

**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 consolidated statement of financial position of T Engineering Corporation Public Company Limited and its subsidiary and the separate statement of financial position of T Engineering Corporation Public Company Limited as at September 30, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2018, 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 32 to the interim financial statements, the Company has many litigations which are currently under the process of the courts.

**BANGKOK**  
November 13, 2018

Nantawat Sumraunhant  
Certified Public Accountant (Thailand)  
Registration No. 7731  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2018**

**Unit : Baht**

	Notes	Consolidated financial statements		Separate financial statements	
		As at September 30, 2018 “Unaudited”	As at December 31, 2017	As at September 30, 2018 “Unaudited”	As at December 31, 2017
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.2	5,556,295	21,633,197	4,635,525	20,638,581
Current investments	5	6,261,840	8,486,554	6,261,840	8,486,554
Trade and other current receivables	6	186,117,428	137,695,977	186,117,428	137,695,977
Inventories	7	677,165	16,504,736	677,165	16,504,736
Current tax assets		15,884,751	16,160,978	15,884,732	16,160,969
Deposit for business acquisition	8	-	-	-	-
Other current assets		3,273,785	4,940,615	3,273,785	4,940,615
Non-current assets classified as held for sale	9	354,160,000	-	354,160,000	-
<b>Total Current Assets</b>		<b>571,931,264</b>	<b>205,422,057</b>	<b>571,010,475</b>	<b>204,427,432</b>
<b>NON-CURRENT ASSETS</b>					
Deposits at financial institution					
with restriction of use	10	63,362,009	84,881,872	63,362,009	84,881,872
Investments held as available for sale	11	41,227,334	53,325,002	41,227,334	53,325,002
Investment in a subsidiary	12	-	-	999,970	999,970
Investment in a joint arrangement	13	-	-	-	-
Trade and other non-current receivables	14	9,204,507	11,111,115	9,204,507	11,111,115
Property, plant and equipment	15	98,642,444	463,936,433	98,642,444	463,936,433
Retention receivables	16	76,841,462	45,722,060	76,841,462	45,722,060
Intangible assets		3,364,653	4,003,289	3,364,653	4,003,289
Other non-current assets	17	81,888,874	66,022,445	81,888,865	66,022,445
<b>Total Non-current Assets</b>		<b>374,531,283</b>	<b>729,002,216</b>	<b>375,531,244</b>	<b>730,002,186</b>
<b>TOTAL ASSETS</b>		<b>946,462,547</b>	<b>934,424,273</b>	<b>946,541,719</b>	<b>934,429,618</b>

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2018**

**Unit : Baht**

	Notes	Consolidated financial statements		Separate financial statements	
		As at September 30, 2018 “Unaudited”	As at December 31, 2017	As at September 30, 2018 “Unaudited”	As at December 31, 2017
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft	18	16,453,664	21,926,033	16,453,664	21,926,033
Trade and other current payables	19	201,616,178	216,019,268	201,559,928	215,944,268
Current portion of long-term borrowing					
from a financial institution	20	-	40,171,401	-	40,171,401
Current portion of long-term liabilities under					
finance lease agreements	21	275,623	420,278	275,623	420,278
Other short-term borrowing	22	17,235,690	12,235,690	17,235,690	12,235,690
Current retention payables		20,237,391	8,024,605	20,237,391	8,024,605
Unearned construction revenues	28	11,374,918	9,113,376	11,374,918	9,113,376
Advance deposit from sale of land	9	82,593,500	-	82,593,500	-
Short-term provisions		1,472,323	361,281	1,472,323	361,281
Provision for expected loss on					
construction contract	23.1	192,805,344	28,289,750	192,805,344	28,289,750
Provision for penalty arising from delay	23.2	23,609,726	-	23,609,726	-
Current provisions for employee benefits		851,267	851,267	851,267	851,267
Other current liabilities		17,889,450	14,638,292	17,889,450	14,638,292
<b>Total Current Liabilities</b>		<b>586,415,074</b>	<b>352,051,241</b>	<b>586,358,824</b>	<b>351,976,241</b>
<b>NON-CURRENT LIABILITIES</b>					
Non-current retention payables		23,950,020	31,776,056	23,950,020	31,776,056
Long-term liabilities under finance					
lease agreements	21	385,135	593,833	385,135	593,833
Deferred tax liabilities	24	8,106,465	-	8,106,465	-
Provisions for loss on litigations	32	75,209,500	97,064,000	75,209,500	97,064,000
Non-current provisions for employee benefits		6,202,994	4,701,468	6,202,994	4,701,468
<b>Total Non-current Liabilities</b>		<b>113,854,114</b>	<b>134,135,357</b>	<b>113,854,114</b>	<b>134,135,357</b>
<b>TOTAL LIABILITIES</b>		<b>700,269,188</b>	<b>486,186,598</b>	<b>700,212,938</b>	<b>486,111,598</b>

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2018**

**Unit : Baht**

	Notes	Consolidated financial statements		Separate financial statements	
		As at September 30, 2018 “Unaudited”	As at December 31, 2017	As at September 30, 2018 “Unaudited”	As at December 31, 2017
<b>LIABILITIES AND SHAREHOLDERS’ EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS’ EQUITY					
SHARE CAPITAL	25				
Authorized share capital					
13,035,049,764 ordinary shares of Baht 1 each		13,035,049,764	13,035,049,764	13,035,049,764	13,035,049,764
Issued and paid share capital					
10,114,930,520 ordinary shares of Baht 1 each, fully paid		-	10,114,930,520	-	10,114,930,520
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)	(8,500,747,796)	(8,500,747,796)
Capital reserve for share-based payment	26	-	7,594,702	-	7,594,702
Retained earnings (deficit)					
Appropriated					
Legal reserve		5,526,839	5,526,839	5,526,839	5,526,839
Unappropriated		(1,631,177,491)	(1,420,283,513)	(1,631,042,039)	(1,420,203,138)
Expired warrant surplus	26	7,859,252	-	7,859,252	-
Other components of shareholders’ equity		249,794,369	241,216,893	249,794,369	241,216,893
Total shareholders’ equity attributable to owner of the Company		246,193,329	448,237,645	246,328,781	448,318,020
Non-controlling interests		30	30	-	-
<b>TOTAL SHAREHOLDERS’ EQUITY</b>		<b>246,193,359</b>	<b>448,237,675</b>	<b>246,328,781</b>	<b>448,318,020</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY</b>		<b>946,462,547</b>	<b>934,424,273</b>	<b>946,541,719</b>	<b>934,429,618</b>

See the condensed notes to the financial statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018  
“Unaudited”

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues from construction contracts	28	178,503,745	156,219,342	178,503,745	156,219,342
Cost of construction contracts	28	-174,927,260	-152,518,702	-174,927,260	-152,518,702
<b>Gross profit</b>		3,576,485	3,700,640	3,576,485	3,700,640
Other income	15	1,798,554	7,038,300	1,798,554	7,038,300
Administrative expenses		-29,468,763	-37,366,406	-29,449,763	-37,360,106
Finance costs		-1,536,539	-2,455,918	-1,536,539	-2,455,918
<b>Loss before income tax expense</b>		-25,630,263	-29,083,384	-25,611,263	-29,077,084
Income tax expense	24	-	-	-	-
<b>Loss for the periods</b>		-25,630,263	-29,083,384	-25,611,263	-29,077,084
<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	-4,115,416	3,148,333	-4,115,416
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss					
		-629,667	-	-629,667	-
Total components of other comprehensive income that will be subsequently reclassified to profit or loss					
		2,518,666	-4,115,416	2,518,666	-4,115,416
Other comprehensive income (loss) for the periods - net of tax					
		2,518,666	-4,115,416	2,518,666	-4,115,416
<b>Total comprehensive loss</b>					
		-23,111,597	-33,198,800	-23,092,597	-33,192,500
<b>Loss for the periods attributable to</b>					
Owner of the Company					
		-25,630,263	-29,083,384	-25,611,263	-29,077,084
Non-controlling interests					
		-	-	-	-
		(25,630,263)	(29,083,384)	(25,611,263)	(29,077,084)
<b>Total comprehensive loss for the periods attributable to</b>					
Owner of the Company					
		-23,111,597	-33,198,800	-23,092,597	-33,192,500
Non-controlling interests					
		-	-	-	-
		(23,111,597)	(33,198,800)	(23,092,597)	(33,192,500)
<b>Basic losses per share</b>					
Basic losses per share (Baht)					
	27	(0.0025)	(0.0029)	(0.0025)	(0.0029)
Weighted average number of ordinary shares (shares)					
	27	10,114,934,919	10,114,930,520	10,114,934,919	10,114,930,520
<b>Diluted losses per share</b>					
Diluted losses per share (Baht)					
	27	(0.0025)	(0.0029)	(0.0025)	(0.0029)
Diluted weighted average number of ordinary shares (shares)					
	27	10,114,934,919	10,114,930,520	10,114,934,919	10,114,930,520

See the condensed notes to the financial statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018  
“Unaudited”

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues from construction contracts	28	551,284,203	412,994,700	551,284,203	412,994,700
Cost of construction contracts	28	-699,001,892	-366,419,905	-699,001,892	-366,419,905
<b>Gross profit (loss)</b>		-147,717,689	46,574,795	-147,717,689	46,574,795
Other income	15	16,492,850	13,735,612	16,491,020	13,735,612
Administrative expenses		-91,101,133	-90,736,151	-91,044,226	-90,729,851
Reversal of provisions for loss on litigations	32.1	21,854,500	-	21,854,500	-
Finance costs		-5,483,969	-11,308,538	-5,483,969	-11,308,538
<b>Loss before income tax expense</b>		-205,955,441	-41,734,282	-205,900,364	-41,727,982
Income tax expense	24	(5,757,385)	-	(5,757,385)	-
<b>Loss for the periods</b>		-211,712,826	-41,734,282	-211,657,749	-41,727,982
<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	-10,522,716	4,023,500	-10,522,716
Reversal of losses from sale of investments held as available for sale					
	11	7,721,904	-	7,721,904	-
Income tax relating to components of other comprehensive income that will be 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	-10,522,716	9,396,324	-10,522,716
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					
	15	(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	-10,522,716	8,577,476	-10,522,716
<b>Total comprehensive loss</b>		-203,135,350	-52,256,998	-203,080,273	-52,250,698

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018**  
**“Unaudited”**

**Unit : Baht**

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Loss for the periods attributable to</b>					
Owner of the Company		-211,712,826	-41,734,282	-211,657,749	-41,727,982
Non-controlling interests		-	-	-	-
		<u>(211,712,826)</u>	<u>(41,734,282)</u>	<u>(211,657,749)</u>	<u>(41,727,982)</u>
<b>Total comprehensive loss for the periods attributable to</b>					
Owner of the Company		-203,135,350	-52,256,998	-203,080,273	-52,250,698
Non-controlling interests		-	-	-	-
		<u>(203,135,350)</u>	<u>(52,256,998)</u>	<u>(203,080,273)</u>	<u>(52,250,698)</u>
<b>Basic losses per share</b>					
Basic losses per share (Baht)	27	<u>(0.0209)</u>	<u>(0.0041)</u>	<u>(0.0209)</u>	<u>(0.0041)</u>
Weighted average number of ordinary shares (shares)	27	<u>10,114,932,002</u>	<u>10,114,930,520</u>	<u>10,114,932,002</u>	<u>10,114,930,520</u>
<b>Diluted losses per share</b>					
Diluted losses per share (Baht)	27	<u>(0.0209)</u>	<u>(0.0041)</u>	<u>(0.0209)</u>	<u>(0.0041)</u>
Diluted weighted average number of ordinary shares (shares)	27	<u>10,114,932,002</u>	<u>10,114,930,520</u>	<u>10,114,932,002</u>	<u>10,114,930,520</u>

See the condensed notes to the financial statements



**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018**  
**“UNAUDITED”**

**Unit : Baht**

Notes	Consolidated financial statements											
	Retained earnings (deficit)						Other components of shareholders' equity				Non-controlling interests	Total Shareholders' equity
	Issued and paid-up share capital	Discount on ordinary shares	Capital reserve for share-based payment	Appropriated	Unappropriated	Expired	Other comprehensive income (loss)		Total other components of shareholders' equity			
				Legal reserve		warrant surplus	Gain on revaluation of assets	Gains (losses) on remeasuring investments held as available-for-sale				
Balances as at January 1, 2017	10,114,930,520	(8,500,747,796)	6,756,156	5,526,839	(1,302,253,624)	-	262,702,283	(2,615,866)	260,086,417	-	584,298,512	
Changes in shareholders' equity												
Non-controlling interests from investment in subsidiary	-	-	-	-	-	-	-	-	-	30	30	
Capital reserve for share-based payment	-	-	838,546	-	-	-	-	-	-	-	838,546	
Total comprehensive loss for the period	-	-	-	-	(41,734,282)	-	-	(10,522,716)	(10,522,716)	-	(52,256,998)	
Balances as at September 30, 2017	<u>10,114,930,520</u>	<u>(8,500,747,796)</u>	<u>7,594,702</u>	<u>5,526,839</u>	<u>(1,343,987,906)</u>	<u>-</u>	<u>262,702,283</u>	<u>(13,138,582)</u>	<u>249,563,701</u>	<u>30</u>	<u>532,880,090</u>	
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	25 and 26	7,636	-	-	-	-	-	-	-	-	7,636	
Capital reserve for share-based payment	26	-	264,550	-	-	-	-	-	-	-	264,550	
Expired warrant	26	-	-7,859,252	-	-	7,859,252	-	-	-	-	-	
Surplus on revaluation of assets	15	-	-	-	818,848	-	-	-	-	-	818,848	
Total comprehensive 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>

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018**  
**“UNAUDITED”**

**Unit : Baht**

Notes	Separate financial statements									Total Shareholders' equity
				Retained earnings (deficit)			Other components of shareholders' equity			
	Issued and paid share capital	Discount on ordinary shares	Capital reserve for share-based payment	Appropriated legal reserve	Unappropriated	Expired warrant surplus	Other comprehensive income (loss)		Total other components of shareholders' equity	
							Gain on revaluation of assets	Gains (losses) on remeasuring investments held as available-for-sale		
Balances as at January 1, 2017	10,114,930,520	(8,500,747,796)	6,756,156	5,526,839	(1,302,253,624)	-	262,702,283	(2,615,866)	260,086,417	584,298,512
Changes in shareholders' equity										
Capital reserve for share-based payment	26	-	838,546	-	-	-	-	-	-	838,546
Total comprehensive loss for the period		-	-	-	(41,727,982)	-	-	(10,522,716)	(10,522,716)	(52,250,698)
Balances as at September 30, 2017	<u>10,114,930,520</u>	<u>(8,500,747,796)</u>	<u>7,594,702</u>	<u>5,526,839</u>	<u>(1,343,981,606)</u>	<u>-</u>	<u>262,702,283</u>	<u>(13,138,582)</u>	<u>249,563,701</u>	<u>532,886,360</u>
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	25 and 26	7,636	-	-	-	-	-	-	-	7,636
Capital reserve for share-based payment	26	-	264,550	-	-	-	-	-	-	264,550
Expired warrant	26	-	(7,859,252)	-	-	7,859,252	-	-	-	-
Surplus on revaluation of assets	15	-	-	-	818,848	-	-	-	-	818,848
Total comprehensive 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>

See the condensed notes to the financial statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

“UNAUDITED”

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before income tax expense	(205,955,441)	(41,734,282)	(205,900,364)	(41,727,982)
Adjustments :				
Depreciation and amortization	7,983,467	10,211,951	7,983,467	10,211,951
Employee benefit expenses	1,501,526	1,454,437	1,501,526	1,454,437
Reversal of employee benefit expenses	-	(780,000)	-	(780,000)
Bad debt accounts	-	3,166,433	-	3,166,433
Doubtful accounts (reversal)	500,000	(4,640,795)	500,000	(4,640,795)
Provision for penalty arising from delay	23,609,726	-	23,609,726	-
Reversal of provisions for loss on litigations	(21,854,500)	-	(21,854,500)	-
Reversal of retention payables	-	(2,757,068)	-	(2,757,068)
Capital reserve for share-based payment	264,550	838,546	264,550	838,546
Short-term provisions (reversal)	1,111,508	(819,628)	1,111,508	(819,628)
Provision for expected loss on construction contract	164,515,594	-	164,515,594	-
Reversal of trade payables	(2,326,238)	-	(2,326,238)	-
Gain on sales of property, plant and equipment	(5,572,500)	(137,786)	(5,572,500)	(137,786)
(Gain) loss on write-off of equipment	(486,317)	85,767	(486,317)	85,767
Unrealized loss on revaluation of current investment	1,284,427	6,236,890	1,284,427	6,236,890
Loss (gain) on sales of investments held as available for sale	6,808,285	(21,739)	6,808,285	(21,739)
Loss (gain) on sales of investments held for trading	460,425	(1,088,198)	460,425	(1,088,198)
Reversal of accrued interest expenses	-	(2,912,440)	-	(2,912,440)
Interest income	(398,151)	(602,325)	(398,151)	(602,325)
Interest expenses	2,691,832	5,371,695	2,691,832	5,371,695
	<u>(25,861,807)</u>	<u>(28,128,542)</u>	<u>(25,806,730)</u>	<u>(28,122,242)</u>
Operating assets (increase) decrease				
Current investments	479,862	(17,708,618)	479,862	(17,708,618)
Trade and other current receivables	(48,445,710)	(53,973,313)	(48,445,710)	(53,979,643)
Inventories	15,827,571	(1,160,704)	15,827,571	(1,160,704)
Other current assets	1,666,830	(15,427)	1,666,830	(15,427)
Deposits at financial institution with restriction of use	21,519,863	4,374,208	21,519,863	4,374,208
Trade and other non-current receivables	1,406,608	27,448,051	1,406,608	27,448,051
Retention receivables	(31,119,402)	2,026,592	(31,119,402)	2,026,592
Other non-current assets	294,549	(6,900,663)	294,549	(6,900,663)

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018**  
**“UNAUDITED”**

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
Operating liabilities increase (decrease)				
Trade and other current payables	(12,076,852)	(13,269,939)	(12,058,102)	(13,269,939)
Current retention payables	12,212,786	(9,725,155)	12,212,786	(9,725,155)
Unearned construction revenues	2,261,542	19,022,482	2,261,542	19,022,482
Short-term provisions	(466)	(1,803,115)	(466)	(1,803,115)
Other current liabilities	3,251,158	867,245	3,251,158	867,245
Non-current retention payables	(7,826,036)	9,500,494	(7,826,036)	9,500,494
Cash paid from operations	(66,409,504)	(69,446,404)	(66,335,677)	(69,446,434)
Cash received from interest	422,410	665,766	422,410	665,766
Cash paid for income tax	(15,884,751)	(12,175,989)	(15,884,732)	(12,175,989)
Net cash used in operating activities	(81,871,845)	(80,956,627)	(81,797,999)	(80,956,657)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payment for purchases of investments				
held as available for sale	-	(186,667)	-	(186,667)
Cash received from sales of investments				
held as available for sale	17,034,787	21,739	17,034,787	21,739
Cash paid for investment in a subsidiary	-	-	-	(999,970)
Payment for purchase of equipment	(787,279)	(1,766,516)	(787,279)	(1,766,516)
Payment for purchase of intangible assets	-	(2,165,100)	-	(2,165,100)
Cash received from sales of property, plant and equipment	10,635,254	174,158	10,635,254	174,158
Cash received from deposit from sale of land	82,593,500	-	82,593,500	-
Net cash received from (used in) investing activities	109,476,262	(3,922,386)	109,476,262	(4,922,356)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Bank overdraft (decrease) increase	(5,472,369)	112,023	(5,472,369)	112,023
Repayments for long-term borrowing from				
a financial institution	(40,171,401)	(51,750,000)	(40,171,401)	(51,750,000)
Repayments for liabilities under finance lease agreements	(353,353)	(677,621)	(353,353)	(677,621)
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)	(5,371,695)	(2,691,832)	(5,371,695)
Net cash used in financing activities	(43,681,319)	(57,687,293)	(43,681,319)	(57,687,293)
Net decrease in cash and cash equivalents	(16,076,902)	(142,566,306)	(16,003,056)	(143,566,306)
Cash and cash equivalents as at January 1,	21,633,197	184,843,962	20,638,581	184,843,962
<b>Cash and cash equivalents as at September 30,</b>	<b>5,556,295</b>	<b>42,277,656</b>	<b>4,635,525</b>	<b>41,277,656</b>

See the condensed notes to the financial statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY  
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018  
“UNAUDITED”**

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

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 February 7, 2017, the Meeting of the Board of Directors had the resolution to establish 2 subsidiaries. The Company established a subsidiary which was incorporated in Thailand under the Civil and Commercial Code on August 29, 2017 to engage in the property development and asset management. Later on August 14, 2018, the Board of Directors’ meeting passed a resolution to approve the liquidation of a subsidiary. The subsidiary already registered the dissolution with the Department of Business Development on November 5, 2018 (see Note 12).

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

- 2.1 These consolidated and separate interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2017) “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 consolidated and separate statements of financial position as at December 31, 2017, presented herein for comparison, have been derived from the consolidated and separate financial statements 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, 2018 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 consolidated and separate interim financial statements for the three-month and nine-month periods ended September 30, 2018 should be read in conjunction with the audited financial statements for the year ended December 31, 2017.

- 2.5 The preparation of consolidated and separate interim financial statement in conformity with Thai Accounting Standard No. 34 (Revised 2017) “Interim Financial Reporting” also require the Company and subsidiary’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 consolidated interim financial statements which did not recognize its interest in a joint operation in Joint Venture between Thai Industrial & Engineering Service Plc. and Reungnarong Co., Ltd. according to Thai Financial Reporting Standard No. 11 (Revised 2017) “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 13).
- 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 follow:

Subsidiary	Incorporation country	Type of Business	Percentage of Investments (%)	
			September 30, 2018	December 31, 2017
T Asset Management Company Limited.	Thailand	Property development and asset management	99.99%	99.99%

On August 14, 2018, the Board of Directors’ meeting passed a resolution to approve the liquidation of a subsidiary. The subsidiary already registered the dissolution with the Department of Business Development on November 5, 2018. However, the Company did not classify investment in a subsidiary as non-current asset classified as held for sale or as held for distribution to owners and did not present discontinued operations according to Thai Financial Reporting Standard No. 5 (Revised 2017) “Non-current Asset Held for Sale and Discontinued Operations” because such investment in a subsidiary and subsidiary’s operation results have no material impact to the financial statements (see Note 12).

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.

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 financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These 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. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements, except the following financial reporting standard.

Thai Accounting Standard No. 7 (Revised 2017) "Statement of Cash Flows"

This revised accounting standard requires the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This accounting standard requires prospective method for such amendment.

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

On March 14, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No.15 "Revenue from Contracts with Customers", which has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

On September 21, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, 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 follow:

**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

The Company and subsidiary's management will adopt such TFRS in the preparation of the Company and subsidiary's financial statements when it becomes effective. The Company and subsidiary's managements are in the process to assess the impact of these TFRSs on the financial statements of the Company and subsidiary 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, 2017, except for the following significant accounting policy:

#### Non-current asset classified as held for sale

Non-current asset is classified as held for sale if its carrying value will be recovered principally through a sale transaction rather than through continuing use, such asset is available for immediate sale in its present and its sale is highly probable.

Non-current asset classified as held for sale is measured at the lower of its carrying value and fair value less costs to sell.

### 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Non-cash item for the nine-month periods ended September 30, 2018 and 2017 are as follows:

	Consolidated financial statement		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Unrealized gains (losses) on remeasuring investments held as available for sale	4,023,500	(10,522,716)	4,023,500	(10,522,716)
Reversal of unrealized losses on remeasuring investments held as available for sale	7,721,904	-	7,721,904	-
Unrealized loss on revaluation of current investment	(1,284,427)	(6,236,890)	(1,284,427)	(6,236,890)

4.2 Cash and cash equivalents as at September 30, 2018 and December 31, 2017 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Cash on hand	544,145	733,726	544,145	733,726
Cash at banks				
- Savings accounts	3,191,273	5,361,113	2,270,503	4,366,497
- Current accounts	1,338,755	15,332,376	1,338,755	15,332,376
- Fixed accounts (maturity less than 3 months)	482,122	205,982	482,122	205,982
Total	<u>5,556,295</u>	<u>21,633,197</u>	<u>4,635,525</u>	<u>20,638,581</u>



As at September 30, 2018 and December 31, 2017, savings accounts carry interest rate at 0.38% - 0.40% per annum.

As at September 30, 2018 and December 31, 2017, fixed deposits at banks (maturity less than 3 months) carry interest rate at 0.75% - 1.38% per annum and 0.73% - 1.38% per annum, respectively.

## 5. CURRENT INVESTMENTS

Current investments as at September 30, 2018 and December 31, 2017 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Current investments				
Held-for-trading securities - equity securities	15,216,072	16,156,359	15,216,072	16,156,359
Unrealized loss	(8,954,232)	(7,669,805)	(8,954,232)	(7,669,805)
Total	<u>6,261,840</u>	<u>8,486,554</u>	<u>6,261,840</u>	<u>8,486,554</u>

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

As at September 30, 2018 and 2017, the Company has unrealized loss on revaluation of current investments in held-for-trading securities of Baht 8.95 million and Baht 6.24 million, respectively, which unrealized gains (losses) on revaluation of current investments in held-for-trading securities are recognized as expense 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 of Baht 0.73 million and Baht (1.28) million, respectively, and as expense 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, 2017 of Baht (4.66) million and Baht (6.24) million, respectively.

### Trading of held-for-trading securities

For the three-month period ended September 30, 2018, the Company did not purchase and sale held-for-trading securities.

For the three-month period ended September 30, 2017, the Company purchased held-for-trading securities of Baht 6.68 million and sold held-for-trading securities of Baht 8.04 million.

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

For the nine-month period ended September 30, 2017, the Company purchased held-for-trading securities of Baht 100.80 million and sold held-for-trading securities of Baht 83.09 million.

## 6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at September 30, 2018 and December 31, 2017 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Trade receivables				
- Other parties	54,447,834	37,336,463	54,447,834	37,336,463
Trade receivables	<u>54,447,834</u>	<u>37,336,463</u>	<u>54,447,834</u>	<u>37,336,463</u>
Unbilled construction revenues (see Note 28)	123,510,260	91,270,070	123,510,260	91,270,070
Other current receivables				
Other current receivables				
- Other parties	1,588,731	559,696	1,588,731	559,696
Advance payments for construction	3,283,162	5,782,894	3,283,162	5,782,894
Advance payments	480,060	308,401	480,060	308,401
Prepaid expenses	2,807,381	2,438,453	2,807,381	2,438,453
Other current receivables	<u>8,159,334</u>	<u>9,089,444</u>	<u>8,159,334</u>	<u>9,089,444</u>
Total	<u>186,117,428</u>	<u>137,695,977</u>	<u>186,117,428</u>	<u>137,695,977</u>

The aging of trade receivables as at September 30, 2018 and December 31, 2017, are as follows:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Within credit term	54,447,834	37,336,463	54,447,834	37,336,463
Total	<u>54,447,834</u>	<u>37,336,463</u>	<u>54,447,834</u>	<u>37,336,463</u>

## 7. INVENTORIES

Inventories as at September 30, 2018 and December 31, 2017, consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Construction materials	-	2,181,792	-	2,181,792
Work in progress	677,165	14,322,944	677,165	14,322,944
Total	<u>677,165</u>	<u>16,504,736</u>	<u>677,165</u>	<u>16,504,736</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 recorded the allowance for doubtful debt as at September 30, 2018 and December 31, 2017 amounting to Baht 10 million.

## 9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On July 19, 2018, the Board of Directors' meeting no. 3/2018 passed a resolution to approve the Company to enter into an agreement to sell and to purchase land in order to sell land with carrying value of Baht 354.16 million to a company. The Company entered into the agreement to sell and to purchase land on July 19, 2018. However, such land is pledged as collateral with a financial institution. The Company will redeem the land at the mortgage value on the date to transfer the rights. The Company expects to sell and transfer the rights on such land in December 2018. The Company already received deposit from sale of land of Baht 82.59 million on the date of agreement. Therefore, the Company classified such land as non-current asset classified as held for sale and presented it under current assets in the consolidated and separate statements of financial position as at September 30, 2018 and presented deposit from sale of land under current liabilities in the consolidated and separate statements of financial position as at September 30, 2018.

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

As at September 30, 2018 and December 31, 2017, deposits at financial institution with restriction of use amounting to Baht 63.36 million and Baht 84.88 million, respectively, were fixed deposits with maturity term of 3 months, carrying interest rate at 0.75% - 1.38% per annum and 0.80% - 1.38% per annum, respectively, which the Company used as collateral for facility of letters of guarantee issued by financial institutions (see Note 30.1).

## 11. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale as at September 30, 2018 and December 31, 2017, consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Investments held as available for sale				
Equity securities	56,338,667	80,181,739	56,338,667	80,181,739
Unrealized loss	(15,111,333)	(26,856,737)	(15,111,333)	(26,856,737)
Total	<u>41,227,334</u>	<u>53,325,002</u>	<u>41,227,334</u>	<u>53,325,002</u>

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

As at September 30, 2018 and 2017, the Company has unrealized loss on change in fair value of investments held as available for sale of Baht 15.11 million and Baht 13.79 million, respectively, which unrealized gain on change in fair value of investment held as available for sale are recognized 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 of Baht 3.15 million and Baht 4.02 million, respectively, and other comprehensive loss in the separate statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2017 of Baht 4.12 million Baht 10.52 million, respectively, and recognized reversal of 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 period ended September 30, 2018 and the three-month and nine-month periods ended September 30, 2017: Nil).

Trading of 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).

For the nine-month period ended September 30, 2017, the Company purchased investments held as available for sale of Baht 0.19 million (for the three-month period ended September 30, 2017: Nil).

For the three-month and nine-month periods ended September 30, 2017, the Company sold investments held as available for sale of Baht 0.004 million and Baht 0.022 million, respectively.

## 12. INVESTMENT IN A SUBSIDIARY

Investment in a subsidiary stated by the cost method, as at September 30, 2018 and December 31, 2017 consisted of the following:

Subsidiary	Type of business	Separate financial statements					
		Shareholding (%)		Paid-up share capital		Cost (Baht)	
		As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
T Asset Management Company Limited	Property development and asset management	99.99	99.99	1,000,000	1,000,000	999,970	999,970
						999,970	999,970

T Asset Management Company Limited was registered on August 29, 2017. The Company purchased 99,997 ordinary shares which is 99.99% of the authorized share capital of T Asset Management Company Limited at Baht 10 per share, totalling Baht 999,970 and already made a payment for the share subscription. The Company considered that T Asset Management Company Limited is a subsidiary since August 29, 2017.

On August 14, 2018, the Board of Directors' meeting passed a resolution to approve the liquidation of a subsidiary and the subsidiary already registered the dissolution with the Department of Business Development on November 5, 2018. However, the Company did not classify investment in a subsidiary as non-current asset classified as held for sale or as held for distribution to owners and 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).

### 13. INVESTMENT IN A JOINT ARRANGEMENT

Investment in a joint arrangement as at September 30, 2018 and December 31, 2017, is as follows:

Name of joint arrangement	Type of business	Consolidated and Separate financial statements			
		Ownership interest (%)		Cost (Baht)	
		As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
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				(510,000)	(510,000)
Total investment in joint arrangement				-	-

The Company prepared and presented the consolidated 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).

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

Trade and other non-current receivables as at September 30, 2018 and December 31, 2017, consisted of the followings:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Trade receivables				
- Other parties	148,731,916	148,731,916	148,731,916	148,731,916
<u>Less</u> Allowance for doubtful accounts	(148,731,916)	(148,731,916)	(148,731,916)	(148,731,916)
Trade receivables	-	-	-	-
Unbilled construction revenues	39,619,782	39,619,782	39,619,782	39,619,782
<u>Less</u> Allowance for doubtful accounts	(39,619,782)	(39,619,782)	(39,619,782)	(39,619,782)
Unbilled construction revenues (see Note 28)	-	-	-	-

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Other non-current receivables				
Other receivables				
- Related party (see Note 29)	435,392	428,689	435,392	428,689
- Other parties	7,464,384	7,803,226	7,464,384	7,803,226
- Other receivable - bank (see Note 32.1)	5,334,318	5,334,318	5,334,318	5,334,318
<u>Less</u> Allowance for doubtful accounts	<u>(7,132,619)</u>	<u>(6,632,619)</u>	<u>(7,132,619)</u>	<u>(6,632,619)</u>
Other receivables	<u>6,101,475</u>	<u>6,933,614</u>	<u>6,101,475</u>	<u>6,933,614</u>
Advance payments	7,842,027	7,842,027	7,842,027	7,842,027
<u>Less</u> Allowance for doubtful accounts	<u>(7,840,537)</u>	<u>(7,840,537)</u>	<u>(7,840,537)</u>	<u>(7,840,537)</u>
Advance payments	<u>1,490</u>	<u>1,490</u>	<u>1,490</u>	<u>1,490</u>
Advance payments for construction	2,877,351	3,064,733	2,877,351	3,064,733
Prepaid expenses	224,191	1,111,278	224,191	1,111,278
Other non-current receivables	<u>9,204,507</u>	<u>11,111,115</u>	<u>9,204,507</u>	<u>11,111,115</u>
Total	<u>9,204,507</u>	<u>11,111,115</u>	<u>9,204,507</u>	<u>11,111,115</u>

The aging of trade receivables as at September 30, 2018 and December 31, 2017, are as follows:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Overdue				
Over 12 months	<u>148,731,916</u>	<u>148,731,916</u>	<u>148,731,916</u>	<u>148,731,916</u>
Total	<u>148,731,916</u>	<u>148,731,916</u>	<u>148,731,916</u>	<u>148,731,916</u>

The Company has recorded allowance for doubtful accounts for trade receivables aged over 12 months in fully amount.

For the nine-month periods ended September 30, 2018 and 2017, the movements of allowance for doubtful accounts are as follows:

	Consolidated financial statement		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Beginning balances	202,824,854	202,465,649	202,824,854	202,465,649
<u>Add</u> Allowance for doubtful accounts during the periods	500,000	-	500,000	-
<u>Less</u> Reversal of doubtful accounts during the periods	-	(4,640,795)	-	(4,640,795)
Ending balances	<u>203,324,854</u>	<u>197,824,854</u>	<u>203,324,854</u>	<u>197,824,854</u>

## 15. PROPERTY, PLANT AND EQUIPMENT

As at September 30, 2018, property, plant and equipment in the financial statements decreased approximately Baht 365.30 million mainly due to the following reasons:

1. The Company sold land and buildings which were former headquarter with carrying value of Baht 4.85 million. The Company redeemed the land and building which were pledged as collateral with a financial institution and transferred the right on such land and buildings to purchaser on May 11, 2018. The Company transferred the 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.
2. The Company classified certain land with carrying value of Baht 354.16 million to non-current asset classified as held for sale in the consolidated and separate statements of financial position as at September 30, 2018. As at September 30, 2018, such land is pledged as a collateral for bank overdraft from a financial institution (see Note 18), long-term borrowing from a financial institution (see Note 20) and letters of guarantee issued by financial institutions (see Note 30.1). The Company will redeem such land at mortgage value on the date to transfer the rights (see Note 9).

As at September 30, 2018, the Company also has certain land and building with carrying value of Baht 13.95 million which are pledged as a collateral for bank overdraft from a financial institution (see Note 18), long-term borrowing from a financial institution (see Note 20) and letters of guarantee issued by financial institutions (see Note 30.1) (as at December 31, 2017: Baht 359.02 million). Moreover, as at September 30, 2018, the Company is on process to pledge the Company's land of Baht 60.25 million as collateral of short-term borrowing from other company (see Note 22).

## 16. RETENTION RECEIVABLES

Retention receivables as at September 30, 2018 and December 31, 2017, consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Retention receivables	134,822,219	103,702,817	134,822,219	103,702,817
Retention receivable used as collateral to creditor	703,719	703,719	703,719	703,719
Total	135,525,938	104,406,536	135,525,938	104,406,536
Less Allowance for doubtful accounts	(58,684,476)	(58,684,476)	(58,684,476)	(58,684,476)
Total	76,841,462	45,722,060	76,841,462	45,722,060

For the nine-month periods ended September 30, 2018 and 2017, the movements of allowance for doubtful accounts are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Beginning balances	58,684,476	58,684,476	58,684,476	58,684,476
<u>Add</u> Doubtful accounts recorded during the periods	-	-	-	-
Ending balances	<u>58,684,476</u>	<u>58,684,476</u>	<u>58,684,476</u>	<u>58,684,476</u>

As at September 30, 2018 and December 31, 2017, the Company transferred the rights to claim on collectability from retention receivables with respect to certain construction projects amounting to Baht 0.70 million to the financial institutions in order to use as collateral for facility of letters of guarantee issued by financial institutions (see Note 30.1).

#### 17. OTHER NON-CURRENT ASSETS

Other non-current assets as at September 30, 2018 and December 31, 2017, consisted of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>
Guarantees and deposits	4,488,361	4,782,911	4,488,361	4,782,911
Withholding tax	81,899,351	65,738,372	81,899,342	65,738,372
Total	86,387,712	70,521,283	86,387,703	70,521,283
<u>Less</u> Allowance for doubtful accounts	<u>(4,498,838)</u>	<u>(4,498,838)</u>	<u>(4,498,838)</u>	<u>(4,498,838)</u>
Total	<u>81,888,874</u>	<u>66,022,445</u>	<u>81,888,865</u>	<u>66,022,445</u>

#### 18. BANK OVERDRAFT

Bank overdraft from a financial institution as at September 30, 2018 and December 31, 2017, consisted of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>
Bank overdraft	16,453,664	21,926,033	16,453,664	21,926,033
Total	<u>16,453,664</u>	<u>21,926,033</u>	<u>16,453,664</u>	<u>21,926,033</u>

As at September 30, 2018 and December 31, 2017, the Company and subsidiary have bank overdraft facility with a domestic bank totaling Baht 16.50 million and Baht 22.00 million, respectively, carrying interest rate at 7% to 8% per annum, which has certain land and buildings (see Note 15) as collateral. In addition, such bank overdraft from a financial institution is guaranteed by 2 individual persons.



Movements of bank overdraft arising from financing activities for the nine-month periods ended September 30, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Bank overdraft as at January 1,</b>	21,926,033	21,815,231	21,926,033	21,815,231
Additions	43,285,228	58,499,453	43,285,228	58,499,453
Repayments	(48,757,597)	(58,387,430)	(48,757,597)	(58,387,430)
<b>Total cash flows items</b>	<u>(5,472,369)</u>	<u>112,023</u>	<u>(5,472,369)</u>	<u>112,023</u>
<b>Bank overdraft as at September 30,</b>	<u>16,453,664</u>	<u>21,927,254</u>	<u>16,453,664</u>	<u>21,927,254</u>

#### 19. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2018 and December 31, 2017, consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Trade payables				
- Other parties	<u>102,365,413</u>	<u>119,028,643</u>	<u>102,365,413</u>	<u>119,028,643</u>
Trade payables	<u>102,365,413</u>	<u>119,028,643</u>	<u>102,365,413</u>	<u>119,028,643</u>
Other current payables				
Other current payables				
- Related parties (see Note 29)	1,200,000	1,200,000	1,200,000	1,200,000
- Other parties	80,199,549	74,746,830	80,199,549	74,746,830
Accrued expenses	<u>17,851,216</u>	<u>21,043,795</u>	<u>17,794,966</u>	<u>20,968,795</u>
Other current payables	<u>99,250,765</u>	<u>96,990,625</u>	<u>99,194,515</u>	<u>96,915,625</u>
<b>Total</b>	<u>201,616,178</u>	<u>216,019,268</u>	<u>201,559,928</u>	<u>215,944,268</u>

#### 20. LONG-TERM BORROWING FROM A FINANCIAL INSTITUTION

Long-term borrowing from a financial institution as at September 30, 2018 and December 31, 2017, consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Long-term borrowing	-	40,171,401	-	40,171,401
<u>Less</u> Current portion	<u>-</u>	<u>(40,171,401)</u>	<u>-</u>	<u>(40,171,401)</u>
Long-term borrowing from a financial institution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Long-term borrowing from a financial institution stated above is long-term borrowing from entering into the debt restructuring agreement with a domestic bank amounting to Baht 207 million on August 17, 2015, in which the repayment conditions is on a monthly basis of Baht 5.75 million starting from July 2015 to July 2018, with interest rate at MLR per annum. This borrowing is secured by the Company's land and building (see Note 15). Subsequently, on March 30, 2018, the Company entered into agreement to agree for full repayment to such bank amounting Baht 40.17 million within July 2018. The Company made repayment for such long-term borrowing on July 31, 2018.

Movements of long-term borrowing from a financial institution arising from financing activities for the nine-month periods ended September 30, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term borrowing from a financial institution as at January 1,	40,171,401	109,171,401	40,171,401	109,171,401
Repayments	(40,171,401)	(51,750,000)	(40,171,401)	(51,750,000)
Total cash flows items	<u>(40,171,401)</u>	<u>(51,750,000)</u>	<u>(40,171,401)</u>	<u>(51,750,000)</u>
Long-term borrowing from a financial institution as at September 30,	<u>-</u>	<u>57,421,401</u>	<u>-</u>	<u>57,421,401</u>

## 21. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements as at September 30, 2018 and December 31, 2017 consisted of the following:

Payment periods	The minimum amount to be paid in the future			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Within 1 year	328,164	495,510	328,164	495,510
1 - 5 years	410,205	656,328	410,205	656,328
	<u>738,369</u>	<u>1,151,838</u>	<u>738,369</u>	<u>1,151,838</u>
<u>Less</u> Deferred interest under finance lease agreements	<u>(77,611)</u>	<u>(137,727)</u>	<u>(77,611)</u>	<u>(137,727)</u>
Total	<u>660,758</u>	<u>1,014,111</u>	<u>660,758</u>	<u>1,014,111</u>

  

Payment periods	Present value of the minimum amount to be paid in the future			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Within 1 year	275,623	420,278	275,623	420,278
1 - 5 years	385,135	593,833	385,135	593,833
Total	<u>660,758</u>	<u>1,014,111</u>	<u>660,758</u>	<u>1,014,111</u>

Movements of liabilities under finance lease agreements arising from financing activities for the nine-month periods ended September 30, are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Liabilities under finance lease agreements as at January 1,</b>	1,014,111	1,909,412	1,014,111	1,909,412
Repayments	(353,353)	(677,621)	(353,353)	(677,621)
<b>Total cash flows items</b>	<b>(353,353)</b>	<b>(677,621)</b>	<b>(353,353)</b>	<b>(677,621)</b>
<b>Liabilities under finance lease agreements as at September 30,</b>	<b>660,758</b>	<b>1,231,791</b>	<b>660,758</b>	<b>1,231,791</b>

## 22. OTHER SHORT-TERM BORROWING

Other short-term borrowing as at September 30, 2018 and December 31, 2017, consisted of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>
Short-term borrowing from an individual	12,235,690	12,235,690	12,235,690	12,235,690
Borrowing from other company	5,000,000	-	5,000,000	-
<b>Total</b>	<b>17,235,690</b>	<b>12,235,690</b>	<b>17,235,690</b>	<b>12,235,690</b>

As at September 30, 2018 and December 31, 2017, short-term borrowing from an individual is a borrowing from the Company's former director without a written borrowing agreement with the interest rate at MLR which is approximately 6.25% per annum.

As September 30, 2018, short-term borrowing from other company is a borrowing under an agreement with a company with the credit facility of Baht 30 million, carrying interest rate at 8.5% per annum which is payable on the monthly basis. Moreover, the Company has to make full repayment within January 31, 2019 and the Company is on process to pledge the Company's land as collateral (see Note 15).

Movements of other short-term borrowing arising from financing activities for the nine-month periods ended September 30, are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Other short-term borrowing as at January 1,</b>	12,235,690	12,235,690	12,235,690	12,235,690
Additions	5,000,000	-	5,000,000	-
<b>Total Cash flows items</b>	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>-</b>
<b>Other short-term borrowing as at September 30,</b>	<b>17,235,690</b>	<b>12,235,690</b>	<b>17,235,690</b>	<b>12,235,690</b>

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

23.1 For the nine-month period ended September 30, 2018, the movements of provision for expected loss on construction contract are as follows (for the nine-month period ended September 30, 2017 : Nil) :

	<b>Consolidated financial statement 2018 Baht</b>	<b>Separate financial statement 2018 Baht</b>
Beginning balances as at January 1,	28,289,750	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
Ending balances as at September 30,	<u>192,805,344</u>	<u>192,805,344</u>

23.2 For the nine-month period ended September 30, 2018, the movements of provision for penalty arising from delay are as follows (for the nine-month period ended September 30, 2017 : Nil) :

	<b>Consolidated financial statement 2018 Baht</b>	<b>Separate financial statement 2018 Baht</b>
Beginning balances as at January 1,	-	-
<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
Ending balances as at September 30,	<u>23,609,726</u>	<u>23,609,726</u>

**24. INCOME TAX**

Deferred tax assets and deferred tax liabilities as at September 30, 2018 and December 31, 2017 consisted of the following:

As at September 30, 2018

	<b>Balances as at December 31, 2017 Baht</b>	<b>Increase Baht</b>	<b>Utilize/ Reverse Baht</b>	<b>Other comprehensive income Baht</b>	<b>Balances as at September 30, 2018 Baht</b>
<b>Deferred tax asset</b>					
Allowance for doubtful accounts	52,227,295	-	-	-	52,227,295
Unrealized loss on remeasuring investments held as available for sale	5,371,347	-	-	(2,349,080)	3,022,267
Provisions	5,447,442	-	(4,443,157)	-	1,004,285
Provisions for employee benefits	1,110,547	-	-	-	1,110,547
Share-based payment	1,518,940	-	(1,518,940)	-	-
Total deferred tax asset	<u>65,675,571</u>	<u>-</u>	<u>(5,962,097)</u>	<u>(2,349,080)</u>	<u>57,364,394</u>
<b>Deferred tax liability</b>					
Gain on revaluation of assets	(65,675,571)	-	204,712	-	(65,470,859)
Total deferred tax liability	<u>(65,675,571)</u>	<u>-</u>	<u>204,712</u>	<u>-</u>	<u>(65,470,859)</u>
Total deferred tax liability - net	<u>-</u>				<u>(8,106,465)</u>

**As at September 30, 2018**

	<b>Separate financial statement</b>				<b>Balances as at September 30, 2018 Baht</b>
	<b>Balances as at December 31, 2017 Baht</b>	<b>Increase Baht</b>	<b>Utilize/ Reverse Baht</b>	<b>Other comprehensive income Baht</b>	
Deferred tax asset					
Allowance for doubtful accounts	52,227,295	-	-	-	52,227,295
Unrealized loss on remeasuring investments held as available for sale	5,371,347	-	-	(2,349,080)	3,022,267
Provisions	5,447,442	-	(4,443,157)	-	1,004,285
Provisions for employee benefits	1,110,547	-	-	-	1,110,547
Share-based payment	1,518,940	-	(1,518,940)	-	-
Total deferred tax asset	<u>65,675,571</u>	<u>-</u>	<u>(5,962,097)</u>	<u>(2,349,080)</u>	<u>57,364,394</u>
Deferred tax liability					
Gain on revaluation of assets	(65,675,571)	-	204,712	-	(65,470,859)
Total deferred tax liability	<u>(65,675,571)</u>	<u>-</u>	<u>204,712</u>	<u>-</u>	<u>(65,470,859)</u>
Total deferred tax liability - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,106,465)</u>

**As at December 31, 2017**

	<b>Consolidated financial statement</b>				<b>Balances as at December 31, 2017 Baht</b>
	<b>Balances as at December 31, 2016 Baht</b>	<b>Increase Baht</b>	<b>Utilize/ Reverse Baht</b>	<b>Other comprehensive income Baht</b>	
Deferred tax asset					
Allowance for doubtful accounts	52,153,505	1,000,000	(926,210)	-	52,227,295
Unrealized loss on remeasuring investments held as available for sale	653,966	-	-	4,717,381	5,371,347
Provisions	10,507,138	222,256	(5,281,952)	-	5,447,442
Provisions for employee benefits	1,009,731	387,849	-	(287,033)	1,110,547
Share-based payment	1,351,231	167,709	-	-	1,518,940
Total deferred tax asset	<u>65,675,571</u>	<u>1,777,814</u>	<u>(6,208,162)</u>	<u>4,430,348</u>	<u>65,675,571</u>
Deferred tax liability					
Gain on revaluation of assets	(65,675,571)	-	-	-	(65,675,571)
Total deferred tax liability	<u>(65,675,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,675,571)</u>
Total deferred tax liability - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**As at December 31, 2017**

	<b>Separate financial statement</b>				<b>Balances as at December 31, 2017 Baht</b>
	<b>Balances as at December 31, 2016 Baht</b>	<b>Increase Baht</b>	<b>Utilize/ Reverse Baht</b>	<b>Other comprehensive income Baht</b>	
Deferred tax asset					
Allowance for doubtful accounts	52,153,505	1,000,000	(926,210)	-	52,227,295
Unrealized loss on remeasuring investments held as available for sale	653,966	-	-	4,717,381	5,371,347
Provisions	10,507,138	222,256	(5,281,952)	-	5,447,442
Provisions for employee benefits	1,009,731	387,849	-	(287,033)	1,110,547
Share-based payment	1,351,231	167,709	-	-	1,518,940
Total deferred tax asset	<u>65,675,571</u>	<u>1,777,814</u>	<u>(6,208,162)</u>	<u>4,430,348</u>	<u>65,675,571</u>
Deferred tax liability					
Gain on revaluation of assets	(65,675,571)	-	-	-	(65,675,571)
Total deferred tax liability	<u>(65,675,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,675,571)</u>
Total deferred tax liability - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Tax expense for the three-month and nine-month periods ended September 30, are as follows:

	<b>Consolidated financial statements</b>			
	<b>For the three-month</b>		<b>For the nine-month</b>	
	<b>periods ended September 30,</b>		<b>periods ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Current income tax</b>				
Current tax expense	-	-	-	-
<b>Deferred tax</b>				
Deferred tax expense relating to temporary differences recognized during the periods	-	-	(5,757,385)	-
<b>Total</b>	-	-	(5,757,385)	-

	<b>Separate financial statements</b>			
	<b>For the three-month</b>		<b>For the nine-month</b>	
	<b>periods ended September 30,</b>		<b>periods ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Current income tax</b>				
Current tax expense	-	-	-	-
<b>Deferred tax</b>				
Deferred tax expense relating to temporary differences recognized during the periods	-	-	(5,757,385)	-
<b>Total</b>	-	-	(5,757,385)	-

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

	<b>Consolidated financial statements</b>			
	<b>For the three-month</b>		<b>For the nine-month</b>	
	<b>periods ended September 30,</b>		<b>periods ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Loss before income tax expense	(25,630,263)	(29,083,384)	(205,955,441)	(41,734,282)
Current income tax expense at 20%	(5,126,053)	(5,816,677)	(41,191,088)	(8,346,856)
Effect of tax losses not recognized as deferred tax asset	4,982,707	5,857,462	8,612,114	8,412,137
Effect of the non-taxable income and non-deductible expense	143,346	(40,785)	38,336,359	(65,281)
<b>Income tax expense</b>	-	-	5,757,385	-

	Separate financial statements			
	For the three-month periods ended September 30, 2018		For the nine-month periods ended September 30, 2017	
	Baht	Baht	Baht	Baht
Loss before income tax expense	(25,611,263)	(29,077,084)	(205,900,364)	(41,727,982)
Current income tax expense at 20%	(5,122,253)	(5,815,417)	(41,180,073)	(8,345,596)
Effect of tax losses not recognized as deferred tax asset	4,978,907	5,856,202	8,601,099	8,410,877
Effect of the non-taxable income and non-deductible expense	143,346	(40,785)	38,336,359	(65,281)
<b>Income tax expense</b>	<u>-</u>	<u>-</u>	<u>5,757,385</u>	<u>-</u>

## 25. SHARE CAPITAL

On April 27, 2017, the Annual General Shareholders' Meeting passed the resolution to decrease the Company's authorized share capital from the amount of Baht 41,294,049,764 to Baht 13,035,049,764 by cancelling the unissued ordinary shares capital of 28,259,000,000 shares at par value of Baht 1 each which were issued to reserve for Private Placement. The Company registered the decrease in registered share capital with the Ministry of Commerce on May 18, 2017.

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

## 26. WARRANTS

26.1 The Annual General Meeting of Shareholders held on April 25, 2013, passed the resolution to approve the issuance of Warrants No. 1 (TIES-WA) in the number of 22,000,000 units to the management and employees and the Extraordinary General Meeting of Shareholders held on November 17, 2014 passed a resolution to approve the allotment and offering of new 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	: Baht 0 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

Warrant's holder can exercise to ordinary share every the last working day of March, June, September and December over the terms of 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 in the consolidated and separate statements of financial position as at September 30, 2018 and the consolidated and separate statements of changes in shareholders' equity for the nine-month period ended September 30, 2018.

26.2 The Extraordinary General Meeting of Shareholders held on June 5, 2015, passed the resolution to approve the issuance of 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	: Baht 0 per unit
Exercise Ratio	: 1 warrant to 1.594 ordinary share (except in case of the adjustment exercise ratio to the terms and conditions)
Exercise Price	: Baht 1 per share (except 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.

26.3 The Extraordinary General Meeting of Shareholders held on June 5, 2015, passed 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 new ordinary shares issued and offered via Private Placement at the ratio of 10 new 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	: Baht 0 per unit
Exercise Ratio	: 1 warrant to 1 ordinary share (except in case of the adjustment exercise ratio to the terms and conditions)
Exercise Price	: Baht 1 per share (except in case of the adjustment exercise price to the terms and conditions)

## 27. BASIC LOSSES PER SHARE AND DILUTED LOSSES PER SHARE

Basic losses per share for the three-month and nine-month periods ended September 30, 2018 and 2017 are calculated by dividing loss for the periods by weighted average number of ordinary shares issued during the periods.

	Consolidated financial statements			
	For the three-month periods ended September 30, 2018		For the nine-month periods ended September 30, 2017	
	Baht	Baht	Baht	Baht
Loss for the periods (Baht)	(25,630,263)	(29,083,384)	(211,712,826)	(41,734,282)
Weighted average number of ordinary shares (shares)	10,114,934,919	10,114,930,520	10,114,932,002	10,114,930,520
Basic losses per share (Baht)	<u>(0.0025)</u>	<u>(0.0029)</u>	<u>(0.0209)</u>	<u>(0.0041)</u>

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Loss for the periods (Baht)	(25,611,263)	(29,077,084)	(211,657,749)	(41,727,982)
Weighted average number of ordinary shares (shares)	10,114,934,919	10,114,930,520	10,114,932,002	10,114,930,520
Basic losses per share (Baht)	<u>(0.0025)</u>	<u>(0.0029)</u>	<u>(0.0209)</u>	<u>(0.0041)</u>

#### DILUTED LOSSES PER SHARE

Diluted losses per share for the three-month and nine-month periods ended September 30, 2018 and 2017 are calculated by dividing the 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, 2018 and 2017 were lower than the exercise price causing the Company to exclude the effect of dilutive potential ordinary share from the calculation of diluted losses per share.

#### 28. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

Significant information of construction contracts as at September 30, 2018 and December 31, 2017, are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
	Baht	Baht	Baht	Baht
Contract revenues	<u>1,764,872,496</u>	<u>2,429,073,956</u>	<u>1,764,872,496</u>	<u>2,429,073,956</u>
Cost incurred to date	1,488,493,605	1,472,165,671	1,488,493,605	1,472,165,671
Loss recognized to date	<u>(126,413,944)</u>	<u>(19,816,821)</u>	<u>(126,413,944)</u>	<u>(19,816,821)</u>
Cost and loss recognized to date	1,362,079,661	1,452,348,850	1,362,079,661	1,452,348,850
<u>Less</u> Progress billings to date	(1,249,944,319)	(1,370,192,156)	(1,249,944,319)	(1,370,192,156)
Unbilled construction revenues	<u>(123,510,260)</u>	<u>(91,270,070)</u>	<u>(123,510,260)</u>	<u>(91,270,070)</u>
Unearned construction revenues	<u>(11,374,918)</u>	<u>(9,113,376)</u>	<u>(11,374,918)</u>	<u>(9,113,376)</u>
Cost of construction contracts incurred during the period/year	699,679,057	548,112,776	699,679,057	548,112,776
Expected loss on construction contracts	(164,515,594)	(28,289,750)	(164,515,594)	(28,289,750)
Cost of construction contracts incurred recognized as expense during the period/year	<u>(534,486,298)</u>	<u>(505,500,082)</u>	<u>(534,486,298)</u>	<u>(505,500,082)</u>
Cost of construction contracts related to activities in the future which recognized as asset	<u>677,165</u>	<u>14,322,944</u>	<u>677,165</u>	<u>14,322,944</u>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>	<b>As at September 30, 2018 Baht</b>	<b>As at December 31, 2017 Baht</b>
Unbilled construction revenues at the beginning of the period/year	91,270,070	72,176,743	91,270,070	72,176,743
Unearned construction revenues at the beginning of the period/year	(9,113,376)	(7,269,498)	(9,113,376)	(7,269,498)
Revenues from construction contracts recognized as revenues during the period/year	551,284,203	547,678,910	551,284,203	547,678,910
Progress billings during the period/year	(521,305,555)	(530,429,461)	(521,305,555)	(530,429,461)
Unearned construction revenues at the ending of period/year	11,374,918	9,113,376	11,374,918	9,113,376
Unbilled construction revenues	<u>123,510,260</u>	<u>91,270,070</u>	<u>123,510,260</u>	<u>91,270,070</u>

	<b>Consolidated financial statements</b>			
	<b>For the three-month periods ended September 30, 2018 Baht</b>		<b>For the nine-month periods ended September 30, 2018 Baht</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Revenues from construction contracts recognized as revenues during the periods	178,503,745	156,219,342	551,284,203	412,994,700
Expected loss on construction contracts	-	-	(164,515,594)	-
Cost of construction contracts incurred recognized as expense during the periods	(174,927,260)	(152,518,702)	(534,486,298)	(366,419,905)
Profit (loss) recognized during the periods	<u>3,576,485</u>	<u>3,700,640</u>	<u>(147,717,689)</u>	<u>46,574,795</u>

	<b>Separate financial statements</b>			
	<b>For the three-month periods ended September 30, 2018 Baht</b>		<b>For the nine-month periods ended September 30, 2018 Baht</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Revenues from construction contracts recognized as revenues during the periods	178,503,745	156,219,342	551,284,203	412,994,700
Expected loss on construction contracts	-	-	(164,515,594)	-
Cost of construction contracts incurred recognized as expense during the periods	(174,927,260)	(152,518,702)	(534,486,298)	(366,419,905)
Profit (loss) recognized during the periods	<u>3,576,485</u>	<u>3,700,640</u>	<u>(147,717,689)</u>	<u>46,574,795</u>

## 29. 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, 2018 and December 31, 2017, are as follows:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018 Baht	As at December 31, 2017 Baht	As at September 30, 2018 Baht	As at December 31, 2017 Baht
Other non-current receivables (see Note 14)				
Joint Venture between Thai Industrial & Engineering Service Plc. and Reaungnarong Co., Ltd.	435,392	428,689	435,392	428,689
Other current payables (see Note 19)				
Joint Venture between Thai Industrial & Engineering Service Plc. and Reaungnarong Co., Ltd.	1,200,000	1,200,000	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, 2018 and 2017, consisted of the following:

	Consolidated financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term benefits	3,870,000	3,038,400	11,495,600	9,089,600
Post-employee benefits	158,577	40,229	1,621,350	1,024,842
Directors remuneration	985,000	750,000	2,278,000	2,650,000
Total directors and key management's compensation	<u>5,013,577</u>	<u>3,828,629</u>	<u>15,394,950</u>	<u>12,764,442</u>
	Separate financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term benefits	3,870,000	3,038,400	11,495,600	9,089,600
Post-employee benefits	158,577	40,229	1,621,350	1,024,842
Directors remuneration	985,000	750,000	2,278,000	2,650,000
Total directors and key management's compensation	<u>5,013,577</u>	<u>3,828,629</u>	<u>15,394,950</u>	<u>12,764,442</u>

**Relationships**

<b>Company</b>	<b>Country</b>	<b>Relationship</b>	<b>Type of relationship</b>
Joint Venture between Thai Industrial & Engineering Service Plc. and Reaungnarong Co., Ltd.	Thailand	Joint arrangement	Jointly controlled operations
T Asset Management Company Limited.	Thailand	Subsidiary	Direct shareholding

**Intercompany pricing policy**

**Pricing policies**

Interest expense	Refer to commercial bank's interest rate
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**30. COMMITMENTS AND CONTINGENT LIABILITIES**

The Company has commitments and contingent liabilities as follows:

30.1 As at September 30, 2018 and December 31, 2017, letters of guarantee issued by the banks of Baht 243.17 million and Baht 258.29 million, respectively. The Company has credit facilities for letters of guarantee issued by the banks of Baht 621.07 million, which are guaranteed by the Company's deposits at banks (see Note 10), and partial retention receivables (see Note 16) including land and building as collateral (see Note 15).

Under the terms of such letter of guarantee, the Company has to transfer the rights to receive payment from construction contract receivables to the bank in case of borrowing or issuance of letter of guarantee for such construction contracts.

30.2 As at September 30, 2018, the Company had postdated cheque of Baht 11.80 million which was pledged as collateral for a construction contract. (As at December 31, 2017: Nil)

30.3 Commitments to pay rental under the lease agreements for buildings and services in the future as at September 30, 2018 and December 31, 2017, consisted of the following:

<b>Payment period</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>As at September 30, 2018</b>	<b>As at December 31, 2017</b>	<b>As at September 30, 2018</b>	<b>As at December 31, 2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Within 1 year	3,108,050	10,179,168	3,108,050	10,179,168
Later than 1 year and not later than 5 years	987,178	1,589,957	987,178	1,589,957

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.

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, 2017 are Baht 2.81 million and Baht 8.07 million, respectively.

- 30.4 As at September 30, 2018, commitment to pay service for accounting to software system service agreement with a Company within 1 year is Baht 2.22 million. (As at December 31, 2017: Nil)

### **31. 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, 2018 and 2017, the Company has revenue from construction contract from 2 major customers in total amount of Baht 136.81 million and 3 major customers in total amount of Baht 139.37 million, respectively. For the nine-month periods ended September 30, 2018 and 2017, the Company has revenue from construction contract from 2 major customers in total amount of Baht 331.00 million and 4 major customers in total amount of Baht 377.64 million, respectively.

### **32. LITIGATIONS**

- 32.1 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.

However, the Company's management disagreed with several matters in the judgment as the Company was a construction provider and the Company has not been paid by the contractor. The Company recorded provision for loss from litigations as at December 31, 2017 of Baht 52.65 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 of Baht 43.69 million with interest since the date of prosecution until payment completion. However, the Appeal Court also rendered its judgement to order the Company to pay compensation to the Contractor of Baht 30.80 million. Therefore, reversal of provision for loss from litigations of Baht 21.85 million was made, resulting in provision for loss from litigations as at September 30, 2018 of Baht 30.80 million. 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 other non-current assets (see Note 14) as the Company's management believes that the bank had no right to deduct the Company's bank deposit 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 Company believes that the bank had no rights to sue because the Appeal Court already judged that the Company did not break the agreement and the bank is not counter party on legal right and is not defendant who has a right to claim with the Company.

- 32.2 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 Arbitrator's 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 and March 1, 2017, the Supreme Court had ordered 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 cases on the agreement for performance guarantee and the agreement for advance receipt guarantee between the Contractor and the Guarantor, respectively.

On June 26, 2017, the Company had submitted a dispute between the Company and the Contractor to the Arbitration process. At a present, the dispute is in inquiring process at the Arbitration.

The Company assessed that the Company may incur loss from such cases. Therefore, the Company recorded long-term provisions as at September 30, 2018 and December 31, 2017 amounting to Baht 44.41 million. The Company's management believes that the resultant losses will not significantly differ from recorded provision.

- 32.3 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 sued counterclaim 2 sub-contractors in 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 8, 2018. The appointment was postponed from March 8, 2018 to March 29, 2018.

Later 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 appointed hearing judgment on November 27, 2018.

The Company believes that there would be no resultant losses from such case to the Company because the termination of the agreements with these sub-contractors was in compliance with the conditions specified in the agreements between the Company and such sub-contractors. Therefore, as at September 30, 2018, the Company did not record provision for resultant losses that may incur in the Company's consolidated and separate financial statements.

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

32.4.1 The cases that are in the consideration of the Courts of 1 case with the claimed amount of Baht 1.97 million. The Company's management believes that the Company has complied with the conditions of the agreement therefore the final outcome of such claim has no significant impact to the Company's financial statements. Therefore, as at September 30, 2018, the Company does not record provision which may arise from this legal case in the Company's consolidated and separate financial statements.

32.4.2 The cases that the Civil Courts have rendered the judge compulsions for 3 cases to order the Company to make compensation in amount of Baht 3.18 million. As at September 30, 2018, the Company has outstanding claim amount to be paid of Baht 1.12 million that was recorded as liabilities in the related account.



32.4.3 On October 22, 2018, the Company was sued for 2 cases relating to services and purchase of goods with the claimed amount of Baht 15.96 million.

The Company has recorded as liabilities in the related accounts of Baht 11.93 million as at September 30, 2018. However, the Company's management believes that the resultant losses will not significantly differ from recorded liabilities.

The Company and subsidiary recorded provisions for losses from litigations (see Notes 32.1 and 32.2) as at September 30, 2018 and December 31, 2017, totaling Baht 75.21 million and 97.06 million, respectively.

### 33. 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, 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.

### 34. RECLASSIFICATION

A reclassification has been made in the consolidated and separate statements of financial position as at December 31, 2017, to conform to the classification used in the consolidated and separate statements of financial position as at September 30, 2018. Such reclassification has no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassification is follows:

Accounts	Previous presentation	Current presentation	Amount (Baht)	
			Consolidated financial statements	Separate financial statements
<b>Statement of financial position</b>				
<b>As at December 31, 2017</b>				
Provision for expected loss on construction contract	Trade and other current receivables	Provision for expected loss on construction contract	28,289,750	28,289,750

### 35. 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, 2018.