For the nine-month periods ended September 30,  |                      |            |
|   | Consolidated                                    | Separate             |            |
|   | financial statements                            | financial statements |            |
|   | 2018  | 2019                 | 2018       |
|   | Baht  | Baht                 | Baht       |
| Short-term benefits                               | 11,495,600                                      | 8,117,100            | 11,495,600 |
| Post-employee benefits                            | 1,621,350                                       | 130,724              | 1,621,350  |
| Directors remuneration                            | 2,278,000                                       | -                    | 2,278,000  |
| Total directors and key management's compensation | 15,394,950                                      | 8,247,824            | 15,394,950 |

## Relationships

| Company   | Country  | Relationship      | Type of relationship          |
|---|----------|-------------------|-------------------------------|
| Joint Venture between Thai Industrial & Engineering Service Plc. and Reaungnarong Co., Ltd. | Thailand | Joint arrangement | Jointly controlled operations |

## 27. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has commitments and contingent liabilities as follows:

- 27.1 As at September 30, 2019, the Company has letters of guarantee issued by the banks of Baht 203.21 million. The Company has credit facilities for letters of guarantee issued by the banks of Baht 229.65 million, which are guaranteed by the Company's deposits at banks (see Note 10).

As at December 31, 2018, the Company has letters of guarantee issued by the banks of Baht 243.17 million. The Company has credit facilities for letters of guarantee issued by the banks of Baht 291.07 million, which are guaranteed by the Company's deposits at banks (see Note 10).

- 27.2 As at December 31, 2018, the Company has postdated cheque of Baht 11.80 million which is pledged as collateral for a construction contract (as at September 30, 2019 : Nil).
- 27.3 Commitments to pay rental under the lease agreements for buildings and services in the future as at September 30, 2019 and December 31, 2018, consisted of the following:

| <b>Payment periods</b>                       | <b>As at<br/>September 30,<br/>2019<br/>Baht</b> | <b>As at<br/>December 31,<br/>2018<br/>Baht</b> |
|--|--|---|
| Within 1 year                                | 2,699,697  | 9,496,478                                       |
| Later than 1 year but not later than 5 years | 497,973  | 846,777   |

Rental under the lease agreements recognized as expenses in the separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019 are Baht 2.39 million and Baht 7.74 million, respectively.

Rental under the lease agreements recognized as expenses in the consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018 are Baht 2.81 million and Baht 8.33 million, respectively.

- 27.4 During the year 2018, the Company proposed the bidding for construction with a domestic company and the Company won the bidding. However, the Company could not sign the construction contract within specified date. As at September 30, 2019, the Company was on process to negotiate with such company which the result of negotiation has not yet acknowledged at this time. The Company's management believes that there is no material impact to the interim financial statements.

## **28. OPERATING SEGMENT INFORMATION**

Operating segment information is reported to comply with the internal report that is prepared for decision in the resource allocation to the segment and assess its segment performance. The Company's chief operating decision maker is the directors of the Company.

### **Business segment**

The Company operates in only one segment which is construction business. Therefore, the Company has only one business segment.

### **Geographical segment**

The Company operates in only domestic. Therefore, the Company has only one geographic segment.

### **Information about transactions with major customers**

The Company has revenues from construction contracts with external customers over 10% of total revenue from construction contract.

For the three-month periods ended September 30, 2019 and 2018, the Company has revenue from construction contract from 1 major customer in total amount of Baht 55.50 million and 2 major customers in total amount of Baht 136.81 million, respectively. And for the nine-month periods ended September 30, 2019 and 2018, the Company has revenue from construction contract from 3 major customers in total amount of Baht 159.82 million and 2 major customers in total amount of Baht 331.00 million, respectively.

## 29. LITIGATIONS

29.1 On July 24, 2012, the Company sued a company (the “Contractor”) for breach of the construction contract in the amount of Baht 100.23 million and such company sued counterclaim the Company in the same lawsuit in amount of Baht 281.02 million. On April 28, 2016, the Civil Court already rendered its judgment ordered the Company to pay such company (the “Contractor”) in amount of Baht 105.31 million.

Later, on May 25, 2018, the Appeal Court rendered its judgement to reverse the Civil Court’s judgement and ordered the Contractor to pay the Company net of Baht 43.69 million with interest since the date of prosecution until payment completion after deducted compensation to the Contractor of Baht 30.80 million. Therefore, reversal of provision for loss on litigations of Baht 21.85 million was made, resulting in provision for loss on litigations as at September 30, 2019 and December 31, 2018 of Baht 30.80 million. The Company processed petition to the Supreme Court on April 5, 2019. The case is being considered by the Supreme Court. The Company’s management believes that the resultant losses will not significantly differ from recorded provision.

Moreover, during 2017, the bank which issued letters of guarantee to such contractor on behalf of the Company deducted the Company’s deposit at bank of Baht 5.33 million to repay the obligations for such letters of guarantee. The Company recognized such transaction as other receivable - bank and presented as part of trade and other non-current receivables (see Note 13) as the Company believes that the bank had no rights to deduct the Company’s deposit at bank because the case has not resolved.

Subsequently, on May 25, 2018, the bank which issued letters of guarantee to such contractor on behalf of the Company sued the Company to make a payment according to a request for issuance the letters of guarantee of Baht 49.49 million. The Civil Court took evidence in June 2019 and on August 15, 2019, the Civil Court already rendered its judgement to dismiss the case. In October 2019, the Company is currently requesting the court to issue an execution warrant and the bank appealed such case to the court.

29.2 The Company had been requested to be co-defendant in litigation cases in which the contractor under the construction contract (the “Contractor”) had sued a company which issued the agreement for performance guarantee and the agreement for advance receipt guarantee on behalf of the Company (the “Guarantor”) with the claim amount of Baht 159.76 million to the Civil Court. The Civil Court rendered the order to allow the Company to be co-defendant and the Company had sued for counterclaim to the Contractor with the claim amount of Baht 198.29 million.

On March 9, 2015, the Civil Court had ordered to strike the cases on the agreement for performance guarantee and the agreement for advance receipt guarantee out of the case-list in order to let the Company and the Contractor being into Arbitration process. The Contractor appealed to the Appeal Court.

On January 26, 2016, the Appeal Court reaffirmed the Civil Court for the cases on the agreement for performance guarantee and the agreement for advance receipt guarantee. The Contractor filed the petition to the Supreme Court. Later, on November 2, 2016, the Supreme Court had ordered related to the agreement for performance guarantee to reverse the judgement for allowing the Company being the co-defendant and dismissed the Appeal Court's order and the Civil Court's order that struck the case out of the case-list and had ordered the Civil Court to retry the consideration of the case. And on March 1, 2017, the Supreme Court had also ordered related to the agreement for advance receipt guarantee to dismiss the Appeal Court's order and the Civil Court's order that struck the case out of the case-list and had ordered the Civil Court to retry the consideration of the case.

On June 26, 2017, the Company has submitted a dispute between the Company and the Contractor to the Arbitration process which under consideration the dispute until June 2019, the arbitrator resigned. Later, on August 22, 2019, International Court of Arbitration of the International Chamber of Commerce ("ICC") appointed a new arbitrator for such dispute consideration. In October 2019, the dispute is currently being considered by the arbitrator.

The Company assessed that they may incur loss from such cases. Therefore, the Company recorded provision for loss on litigations as at September 30, 2019 and December 31, 2018 amounting to Baht 44.41 million. The Company's management believes that the resultant losses will not significantly differ from the provision that is recognized in the financial statements.

- 29.3 On July 27, 2017, the Company was sued by 2 sub-contractors for breach of the construction agreements and the guarantee agreements due to termination made by the Company on July 13, 2017 with the claim amount of Baht 14.10 million. Later, on October 11, 2017, the Company had submitted testimony and sued for counterclaim 2 sub-contractors in the amount of Baht 11.39 million. The Civil Court had ordered to accept testimony and sued for counterclaim. Later, the Court appointed the mediation of the case. On March 29, 2018, the parties could not agree together and accept to return the case to the court consideration process. The Civil Court had ordered to take evidence on October 16 - 18, 2018 and on November 27, 2018, the court rendered its judgement to order the Company to make payment to sub-contractors and return letter of guarantee. The case is currently being considered by the Appeal Court. Provisions for losses on litigations as at December 31, 2018 is Baht 3.25 million.

Subsequently, during May 2019, the Company received the rights to claim sequestered notice from Legal Execution Department to sequester the rights of some cash at bank of the Company of Baht 0.99 million and the bank has already withdrawn such cash to the Legal Execution Department, resulting in provisions for losses on litigations as at September 30, 2019 is Baht 2.26 million. The Company's management believes that the resultant losses will not significantly differ from the provision that is recognized in the financial statements.

29.4 The Company has been sued by other companies as defendants for breach of contracts relating to construction, hire-of-work, purchase of goods, services and borrowing as follows:

29.4.1 The cases that the Civil Court has rendered the judge compulsions to for 7 cases to order the Company to make compensation in amount of Baht 14.83 million. As at September 30, 2019, the Company has outstanding claim amount to be paid of Baht 10.48 million that were recorded as liabilities in the related accounts amount of Baht 10.28 million and were recorded as provisions for losses on litigations amount of Baht 0.20 million in the financial statements.

29.4.2 The Company was sued for 2 cases relating to hire-of-work and borrowing with the claims of Baht 19.39 million. The Company has recorded as liabilities in the related accounts as at September 30, 2019 of Baht 13.91 million. The Company's management believes that the resultant losses will not significantly differ from the liabilities recognized in the financial statements.

Accordingly, the Company recorded provisions for losses on litigations (see Notes 29.1, 29.2 29.3 and 29.4.1) as at September 30, 2019 and December 31, 2018, are Baht 77.67 million and Baht 78.46 million, respectively.

### **30. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

Some financial assets of the Company that were measured at fair value in the statement of financial position as at the reporting period as follows:

As at September 30, 2019 and December 31, 2018, the Company has financial assets which are investments held as available for sale - equity securities and held-for-trading investments - equity securities with fair value equally to its carrying amount which is measured using fair value hierarchy level 1. The fair value is determined based on last bidding price of the Stock Exchange of Thailand at the last working date of accounting period.

### **31. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

These interim financial statements have been approved for issuing by the Company's Board of Directors on November 13, 2019.