

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of T Engineering Corporation Public Company Limited and its subsidiary (the “Group”) and the separate financial statements of T Engineering Corporation Public Company Limited (the “Company”), which comprise the separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of T Engineering Corporation Public Company Limited as at December 31, 2018 and its financial performance and cash flow for the year then ended, and its consolidated financial performance and cash flows for the year then ended of T Engineering Corporation Public Company Limited and its subsidiary in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 43 to the financial statements, the Company has many litigations which are currently under the process of the courts. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Key Audit Procedures
<p>Recognition of revenue from construction contracts, costs of construction and expected loss on construction contracts</p> <p>The Group and the Company have revenue from construction contracts which is recognized by reference to the stage of completion of the construction contract based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. The management has to exercise significant judgement to assess estimated total contract costs and expected loss on construction contracts.</p> <p>Therefore, the key audit matter is accuracy of calculation and recognition of revenue from construction contracts based on the stage of completion of the construction contract, accuracy of recognition of total relevant costs of construction and completeness of expected loss on construction contracts.</p> <p>Accounting policies for recognition of revenue from construction contracts, costs of construction and expected loss on construction contracts were disclosed in Note 3.18 and Note 3.22.1 to the financial statements and information of revenue from construction contracts, costs of construction and expected loss on construction contracts were disclosed in Note 25.1 and Note 36 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process and internal control related to the estimation of total costs of construction, calculation of percentage of completion and recognition of revenue from construction contract and expected loss on construction contracts. • Testing design and implementation and operating effectiveness of the internal control relating to the estimation of total costs of construction, calculation of percentage of completion and recognition of revenue from construction contracts and expected loss on construction contracts • Performing substantive testing as follows: <ul style="list-style-type: none"> - Testing terms and condition of the construction contract, testing supporting documents and assumptions used in the estimation of total costs of construction and expected loss on construction contracts - Testing calculation of percentage of completion, calculation of revenue from construction contracts and analysis of proportion of significant components of costs of construction and the estimation of total costs of construction - Observing at sites of the construction projects to consider the progress of the construction projects against the progress as reported in the construction progress report - Testing costs of construction incurred during the year and near the year end with supporting documents.

Key Audit Matters	Key Audit Procedures
<p>Litigations and provisions for loss on litigations</p> <p>The Group and the Company have various litigations which are in the legal process. As a result, the Group and the Company use judgements of the management and legal counsel in assessing impact of litigations and the adequacy of provision for loss from litigations. Therefore, the key audit matter is whether the accuracy and completeness of the provision for loss on litigations has been recognized and the relevant disclosures has been made in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policy for provision is disclosed in Note 3.14 to the financial statements, and litigations and provision for loss on litigations are disclosed in Notes 43 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the process to assess impact of litigations and provision for loss on litigations which included the following procedures: <ul style="list-style-type: none"> - Auditing each litigation with the litigation progress report and correspondence between the Group and the Company and their external legal counsel - Inquiring of management and internal legal counsel of the Group and the Company about the progress of commercial disputes and significant litigation • Obtaining the letter to confirm the litigation status from the Group and the Company’s external legal counsel • Evaluating the appropriateness of the significant assumptions used by the management of the Group and the Company in assessing impact of litigations and provision for loss on litigations together with the opinion of external legal counsel • Requesting the representation from the management about appropriateness of key assumptions used by the management in assessing impact of litigations and provision for loss on litigations • Testing whether disclosure is made in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditors’ report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
February 28, 2019

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 DECEMBER 31, 2018

Unit : Baht

	Notes	Consolidated financial statement 2017	Separate financial statements 2018	2017
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4.2	21,633,197	42,241,305	20,638,581
Current investments	5	8,486,554	4,014,000	8,486,554
Trade and other current receivables	6	137,695,977	181,645,189	137,695,977
Inventories	7	16,504,736	155,771	16,504,736
Current tax assets		16,160,978	23,500,735	16,160,969
Deposit for business acquisition	8	-	-	-
Asset held for distribution to owners	9	-	854,268	-
Other current assets		4,940,615	3,968,887	4,940,615
Total Current Assets		205,422,057	256,380,155	204,427,432
NON-CURRENT ASSETS				
Deposits at financial institution with restriction of use	10	84,881,872	297,312,009	84,881,872
Investments held as available for sale	11	53,325,002	36,060,300	53,325,002
Investment in subsidiary	12	-	-	999,970
Investment in joint arrangement	13	-	-	-
Trade and other non-current receivables	14	11,111,115	9,447,433	11,111,115
Property, plant and equipment	15	463,936,433	82,762,700	463,936,433
Retention receivables	16	45,722,060	82,158,878	45,722,060
Intangible assets	17	4,003,289	5,178,209	4,003,289
Other non-current assets	18	66,022,445	82,071,859	66,022,445
Total Non-current Assets		729,002,216	594,991,388	730,002,186
TOTAL ASSETS		934,424,273	851,371,543	934,429,618

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2018

Unit : Baht

	Notes	Consolidated financial statement 2017	Separate financial statements 2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank overdrafts	19	21,926,033	-	21,926,033
Trade and other current payables	20	216,019,268	198,874,945	215,944,268
Current portion of long-term borrowing from a financial institution	21	40,171,401	-	40,171,401
Current portion of long-term liabilities under finance lease agreements	22	420,278	282,431	420,278
Other short-term borrowing	23	12,235,690	12,235,690	12,235,690
Current retention payables		8,024,605	21,624,685	8,024,605
Unearned construction revenues	36	9,113,376	8,756,754	9,113,376
Short-term provisions	24	361,281	1,472,323	361,281
Provision for expected loss on construction contract	25.1	28,289,750	192,805,344	28,289,750
Provision for penalty arising from delay	25.2	-	23,609,726	-
Current provisions for employee benefits	28	851,267	-	851,267
Other current liabilities	26	14,638,292	14,363,506	14,638,292
Total Current Liabilities		352,051,241	474,025,404	351,976,241
NON-CURRENT LIABILITIES				
Non-current retention payables		31,776,056	24,605,446	31,776,056
Long-term liabilities under finance lease agreements	22	593,833	311,402	593,833
Deferred tax liabilities	27	-	2,931,335	-
Provisions for loss on litigations	43	97,064,000	78,460,809	97,064,000
Non-current provisions for employee benefits	28	4,701,468	6,663,744	4,701,468
Total Non-current Liabilities		134,135,357	112,972,736	134,135,357
TOTAL LIABILITIES		486,186,598	586,998,140	486,111,598

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2018

Unit : Baht

	Notes	Consolidated financial statement 2017	Separate financial statements 2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY				
(CONTINUED)				
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
30				
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
Issued and paid share capital				
10,114,938,156 ordinary shares of Baht 1 each, fully paid		-	10,114,938,156	-
10,114,930,520 ordinary shares of Baht 1 each, fully paid		10,114,930,520	-	10,114,930,520
Discount on ordinary shares	31	(8,500,747,796)	(8,500,747,796)	(8,500,747,796)
Capital reserve for share-based payment	32	7,594,702	-	7,594,702
Retained earnings (deficit)				
Appropriated				
Legal reserve	34	5,526,839	5,526,839	5,526,839
Unappropriated		(1,420,283,513)	(1,356,022,820)	(1,420,203,138)
Expired warrant surplus	32	-	7,859,252	-
Other components of shareholders' equity		241,216,893	(7,180,228)	241,216,893
Total shareholders' equity attributable				
to owner of the Company		448,237,645	264,373,403	448,318,020
Non-controlling interests		30	-	-
TOTAL SHAREHOLDERS' EQUITY				
		448,237,675	264,373,403	448,318,020
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
		934,424,273	851,371,543	934,429,618

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues from construction contracts	36	666,579,644	547,678,910	666,579,644	547,678,910
Cost of construction contracts	36, 38	-818,441,354	-533,789,832	-818,441,354	-533,789,832
Gross profit (loss)		-151,861,710	13,889,078	-151,861,710	13,889,078
Other income	37	68,453,447	14,704,589	68,450,349	14,703,664
Administrative expenses	38	-123,453,060	-129,469,708	-123,530,307	-129,388,408
Doubtful accounts		-	-359,205	-	-359,205
Reversal of provisions for loss on litigations	38, 43	21,854,500	-	21,854,500	-
Finance costs		-4,149,470	-13,512,426	-4,149,470	-13,512,426
Loss before tax income (expense)		-189,156,293	-114,747,672	-189,236,638	-114,667,297
Tax income (expense)	27	2,440,012	-4,430,348	2,440,012	-4,430,348
Loss for the years		-186,716,281	-119,178,020	-186,796,626	-119,097,645
Other comprehensive income (loss)					
Components of other comprehensive income that will be subsequently reclassified to profit or loss					
Losses on remeasuring investments held as available for sale	11	-215,334	-23,586,905	-215,334	-23,586,905
Reversal of losses from sale of investments held as available for sale	11	8,166,504	-	8,166,504	-
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	27	-5,371,347	4,717,381	-5,371,347	4,717,381
Total components of other comprehensive income that will be subsequently reclassified to profit or loss		2,579,823	-18,869,524	2,579,823	-18,869,524
Components of other comprehensive income that will not be subsequently reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	28	-	1,435,164	-	1,435,164
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	27	-	-287,033	-	-287,033
Total components of other comprehensive income that will not be subsequently reclassified to profit or loss		-	1,148,131	-	1,148,131
Other comprehensive loss for the year - net of tax		2,579,823	-17,721,393	2,579,823	-17,721,393
Total comprehensive loss for the years		-184,136,458	-136,899,413	-184,216,803	-136,819,038

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Loss for attributable to					
Owner of the Company		(186,716,281)	(119,178,020)	(186,796,626)	(119,097,645)
Non-controlling interests		-	-	-	-
		<u>-186,716,281</u>	<u>-119,178,020</u>	<u>-186,796,626</u>	<u>-119,097,645</u>
Total comprehensive loss for the years attributable to					
Owner of the Company		(184,136,458)	(136,899,413)	(184,216,803)	(136,819,038)
Non-controlling interests		-	-	-	-
		<u>-184,136,458</u>	<u>-136,899,413</u>	<u>-184,216,803</u>	<u>-136,819,038</u>
Basic losses per share					
Basic losses per share (Baht)	33	<u>(0.0185)</u>	<u>(0.0118)</u>	<u>(0.0185)</u>	<u>(0.0118)</u>
Weighted average number of ordinary shares (shares)	33	<u>10,114,933,553</u>	<u>10,114,930,520</u>	<u>10,114,933,553</u>	<u>10,114,930,520</u>
Diluted losses per share					
Diluted losses per share (Baht)	33	<u>(0.0185)</u>	<u>(0.0118)</u>	<u>(0.0185)</u>	<u>(0.0118)</u>
Diluted weighted average number of ordinary shares (shares)	33	<u>10,114,933,553</u>	<u>10,114,930,520</u>	<u>10,114,933,553</u>	<u>10,114,930,520</u>

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

Notes	Consolidated financial statements										
	Issued and paid share capital	Discount on ordinary shares	Capital reserve for share-based payment	Retained earnings (deficit)			Other components of shareholders' equity				
				Appropriated Legal reserve	Unappropriated	Expired warrant surplus	Other comprehensive income (loss)		Total other components of shareholders' equity	Non- controlling interests	Total 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											
Non-controlling interests from investment in subsidiary	-	-	-	-	-	-	-	-	-	30	30
Capital reserve for share-based payment	32.1	-	838,546	-	-	-	-	-	-	-	838,546
Gains on remeasurements of defined benefit plans	-	-	-	-	1,148,131	-	-	-	-	-	1,148,131
Total comprehensive loss for the year	-	-	-	-	(119,178,020)	-	-	(18,869,524)	(18,869,524)	-	(138,047,544)
Balances as at December 31, 2017	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
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	30, 32.2	7,636	-	-	-	-	-	-	-	-	7,636
Capital reserve for share-based payment	32.1	-	264,550	-	-	-	-	-	-	-	264,550
Expired warrant	32.1	-	-7,859,252	-	-	7,859,252	-	-	-	-	-
Surplus on revaluation of assets	15, 27	-	-	-	250,976,944	-	-250,976,944	-	(250,976,944)	-	-
Total comprehensive loss for the year	-	-	-	-	(186,716,281)	-	-	2,579,823	2,579,823	-	(184,136,458)
Balances as at December 31, 2018	10,114,938,156	-8,500,747,796	-	5,526,839	(1,356,022,850)	7,859,252	11,725,339	(18,905,567)	(7,180,228)	30	264,373,403

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

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) Gain on revaluation of assets	Gains (losses) on investments held as available-for-sale		Total other components of shareholders' equity
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	32.1	-	-	838,546	-	-	-	-	-	-	838,546
Gains on remeasurements of defined benefit plans		-	-	-	-	1,148,131	-	-	-	-	1,148,131
Total comprehensive loss for the year		-	-	-	-	(119,097,645)	-	-	(18,869,524)	(18,869,524)	(137,967,169)
Balances as at December 31, 2017		<u>10,114,930,520</u>	<u>(8,500,747,796)</u>	<u>7,594,702</u>	<u>5,526,839</u>	<u>(1,420,203,138)</u>	<u>-</u>	<u>262,702,283</u>	<u>(21,485,390)</u>	<u>241,216,893</u>	<u>448,318,020</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	30, 32.2	7,636	-	-	-	-	-	-	-	-	7,636
Capital reserve for share-based payment	32.1	-	-	264,550	-	-	-	-	-	-	264,550
Expired warrant	32.1	-	-	(7,859,252)	-	-	7,859,252	-	-	-	-
Surplus on revaluation of assets	15, 27	-	-	-	-	250,976,944	-	(250,976,944)	-	(250,976,944)	-
Total comprehensive loss for the year		-	-	-	-	(186,796,626)	-	-	2,579,823	2,579,823	(184,216,803)
Balances as at December 31, 2018		<u>10,114,938,156</u>	<u>(8,500,747,796)</u>	<u>-</u>	<u>5,526,839</u>	<u>(1,356,022,820)</u>	<u>7,859,252</u>	<u>11,725,339</u>	<u>(18,905,567)</u>	<u>(7,180,228)</u>	<u>264,373,403</u>

Notes to the financial statements form an integral part of these statements

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax income (expense)	(189,156,293)	(114,747,672)	(189,236,638)	(114,667,297)
Adjustments :				
Depreciation and amortization expense	10,874,433	13,327,548	10,874,433	13,327,548
Employee benefit expenses	1,718,009	1,939,243	1,718,009	1,939,243
Employee benefit expenses paid by share-based	264,550	838,546	264,550	838,546
Short-term provisions (reversal)	1,111,508	(819,628)	1,111,508	(819,628)
Bad debt	-	3,166,433	-	3,166,433
Doubtful accounts	500,000	5,000,000	500,000	5,000,000
Reversal of doubtful accounts	(962,902)	(4,640,795)	(962,902)	(4,640,795)
Provisions for loss on litigations	3,251,309	-	3,251,309	-
Reversal of provisions for loss on litigations	(21,854,500)	-	(21,854,500)	-
Reversal retention payables	-	(2,757,068)	-	(2,757,068)
Provision for expected loss on construction contract	164,515,594	28,289,750	164,515,594	28,289,750
Provision for penalty arising from delay	23,609,726	-	23,609,726	-
Reversal of trade payables	(2,326,238)	-	(2,326,238)	-
Gain on sales of property, plant and equipment	(52,179,152)	(1,306,002)	(52,179,152)	(1,306,002)
(Gain) loss on write-off of equipment	(486,317)	86,473	(486,317)	86,473
Unrealized loss on revaluation of current investment	3,532,267	7,669,805	3,532,267	7,669,805
Impairment loss on investment in subsidiary	-	-	145,702	-
Loss (gain) on sales of investments held as available for sale	6,912,520	(21,739)	6,912,520	(21,739)
Loss (gain) on sales of investments held for trading	460,424	(434,333)	460,424	(434,333)
Reversal of accrued interest expenses	-	(2,912,440)	-	(2,912,440)
Interest income	(550,210)	(762,620)	(547,112)	(761,695)
Interest expenses	3,185,733	6,623,418	3,185,733	6,623,418
	<u>(47,579,539)</u>	<u>(61,461,081)</u>	<u>(47,511,084)</u>	<u>(61,379,781)</u>
Operating assets (increase) decrease				
Current investments	479,863	(15,722,026)	479,863	(15,722,026)
Trade and other current receivables	(43,956,246)	(31,538,455)	(43,957,514)	(31,538,485)
Inventories	16,348,965	(6,589,511)	16,348,965	(6,589,511)
Other current assets	971,728	(1,829,864)	971,728	(1,829,864)
Deposits at financial institution with restriction of use	(212,430,137)	5,284,825	(212,430,137)	5,284,825
Trade and other non-current receivables	2,045,330	17,416,529	2,045,330	17,416,529
Retention receivables	(36,355,564)	29,935,753	(36,355,564)	29,935,753
Other non-current assets	111,564	534,156	111,555	534,156

T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Operating liabilities increase (decrease)				
Trade and other current payables	(17,038,085)	2,351,418	(16,963,085)	2,276,418
Current retention payables	13,600,080	(8,329,077)	13,600,080	(8,329,077)
Unearned construction revenues	(356,622)	1,843,878	(356,622)	1,843,878
Short-term provisions	(466)	(2,553,116)	(466)	(2,553,116)
Other current liabilities	(274,786)	(70,600)	(274,786)	(70,600)
Non-current retention payables	(7,170,610)	2,763,611	(7,170,610)	2,763,611
Cash paid for employee benefit obligation	(607,000)	-	(607,000)	-
Cash paid from operations	(332,211,525)	(67,963,560)	(332,069,347)	(67,957,290)
Cash received from interest	557,244	790,812	555,414	789,887
Cash paid for income tax	(23,500,735)	(16,160,978)	(23,500,735)	(16,160,969)
Net cash used in operating activities	<u>(355,155,016)</u>	<u>(83,333,726)</u>	<u>(355,014,668)</u>	<u>(83,328,372)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
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	18,303,352	21,739	18,303,352	21,739
Cash paid for investment in a subsidiary	-	-	-	(999,970)
Asset held for distribution to owners	(854,268)	-	-	-
Payment for purchase of equipment	(787,279)	(2,471,226)	(787,279)	(2,471,226)
Cash received from sales of property, plant and equipment	424,797,128	1,342,382	424,797,128	1,342,382
Payment for purchases of intangible assets	-	(2,175,350)	-	(2,175,350)
Net cash received provided by (used in) investing activities	<u>441,458,933</u>	<u>(3,469,122)</u>	<u>442,313,201</u>	<u>(4,469,092)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank overdrafts increase (decrease)	(21,926,033)	110,802	(21,926,033)	110,802
Repayments for long-term borrowing from a financial institution	(40,171,401)	(69,000,000)	(40,171,401)	(69,000,000)
Repayments for liabilities under financial lease agreements	(420,278)	(895,301)	(420,278)	(895,301)
Cash received from other short-term borrowing	15,000,000	-	15,000,000	-
Repayments for other short-term borrowing	(15,000,000)	-	(15,000,000)	-
Cash received share subscription from exercising warrants	7,636	-	7,636	-
Cash paid for interest expenses	(3,185,733)	(6,623,418)	(3,185,733)	(6,623,418)
Net cash used in financing activities	<u>(65,695,809)</u>	<u>(76,407,917)</u>	<u>(65,695,809)</u>	<u>(76,407,917)</u>
Net increase (decrease) in cash and cash equivalents	20,608,108	(163,210,765)	21,602,724	(164,205,381)
Cash and cash equivalents as at January 1	21,633,197	184,843,962	20,638,581	184,843,962
Cash and cash equivalents as at December 31	<u><u>42,241,305</u></u>	<u><u>21,633,197</u></u>	<u><u>42,241,305</u></u>	<u><u>20,638,581</u></u>

Notes to the financial statements form an integral part of these statements

**T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. OPERATIONS 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 15th floor, Rajanakarn Building, 3 South Sathorn Road, Yannawa, Sathorn District, Bangkok.

On February 7, 2017, the Board of Directors’ meeting 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 and registered the liquidation on January 28, 2019 (see Notes 9 and 12).

Detail of subsidiary as at December 31, were as follow:

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

2. BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 The Company and subsidiary (the “Group”) maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

2.2 The Group’s and the Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) “Presentation of Financial Statements” which is effective for the financial statements for the period beginning on or after January 1, 2018 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560” and the Notification of the Department of Business Development dated October 11, 2016 regarding “The Brief Particulars in the Financial Statement B.E. 2559”.

The Group and the Company prepared and presented the financial statements which did not recognize its interest in a joint arrangement in Thai Industrial Service and Reung Narong Joint Venture 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 arrangement has no material impact to the consolidated and separate financial statements (see Notes 3.8 and 13).

- 2.3 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 and registered the liquidation on January 28, 2019 (see Note 1). Therefore, the Company did not prepare the consolidated statement of financial position as at December 31, 2018 and prepared the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year ended December 31, 2018 including the subsidiary’s audited financial information for the period from January 1, 2018 to November 5, 2018 (date of dissolution registration). The consolidated financial statements have been prepared based on the same accounting policies for the same or similar accounting transactions or accounting events. All significant intercompany transactions and accounts are eliminated in preparing the consolidated financial statements.

In addition, the Company classified investment in a subsidiary as non-current asset classified as held for sale or as held for distribution to owners but did not present discontinued operations according to Thai Financial Reporting Standard No. 5 (Revised 2017) “Non-current Asset Held for Sale and Discontinued Operations” because such subsidiary’s operation results have no material impact to the financial statements (see Notes 3.6, 9 and 12).

- 2.4 The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

- 1) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

During the period, the Group and the Company have adopted the revised and new financial reporting standards including guideline on accounting 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 Group’s and the Company’s 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) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” (“TFRS 15”)

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

TFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date: Thai Accounting Standard No. 11 “Construction Contracts” , Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard Interpretation No. 31 “Revenue-Barter Transactions Involving Advertising Services”, Thai Financial Reporting Standard Interpretation No. 13 “Customer Loyalty Programmes, Thai Financial Reporting Standard Interpretation No. 15 “Agreements for the Construction of Real Estate” and Thai Financial Reporting Standard Interpretation No. 18 “Transfers of Assets from Customers”. TFRS 15 requires retrospective method in accordance with Thai Accounting Standard No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors” or recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings of the annual reporting period.

The core principle of Thai Financial Reporting Standard No. 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects to consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under Thai Financial Reporting Standard No.15, an entity recognizes revenue when (or as) a performance obligation is satisfied i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Thai Financial Reporting Standard Group of Financial Instruments

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments, which have been announced in the Royal Gazette on September 21, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

- Thai Accounting Standard No. 32 “Financial Instruments: Presentation”

This accounting standard requires establishing principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; the circumstances in which financial assets and financial liabilities should be offset.

This accounting standard shall be applied retrospectively for annual periods beginning on or after January 1, 2020. An entity shall apply this accounting standard prospective method by recognising all transactions on the date of initial application considering the condition of this accounting standard and the cumulative effect of initially applying this Standard as an adjustment of retained earnings or other component equity (if applicable) on the date of initial application. The entity shall disclose that fact.

- Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures”

This financial reporting standard requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial statements for the entity’s financial position and performance and the nature and extent of risks arising from financial statements to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

If an entity initially applies this financial reporting standard, it needs not present comparative information for the disclosures about the nature and extent of risks arising from financial instruments.

- Thai Financial Reporting Standard No. 9 “Financial Instruments”

Thai financial reporting standard establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. This financial reporting standard includes 3 requirements for the recognition and measurement, impairment and hedge accounting.

All recognized financial assets that are within the scope of Thai Financial Reporting Standard No. 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principle and interest on the principle outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely payments of principle and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under Thai Financial Reporting Standard No.9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognized in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, Thai Financial Reporting Standard No.9 requires that the amount of change in fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

In relation to the impairment of financial assets, Thai Financial Reporting Standard No. 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit loss and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Thai Financial Reporting Standard No. 9 have been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled with the principle of an 'economic relationship'. Disclosure requirements about an entity's risk management activities have also been introduced.

An entity can elect to apply this Standard retrospectively, in accordance with Thai Accounting Standard No. 8 (Revised 2018) "Accounting Policies, Changes in Accounting Estimates and Errors". This Standard shall not be applied to items that have already been derecognized at the date of initial application. Or, an entity can elect to apply this Standard by recognizing the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the annual reporting period. The entity shall disclose that fact.

- Thai Financial Reporting Standard Interpretations No. 16 “Hedge of a Net Investment in a Foreign Operation”

This Interpretation describes the significant issue about hedging the foreign currency risk arising from its net investment in foreign operations such as a presentational currency not exposure to risk that an entity applies for hedge accounting and hedging instruments that are hedges of a net investment in a foreign operation. This Interpretation requires prospective method for such application.

- Thai Financial Reporting Standard Interpretations No. 19 “Extinguishing Financial Liabilities with Equity Instruments”

This Interpretation addresses the circumstance that an entity issues equity instruments to a creditor of the entity to extinguish all or part of the financial liability. The entity shall remove all or part of such financial liability. This Interpretation requires retrospective method for such application.

Thai Financial Reporting Standard Revised 2018

Thai Financial Reporting Standards (TFRSs) Revised 2018 which will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. 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 reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

- Thai Accounting Standard No. 28 (Revised 2018) “Investment in Associates and Joint Ventures”

This revised accounting standard clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss (that is held by, or is held indirectly through, an .entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds). An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture. This accounting standard requires retrospective method for such amendment.

In addition to, this revised accounting standard clarifies the consideration about the impairment of an investment in an associate or a joint venture.

- Thai Accounting Standard No. 40 (Revised 2018) “Investment Property”

This revised accounting standard clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

- Thai Financial Reporting Standard No. 2 (Revised 2018) “Share-based Payment”

This revised financial reporting standard adds the requirements as follows.

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

This revised financial reporting standard requires prospective method for such amendment.

- Thai Financial Reporting Standard No. 4 (Revised 2018) “Insurance Contracts”

This revised financial reporting standard determines the option for insurance industry to apply Thai Financial Reporting Standard No. 9 “Financial Instruments” as follows.

- 1) Temporary exemption from Thai Financial Reporting Standard No. 9 “Financial Instruments”

An entity its activities are predominantly connected with insurance, shall elect to apply accounting guidance “Financial Instruments” and disclosure for insurance industry rather than Thai Financial Reporting Standard No. 9 “Financial Instruments” for annual periods beginning before January 1, 2022 or before Thai Financial Reporting Standard No. 17 “Insurance Contracts” is effective.

- 2) The Overlay approach

This method is not permitted to apply in Thailand.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies below.

3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks' savings accounts and current accounts, and short-term highly liquid investments with maturities within three months, excluding deposit at bank used as collateral.

3.2 Current investments

Held-for-trading investments are presented at fair value. The fair value of equity investment which is publicly traded in the stock exchange is measured at the last bidding price of the last operating day of the year of the Stock Exchange of Thailand.

Gain or loss on the change in fair value of held-for-trading investments is recognized as unrealized gains or losses in the statement of profit or loss and other comprehensive income.

3.3 Investments held as available for sale

Investments held as available for sale are stated at fair value and less allowance for impairment (if any). The fair values of available for sale investments in equity securities which are listed securities are estimated by using the bid prices of the Stock Exchange of Thailand on the last business day of the year.

Unrealized gains or losses from fair value from remeasurement of available-for-sale investments are presented as separated items in shareholders' equity. Changes in unrealized gains or losses are recognized as part of other comprehensive income in the statements of profit or loss and other comprehensive income and will be transferred to be recognised in profit or loss when investments are sold.

In case reclassification of investments from held-for-trading investment to available-for-sale investments, the Company remeasures such investment using its fair value on the date such investments are reclassified. Difference between the carrying and the fair value on the date of reclassification are recorded in the statement of profit or loss and other comprehensive income.

3.4 Trade receivables and allowance for doubtful accounts

Trade receivables are stated at the net realizable value. The Group and the Company record the allowance for doubtful account for the estimated losses that may incur in collection of receivables. The allowance for doubtful accounts is based on collection experience and current status of receivables outstanding at the statement of financial position date.

3.5 Inventories

Raw materials for use in construction are stated at the lower of cost or net realizable value. Cost is determined by weighted average method. Net realizable value is the estimate of the selling price in the ordinary course of business less the estimated costs necessary to make sale.

The Group and the Company record the allowance for diminution of inventory for damaged inventories and obsolete inventories

Work in progress is recognized as described in Note 3.18.

3.6 Asset held for distribution to owners

Asset classified as asset held for distribution to owners when the Company committed to distribute the asset to owners. The asset must be available for immediate distribution in their present condition and the distribution must be highly probable.

3.7 Investment in a subsidiary

Investment in a subsidiary in the separate financial statements is accounted for using the cost method less allowance for impairment (if any).

In the case where impairment of investment is occurred, impairment loss of investment will be charged to the statement of profit or loss and other comprehensive income.

3.8 Investment in joint arrangement

Investment in joint arrangement in the separate financial statements is accounted for using the cost method less allowance for impairment (if any).

3.9 Property, plant and equipment

Land is stated at the revalued amount based on valuations amount determined by an independent appraiser. The Group and the Company have policy to perform revaluation of land every 3 years or whenever the fair value of a revalued land differs materially from its carrying amount.

Building and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation is computed by the straight-line method based on the estimated useful lives of assets as follows:

Building and building improvement	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture and office equipment	5 years
Vehicles	5 years

For revalued assets, a revalued amount is the fair value determined on market value at the date of revaluation.

The Group and the Company recognize an increase in asset value as a result of a revaluation in “gain on revaluation of assets” which is presented under other components of shareholders’ equity in the statement of financial position. However, if the assets used to be decreased as a result of revaluation and a decreased used to be recognized as an expense in the statement of profit or loss and other comprehensive income, the increase from new revaluation will be recognized as income not exceeding the decrease which was previously recognized as an expenses in the statement of profit or loss and other comprehensive income in prior years.

The Group and the Company recognize a decrease in asset value as a result of a revaluation as expense in the statement of profit or loss and other comprehensive income. However, if the value of asset used to be increased and gain on revaluation of assets is existing in other components of shareholders’ equity, the decrease from new revaluation will be deducted from surplus on revaluation of assets not exceeding the increase of the same asset and the exceeding amount is recognized as an expense in the statement of profit or loss and other comprehensive income.

The gain on revaluation of assets cannot be used for dividend payment.

Depreciation is included in determining operating result and no depreciation is provided to land and construction in progress.

Repairs and maintenance are charged an expense to the statement of profit or loss and other comprehensive income incurred during the year. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one accounting period. Assets from major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in profit and loss from operation.

When revaluated assets are sold, the amounts included in gain on revaluation are transferred to retained earnings.

3.10 Intangible assets

Intangible assets representing computer program are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is computed by the straight-line method based on the estimated useful lives of assets for 5 years.

3.11 Impairment of assets

The Group and the Company consider the impairment of assets when there are indications or changes in the environment which indicate that recoverable amount (the higher of fair value less cost of disposal or value in use) is lower than carrying amount of such assets. The impairment review will consider the impairment of an individual asset or a cash generating unit. In the case carrying amount of the asset is higher than its recoverable amount, the Group and the Company will recognize the loss from impairment of the asset in the statement of profit or loss and other comprehensive income.

The Group and the Company will reverse the loss from impairment of assets previously recognized in prior years when there are indications that impairment no longer exist or decrease. However, increase in carrying amount as a result from reversal will not exceed the carrying amount that would have been determined (net of depreciation or amortization) if had the Group and the Company had no impairment loss been recognized for the assets in prior years.

3.12 Lease agreements

Operating lease

Long-term lease for assets which a significant portion of the risks and rewards of ownership are still retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on the straight-line method over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Finance lease

Lease in which substantially all the risk and reward of ownership, other than legal title is transferred to the Group and the Company is accounted for as a finance lease. The Group and the Company capitalized the asset and liabilities in statement of financial position in the amount at the lower of estimated present value of the underlying lease payments or at the fair value of the leased asset at the contract started date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Financial charge is calculated by the effective interest rate method over the term of contracts. Financial charge and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

3.13 Foreign currency transactions

Transactions in foreign currencies occurred during the year are converted into Baht at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the end of the reporting period are reconverted into Baht at the exchange rates prevailing on that date as determined by the Bank of Thailand. Gains or losses on settlement and reversion are recognized as income or expense in the statement of profit or loss and other comprehensive income.

3.14 Provisions

Provisions are recognized when the Group and the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.15 Provisions for employee benefit

3.15.1 Short-term benefits

The Group and the Company recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

3.15.2 Post-employment benefits - contribution benefit plan

The Group and the Company have established a provident fund the assets of which are held separately from the Group's and the Company's assets. The provident fund is funded by the contribution from employees and the Group and the Company. Contributions from the Group and the Company to the provident fund are recognized as expenses the statement of profit or loss and other comprehensive income in the period to which they relate.

3.15.3 Post-employment benefits - defined benefit plan

The provisions for employee benefit for severance payment according to the labour law is recognized as expense over the employee's service period which is the estimated amount of future benefit earned by employees in return for service provided to the Group and the Company until their retirement. Such benefit is discounted to be the present value. Discount rate is based on the yield rate of government bond. The calculation is performed by actuarial techniques using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group and the Company recognizes all actuarial gains (losses) in other comprehensive income.

Past service cost related to plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

3.16 Share-based payments

The Group and the Company operates a number of equity-settled, share-based compensation plans, under which the Group and the Company receive services from employees compensates in part through equity instruments (options) of the Group and the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

When the options are exercised, the Group and the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Group and the Company of options over its equity instruments to the employees is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period.

3.17 Recognition of revenues and expenses

Revenue excludes value-added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenues from construction contract is recognized as described in Note 3.18.

Interest income, other income and expenses are recognized on an accrual basis.

3.18 Construction contracts

Revenues from construction contract

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the statement of profit or loss and other comprehensive income using the percentage of completion method. The percentage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

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

Contract loss

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

Unbilled construction revenues and unearned construction revenues

The aggregate of the costs incurred and the profit or loss recognized on each contract is compared with the progress billings up to the year end.

Where the costs incurred and the recognized profit or loss on each contract exceeds the progress billings, the exceeding amount is presented as an asset in account of unbilled construction revenues.

Where progress billings exceed costs incurred together with recognized profits or losses, the exceeding amount is presented as a liability in account of unearned construction revenues.

Work in progress

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

3.19 Income tax

Income tax represent the sum of the tax currently payable and deferred tax.

3.19.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted at the end of reporting period.

3.19.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Group and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statements profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in shareholders' equity in the same or different period, they will be recognized directly in other comprehensive income.

3.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group's and the Company's takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.21 Losses per share

Basic losses per share are calculated by dividing net loss for the year by the weighted average number of ordinary shares issued during the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscriptions received. In case of a capital decrease, the number of ordinary shares is weighted according to time of registration of capital reduction. Diluted losses per share is calculated from weighted average number of ordinary shares assumed that dilutive ordinary shares equivalents is totally converted to ordinary shares.

3.22 Use of management's judgements and significant accounting estimations

In the application of the Group's and the Company's accounting policies described above, the management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimates are as follows:

3.22.1 Estimated construction project costs and provision for expected loss on construction contract

The Group and the Company estimate costs of each construction project based on details of the construction work taking into account the volume and value of construction materials to be used in the project, including labour costs and other miscellaneous costs to be incurred to complete construction service with consideration of trend of changes in construction materials price, labour and other expenses. The Group and the Company review estimated construction cost on a regularly basis and whenever actual costs significantly differ from estimated cost of each construction contract. In addition, the Group and the Company consider contract loss on each project by comparing total construction costs by contract revenue of each project.

3.22.2 Impacts on litigation

The Group and the Company have commercial disputes and litigation. The Group's and the Company's management have used judgment to assess of the results of the commercial disputes and litigation based on the causes of the commercial disputes and litigation and other evidence documents including consulting with legal counsel for significant commercial disputes and litigation.

3.22.3 Allowance for doubtful accounts

The Group and the Company have provided allowance for doubtful accounts based on management's estimate losses that may incur in collection of receivables by considering receivable's financial status and the result of lawsuit against each receivable.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Non-cash items for the years ended December 31, consisted of the following:

	Consolidated		Separate	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Unrealized losses on remeasuring investments held as available for sale	215,334	23,586,905	215,334	23,586,905
Reversal of unrealized losses on remeasuring investments held as available for sale	(8,166,504)	-	(8,166,504)	-
Unrealized loss on revaluation of current investment	3,532,267	7,669,805	3,532,267	7,669,805
Gains on remeasurements of defined benefit plans	-	1,435,164	-	1,435,164
Payable from investing in capital expenditure from purchases of intangible assets	2,220,000	-	2,220,000	-

4.2 Cash and cash equivalents as at December 31, consisted of the following:

	Consolidated		Separate	
	financial statement		financial statements	
	2017	2018	2017	2017
	Baht	Baht	Baht	Baht
Cash on hand				
Cash at banks	733,726	567,665		733,726
- Current accounts	15,332,376	4,470,648		15,332,376
- Savings accounts	5,361,113	36,632,309		4,366,497
- Fixed accounts (maturity less than 3 months)	205,982	570,683		205,982
Total	21,633,197	42,241,305		20,638,581

As at December 31, 2018 and 2017, savings accounts carry interest at the rate of 0.38% to 0.40% per annum.

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

5. CURRENT INVESTMENTS

Current investments as at December 31, consisted of the following:

	Consolidated		Separate	
	financial statement		financial statements	
	2017	2018	2017	2017
	Baht	Baht	Baht	Baht
Current investments				
Held-for-trading securities - equity securities	16,156,359	15,216,072		16,156,359
Unrealized loss	(7,669,805)	(11,202,072)		(7,669,805)
Total	8,486,554	4,014,000		8,486,554

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

As at December 31, 2018 and 2017, the Company has unrealized loss on revaluation of current investments in held-for-trading securities of Baht 11.20 million and Baht 7.67 million, respectively, which unrealized 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 years ended December 31, 2018 and 2017, of Baht 3.53 million and Baht 7.67 million, respectively.

Trading of held-for-trading securities

For the years ended December 31, 2018 and 2017, the Company sold held-for-trading securities of Baht 0.48 million and Baht 84.65 million, respectively.

For the year ended December 31, 2017, the Company purchased held-for-trading securities of Baht 100.80 million (for the year ended December 31, 2018 : Nil).

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of the following:

	Consolidated financial statement 2017 Baht	Separate financial statements 2018 Baht	2017 Baht
Trade receivables			
- Other parties	37,336,463	33,036,551	37,336,463
Trade receivables	<u>37,336,463</u>	<u>33,036,551</u>	<u>37,336,463</u>
Unbilled construction revenues (see Note 36)	91,270,070	143,436,032	91,270,070
Other current receivables			
Other current receivables			
- Other parties	559,696	1,479,169	559,696
Advance payments for construction	5,782,894	1,697,165	5,782,894
Advance payments	308,401	188,957	308,401
Prepaid expenses	2,438,453	1,807,315	2,438,453
Other current receivables	<u>9,089,444</u>	<u>5,172,606</u>	<u>9,089,444</u>
Total	<u>137,695,977</u>	<u>181,645,189</u>	<u>137,695,977</u>

The aging of trade receivables as at December 31, is as follows:

	Consolidated financial statement 2017 Baht	Separate financial statements 2018 Baht	2017 Baht
Within credit term	37,336,463	33,036,551	37,336,463
Total	<u>37,336,463</u>	<u>33,036,551</u>	<u>37,336,463</u>

7. INVENTORIES

Inventories as at December 31, consisted of the following:

	Consolidated financial statement 2017 Baht	Separate financial statements 2018 Baht	2017 Baht
Construction materials	2,181,792	-	2,181,792
Work in progress	14,322,944	155,771	14,322,944
Total	<u>16,504,736</u>	<u>155,771</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 case is being considered by the Supreme Court. However, the Company recorded the allowance for doubtful debt as at December 31, 2018 and 2017 amounting to Baht 10 million.

9. ASSET HELD FOR DISTRIBUTION TO OWNERS

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 and registered the liquidation on January 28, 2019. The Company received money from liquidation of the subsidiary in February 2019 already.

As at December 31, 2018, the Company classified investment in a subsidiary as asset classified as asset held for distribution to owners of Baht 0.85 million, which recognized impairment loss on investment in a subsidiary to administrative expense in the separate statement of profit or loss and other comprehensive income for the year ended December 31, 2018 of Baht 0.15 million (as at December 31, 2017: Nil). However, the Company did not present discontinued operations because such investment in a subsidiary (see Note 12) and subsidiary's operation results have no material impact to the financial statements (see Note 2.3).

10. DEPOSITS AT FINANCIAL INSTITUTION WITH RESTRICTION OF USE

As at December 31, 2018 and 2017, deposits at financial institution with restriction of use amounting to Baht 297.31 million and Baht 84.88 million, respectively, are savings deposit and fixed deposits with the maturity of 3 months, carrying interest rate at 0.38% to 1.38% per annum and 0.80% to 1.38% per annum, respectively, which the Company used as collateral for facility of letters of guarantee issued by the financial institutions (see Note 41.1).

11. INVESTMENTS HELD AS AVAILBELE FOR SALE

Investments held as available for sale as at December 31, consisted of the following:

	Consolidated financial statement	Separate financial statements	
	2017	2018	2017
	Baht	Baht	Baht
Investments held as available for sale			
Equity securities	80,181,739	54,965,867	80,181,739
Unrealized loss	(26,856,737)	(18,905,567)	(26,856,737)
Total	53,325,002	36,060,300	53,325,002

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

As at December 31, 2018 and 2017, the Company has unrealized loss on change in fair value of investments held as available for sale of Baht 18.91 million and Baht 26.86 million, respectively, which unrealized loss on change in fair value of investments held as available for sale is recognized as other comprehensive loss in the statements of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2017 of Baht 0.22 million and Baht 23.59 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 year ended December 31, 2018 of Baht 8.17 million (for the year ended December 31, 2017: Nil).

Trading of investments held as available for sale

For the years ended December 31, 2018 and 2017, the Company sold available for sale investments of Baht 18.30 million and Baht 0.02 million, respectively.

For the year ended December 31, 2017, the Company purchased investments held as available for sale investments of Baht 0.19 million (for the year ended December 31, 2018: Nil).

12. INVESTMENT IN A SUBSIDIARY

Investment in a subsidiary stated by the cost method, as at December 31, consisted of the following:

Subsidiary	Type of business	Separate financial statements					
		Shareholding (%)		Paid share capital		Cost (Baht)	
		2018	2017	2018	2017	2018	2017
T Asset Management Company Limited	Property development and asset management	-	99.99	-	1,000,000	-	999,970
						<u>-</u>	<u>999,970</u>

On February 7, 2017, the Board of Directors' meeting of the Company had a resolution to invest in share capital of T Asset Management Company Limited. 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 made a payment for the share subscription. The Company considered that T Asset Management Company Limited is a subsidiary since August 29, 2017 (see Note 1).

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 and registered the liquidation on January 28, 2019 (see Note 1).

As at December 31, 2018, the Company classified investment in a subsidiary as asset classified as asset held for distribution to owners of Baht 0.85 million, which recognized impairment loss on investment in a subsidiary to administrative expense in the separate statement of profit or loss and other comprehensive income for the year ended December 31, 2018 of Baht 0.15 million (as at December 31, 2017: Nil). However, the Company did not present discontinued operations because such investment in a subsidiary (see Note 12) and subsidiary's operation results have no material impact to the financial statements (see Note 2.3).

13. INVESTMENT IN JOINT ARRANGEMENT

Investment in joint arrangement as at December 31, is as follows:

Name of joint arrangement	Type of business	Consolidated financial statements	
		Ownership interest (%)	Cost (Baht)
		2017	2017
Thai Industrial Service and Reung Narong Joint Venture	Construction business	51	510,000
<u>Less</u> Allowance for impairment			(510,000)
Total investment in joint arrangement			-

Name of joint arrangement	Type of business	Separate financial statements			
		Ownership interest (%)		Cost (Baht)	
		2018	2017	2018	2017
Thai Industrial Service and Reung Narong Joint Venture	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 financial statements, which did not include the interest in a joint arrangement in Thai Industrial Service and Reaung Narong Joint Venture (see Note 2.2).

The unaudited financial information of the joint arrangement are summarized as follows:

	Baht
As at December 31, 2018	
Current assets	6,292,650
Non-current assets	3,195,310
Current liabilities	(4,431,220)
Venturers' equity	(5,056,740)
For the year ended December 31, 2018	
Revenues	19,170
Expenses	(116,570)
Loss for the year	(97,400)

14. TRADE AND OTHER NON-CURRENT RECEIVABLES

Trade and other non-current receivables as at December 31, consisted of the following:

	Consolidated	Separate	
	financial statement	financial statements	
	2017	2018	2017
	Baht	Baht	Baht
Trade receivables			
- Other parties	148,731,916	147,850,268	148,731,916
<u>Less</u> Allowance for doubtful accounts	(148,731,916)	(147,852,268)	(148,731,916)
Trade receivables	-	-	-
Unbilled construction revenues	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)
Unbilled construction revenues (see Note 36)	-	-	-

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Other non-current receivables			
Other receivables			
- Related party (see Note 39)	428,689	435,392	428,689
- Other parties	7,803,226	6,646,117	7,803,226
- Other receivable - bank (see Note 43.1)	5,334,318	5,334,318	5,334,318
<u>Less</u> Allowance for doubtful accounts	<u>(6,632,619)</u>	<u>(6,314,352)</u>	<u>(6,632,619)</u>
Other receivables	<u>6,933,614</u>	<u>6,101,475</u>	<u>6,933,614</u>
Advance payments	7,842,027	207,490	7,842,027
<u>Less</u> Allowance for doubtful accounts	<u>(7,840,537)</u>	<u>-</u>	<u>(7,840,537)</u>
Advance payments	<u>1,490</u>	<u>207,490</u>	<u>1,490</u>
Advance payments for construction	3,064,733	3,044,164	3,064,733
Prepaid expenses	1,111,278	94,304	1,111,278
Other non-current receivables	<u>11,111,115</u>	<u>9,447,433</u>	<u>11,111,115</u>
Total	<u><u>11,111,115</u></u>	<u><u>9,447,433</u></u>	<u><u>11,111,115</u></u>

The aging of trade receivables as at December 31, are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Overdue			
Over 12 months	148,731,916	147,850,268	148,731,916
Total	<u>148,731,916</u>	<u>147,850,268</u>	<u>148,731,916</u>

For the years ended December 31, the movement of allowance for doubtful accounts are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Beginning balances	202,465,649	202,824,854	202,465,649
<u>Add</u> Allowance for doubtful accounts during the years	5,000,000	500,000	5,000,000
<u>Less</u> Reversal of doubtful accounts during the years	(4,640,795)	(881,648)	(4,640,795)
<u>Less</u> Write-off of doubtful accounts during the years	-	(8,658,804)	-
Ending balances	<u><u>202,824,854</u></u>	<u><u>193,784,402</u></u>	<u><u>202,824,854</u></u>

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, consisted of the following:

As at December 31, 2017

	Consolidated financial statement			
	Balances as at December 31, 2016 Baht	Additions Baht	Deductions/ Disposal Baht	Balances as at December 31, 2017 Baht
Cost				
Land				
Cost	98,555,145	-	-	98,555,145
Surplus from land revaluation	328,377,855	-	-	328,377,855
Building and building improvement*	32,743,550	113,976	(249,426)	32,608,100
Machinery and equipment*	63,834,582	1,733,713	(1,815,140)	63,753,155
Furniture and office equipment*	15,668,087	623,537	(579)	16,291,045
Vehicles*	28,927,863	-	(7,129,150)	21,798,713
Total at cost	<u>568,107,082</u>	<u>2,471,226</u>	<u>(9,194,295)</u>	<u>561,384,013</u>
Accumulated depreciation				
Building and building improvement*	(8,912,539)	(2,872,372)	163,733	(11,621,178)
Machinery and equipment*	(49,749,869)	(5,485,603)	1,778,766	(53,456,706)
Furniture and office equipment*	(9,797,585)	(2,253,391)	506	(12,050,470)
Vehicles*	(25,579,915)	(1,867,748)	7,128,437	(20,319,226)
Total accumulated depreciation	<u>(94,039,908)</u>	<u>(12,479,114)</u>	<u>9,071,442</u>	<u>(97,447,580)</u>
Total property, plant and equipment	<u>474,067,174</u>			<u>463,936,433</u>

Depreciation for the year ended December 31,
2017

Baht 12,479,114

As at December 31, 2018

	Separate financial statement			
	Balances as at December 31, 2017 Baht	Additions Baht	Deductions/ Disposal Baht	Balances as at December 31, 2018 Baht
Cost				
Land				
Cost	98,555,145	-	(44,338,819)	54,216,326
Surplus from land revaluation	328,377,855	-	(313,721,181)	14,656,674
Building and building improvement	32,608,100	-	(19,156,050)	13,452,050
Machinery and equipment	63,753,155	622,447	(31,691,919)	32,683,683
Furniture and office equipment	16,291,045	124,832	(2,641,590)	13,774,287
Vehicles	21,798,713	40,000	(1,534,052)	20,304,661
Total at cost	<u>561,384,013</u>	<u>787,279</u>	<u>(413,083,611)</u>	<u>149,087,681</u>
Accumulated depreciation				
Building and building improvement	(11,621,178)	(3,561,315)	6,133,358	(9,049,135)
Machinery and equipment	(53,456,706)	(4,288,470)	31,071,848	(26,673,328)
Furniture and office equipment	(12,050,470)	(1,694,448)	2,590,519	(11,154,399)
Vehicles	(20,319,226)	(285,120)	1,156,227	(19,448,119)
Total accumulated depreciation	<u>(97,447,580)</u>	<u>(9,829,353)</u>	<u>40,951,952</u>	<u>(66,324,981)</u>
Total property, plant and equipment	<u>463,936,433</u>			<u>82,762,700</u>

As at December 31, 2017

	Balances as at		Separate financial statement		Balances as at
	December 31, 2016		Additions	Deductions/ Disposal	
	Baht		Baht	Baht	Baht
Cost					
Land					
Cost	98,555,145	-	-	-	98,555,145
Surplus from land revaluation	328,377,855	-	-	-	328,377,855
Building and building improvement*	32,743,550	113,976	(249,426)		32,608,100
Machinery and equipment*	63,834,582	1,733,713	(1,815,140)		63,753,155
Furniture and office equipment*	15,668,087	623,537	(579)		16,291,045
Vehicles *	28,927,863	-	(7,129,150)		21,798,713
Total at cost	<u>568,107,082</u>	<u>2,471,226</u>	<u>(9,194,295)</u>		<u>561,384,013</u>
Accumulated depreciation					
Building and building improvement*	(8,912,539)	(2,872,372)	163,733		(11,621,178)
Machinery and equipment*	(49,749,869)	(5,485,603)	1,778,766		(53,456,706)
Furniture and office equipment*	(9,797,585)	(2,253,391)	506		(12,050,470)
Vehicles *	(25,579,915)	(1,867,748)	7,128,437		(20,319,226)
Total accumulated depreciation	<u>(94,039,908)</u>	<u>(12,479,114)</u>	<u>9,071,442</u>		<u>(97,447,580)</u>
Total property, plant and equipment	<u>474,067,174</u>				<u>463,936,433</u>
Depreciation for the years ended December 31,					
2018			Baht	<u>9,829,353</u>	
2017			Baht	<u>12,479,114</u>	

* Certain items for the year ended December 31, 2017 have been reclassified for disclosures to conform to the disclosures for the year ended December 31, 2018.

As at December 31, 2018 and 2017, costs of building and equipment which are fully depreciated, but still in use are Baht 50.20 million and Baht 60.61 million, respectively.

As at December 31, 2017, the Company also has certain land and building with carrying value of Baht 359.02 million which are pledged as a collateral for bank overdraft from a financial institution (see Note 19), long-term borrowing from a financial institution (see Note 21) and letters of guarantee issued by financial institutions (see Note 41.1) (as at December 31, 2018: Nil). Later, on December 24, 2018, the Company redeemed such land and building at the mortgage value.

Machinery and equipment under finance lease agreements, which the Group and the Company is a lessee as at December 31, consisted of the following:

	Consolidated		Separate	
	financial statement		financial statements	
	2017	2018	2017	
	Baht		Baht	
Cost of assets under finance				
lease agreements	5,483,079	3,400,000	5,483,079	
<u>Less</u> Accumulated depreciation	<u>(4,803,882)</u>	<u>(3,399,999)</u>	<u>(4,803,882)</u>	
Net carrying amount	<u>679,197</u>	<u>1</u>	<u>679,197</u>	

16. RETENTION RECEIVABLES

Retention receivables as at December 31, consisted of the following:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Retention receivables	103,702,817	140,762,100	103,702,817
Retention receivable used as collateral to creditor	703,719	-	703,719
Total	104,406,536	140,762,100	104,406,536
<u>Less</u> Allowance for doubtful accounts	(58,684,476)	(58,603,222)	(58,684,476)
Total	45,722,060	82,158,878	45,722,060

For the years ended December 31, the movement of allowance for doubtful accounts are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Beginning balances	58,684,476	58,684,476	58,684,476
<u>Add</u> Doubtful accounts recorded during the periods	-	(81,254)	-
Ending balances	58,684,476	58,603,222	58,684,476

As at December 31 2017, the Group and the Company transfer the rights to claim on collection from retention receivables for 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 the financial institutions (see Note 41.1) (as at December 31, 2018: Nil).

17. INTANGIBLE ASSETS

Intangible assets as at December 31, consisted of the following:

As at December 31, 2017

	Consolidated financial statement			Balances as at December 31, 2017 Baht
	Balances as at December 31, 2016 Baht	Additions Baht	Deductions/ Disposal Baht	
Computer program				
Cost	9,414,912	395,350	-	9,810,262
<u>Less</u> Accumulated amortization	(6,738,539)	(848,434)	-	(7,586,973)
Total	2,676,373			2,223,289
Computer program under installation	-	1,780,000	-	1,780,000
Total intangible assets	2,676,373			4,003,289

Amortization for the year ended December 31,

2017

Baht 848,434

As at December 31, 2018

	Separate financial statement				Balances as at December 31, 2018 Baht
	Balances as at December 31, 2017 Baht	Additions Baht	Deductions/ Disposal Baht	Transfer in/ (Transfer out)	
	Computer program				
Cost	9,810,262	-	-	4,000,000	13,810,262
<u>Less</u> Accumulated amortization	(7,586,973)	(1,045,080)	-	-	(8,632,053)
Total	2,223,289				5,178,209
Computer program under installation	1,780,000	2,220,000	-	(4,000,000)	-
Total intangible assets	<u>4,003,289</u>				<u>5,178,209</u>

As at December 31, 2017

	Separate financial statement				Balances as at December 31, 2017 Baht
	Balances as at December 31, 2016 Baht	Additions Baht	Deductions/ Disposal Baht		
	Computer program				
Cost	9,414,912	395,350	-	-	9,810,262
<u>Less</u> Accumulated amortization	(6,738,539)	(848,434)	-	-	(7,586,973)
Total	2,676,373				2,223,289
Computer program under installation	-	1,780,000	-	-	1,780,000
Total intangible assets	<u>2,676,373</u>				<u>4,003,289</u>

Amortization for the years ended December 31,

2018	Baht	<u>1,045,080</u>
2017	Baht	<u>848,434</u>

18. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of the following:

	Consolidated	Separate	
	financial statement	financial statements	
	2017	2018	2017
	Baht	Baht	Baht
Guarantees and deposits	4,782,911	4,018,891	4,782,911
Withholding tax	65,738,372	81,899,342	65,738,372
Total	70,521,283	85,918,233	70,521,283
<u>Less</u> Allowance for doubtful accounts	(4,498,838)	(3,846,374)	(4,498,838)
Total	<u>66,022,445</u>	<u>82,071,859</u>	<u>66,022,445</u>

19. BANK OVERDRAFTS

Bank overdrafts as at December 31, consisted of the following:

	Consolidated financial statement		Separate financial statements
	2017		2018
	Baht		2017
			Baht
Bank overdrafts	21,926,033	-	21,926,033
Total	<u>21,926,033</u>	<u>-</u>	<u>21,926,033</u>

As at December 31, 2017, the Group and the Company have bank overdraft facility with a domestic bank totaling Baht 22 million, carrying interest rate at 7% to 9% 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 (as at December 31, 2018: No overdrafts facility).

Movements of bank overdrafts arising from financing activities for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Bank overdrafts as at January 1,	21,926,033	21,815,231	21,926,033	21,815,231
Additions	52,355,053	77,002,200	52,355,053	77,002,200
Repayments	(74,281,086)	(76,891,398)	(74,281,086)	(76,891,398)
Total cash flows items	<u>(21,926,033)</u>	<u>110,802</u>	<u>(21,926,033)</u>	<u>110,802</u>
Bank overdrafts as at December 31,	<u>-</u>	<u>21,926,033</u>	<u>-</u>	<u>21,926,033</u>

20. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of the following:

	Consolidated financial statement		Separate financial statements
	2017		2018
	Baht		2017
			Baht
Trade payables			
- Other parties	119,028,643	103,361,498	119,028,643
Trade payables	<u>119,028,643</u>	<u>103,361,498</u>	<u>119,028,643</u>
Other current payables			
Other current payables			
- Related parties (see Note 39)	1,200,000	1,200,000	1,200,000
- Other parties	74,746,830	78,913,514	74,746,830
Accrued expenses	21,043,795	15,399,933	20,968,795
Other current payables	<u>96,990,625</u>	<u>95,513,447</u>	<u>96,915,625</u>
Total	<u>216,019,268</u>	<u>198,874,945</u>	<u>215,944,268</u>

21. LONG-TERM BORROWING FROM A FINANCIAL INSTITUTION

Long-term borrowing from a financial institution as at December 31, consisted of the following:

	Consolidated		Separate	
	financial statement		financial statements	
	2017	2018	2017	2017
	Baht	Baht	Baht	Baht
Long-term borrowing	40,171,401	-	-	40,171,401
<u>Less</u> Current portion	<u>(40,171,401)</u>	<u>-</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 of minimum loan rate (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 and the Company redeemed such land and building which were pledged as collateral at the mortgage value on December 24, 2018.

Movements of long-term borrowing from a financial institution arising from financing activities for the years ended December 31, are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	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	<u>(40,171,401)</u>	<u>(69,000,000)</u>	<u>(40,171,401)</u>	<u>(69,000,000)</u>
Total cash flows items	<u>(40,171,401)</u>	<u>(69,000,000)</u>	<u>(40,171,401)</u>	<u>(69,000,000)</u>
Long-term borrowing from a financial institution as at December 31,	<u>-</u>	<u>40,171,401</u>	<u>-</u>	<u>40,171,401</u>

22. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements as at December 31, consisted of the following:

Payment periods	The minimum amount to be paid in the future		
	Consolidated	Separate	
	financial statement	financial statements	
	2017	2018	2017
	Baht	Baht	Baht
Within 1 year	495,510	328,164	495,510
1 - 5 years	656,328	328,164	656,328
	<u>1,151,838</u>	<u>656,328</u>	<u>1,151,838</u>
<u>Less</u> Deferred interest under finance lease agreements	<u>(137,727)</u>	<u>(62,495)</u>	<u>(137,727)</u>
Total	<u>1,014,111</u>	<u>593,833</u>	<u>1,014,111</u>

Payment periods	Present value of the minimum amount to be paid in the future		
	Consolidated		Separate
	financial statement	financial statements	
	2017	2018	2017
	Baht	Baht	Baht
Within 1 year	420,278	282,431	420,278
1 - 5 years	593,833	311,402	593,833
Total	<u>1,014,111</u>	<u>593,833</u>	<u>1,014,111</u>

Movements of long-term borrowing from a financial institution arising from financing activities for the years ended December 31, are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Liabilities under finance lease agreements as at January 1,	1,014,111	1,909,412	1,014,111	1,909,412
Repayments	<u>(420,278)</u>	<u>(895,301)</u>	<u>(420,278)</u>	<u>(895,301)</u>
Total cash flows items	<u>(420,278)</u>	<u>(895,301)</u>	<u>(420,278)</u>	<u>(895,301)</u>
Liabilities under finance lease agreements as at December 31,	<u>593,833</u>	<u>1,014,111</u>	<u>593,833</u>	<u>1,014,111</u>

23. OTHER SHORT-TERM BORROWING

As at December 31, 2018 and 2017, other short-term borrowing is a borrowing from the Company's former director amounting of Baht 12.24 million without a written agreement and no collateral, and is repayable at call with the interest rate of minimum loan rate (MLR) or approximately 6.25% per annum.

During the year 2018, the Company has short-term borrowing from a company of Baht 15 million with the credit facility of Baht 30 million, carrying interest rate at 8.5% per annum, and is payable on a monthly basis. The Company has to make full repayment within January 31, 2019. However, the Company made full repayment on December 27, 2018.

Movements of other short-term borrowing arising from financing activities for the years ended December 31, are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Other short-term borrowing as at January 1,	12,235,690	12,235,690	12,235,690	12,235,690
Additions	15,000,000	-	15,000,000	-
Repayments	<u>(15,000,000)</u>	<u>-</u>	<u>(15,000,000)</u>	<u>-</u>
Total Cash flows items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other short-term borrowing as at December 31,	<u>12,235,690</u>	<u>12,235,690</u>	<u>12,235,690</u>	<u>12,235,690</u>

24. SHORT-TERM PROVISION

For the years ended December 31, the movements of short-term provision are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Beginning balances as at January1,	3,734,025	361,281	3,734,025
<u>Add</u> Short-term provision increased in the year	1,111,281	1,472,789	1,111,281
<u>Less</u> Payment during the year	(2,553,116)	(466)	(2,553,116)
<u>Less</u> Reversal of provision during the year	(1,930,909)	(361,281)	(1,930,909)
Ending balances as at December 31,	<u>361,281</u>	<u>1,472,323</u>	<u>361,281</u>

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

25.1 For the years ended December 31, the movements of provision for expected loss on construction contract are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Beginning balances as at January1,	-	28,289,750	-
<u>Add</u> Increase in provision for expected loss on construction contract during the period which is recognized as cost of construction contract	28,289,750	164,515,594	28,289,750
Ending balances as at December 31,	<u>28,289,750</u>	<u>192,805,344</u>	<u>28,289,750</u>

25.2 For the year ended December 31, 2018, the movements of provision for penalty arising from delay are as follows (2017: Nil):

	Separate financial statement 2018 Baht
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 year	23,609,726
Ending balances as at December 31,	<u>23,609,726</u>

26. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, consisted of the following:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Undue output tax	12,708,587	12,362,386	12,708,587
Others	1,929,705	2,001,120	1,929,705
Total	14,638,292	14,363,506	14,638,292

27. INCOME TAX

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

As at December 31, 2017

	Consolidated financial statement			Balances as at December 31, 2017 Baht
	Balances as at December 31, 2016 Baht	Realized in profit or loss Baht	Realized in other comprehensive income Baht	
Deferred tax asset				
Allowance for doubtful accounts	52,153,505	73,790	-	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	(5,059,696)	-	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	65,675,571	(4,430,348)	4,430,348	65,675,571
Deferred tax liability				
Gain on revaluation of assets	(65,675,571)	-	-	(65,675,571)
Total deferred tax liability	(65,675,571)	-	-	(65,675,571)
Total deferred tax liability - net	-	-	-	-

As at December 31, 2018

	Separate financial statement			Balances as at December 31, 2018 Baht
	Balances as at December 31, 2017 Baht	Realized in profit or loss Baht	Realized in other comprehensive income Baht	
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	-	(5,371,347)	-
Provisions	5,447,442	(5,447,442)	-	-
Provisions for employee benefits	1,110,547	(1,110,547)	-	-
Share-based payment	1,518,940	(1,518,940)	-	-
Total deferred tax asset	65,675,571	(60,304,224)	(5,371,347)	-
Deferred tax liability				
Gain on revaluation of assets	(65,675,571)	62,744,236	-	(2,931,335)
Total deferred tax liability	(65,675,571)	62,744,236	-	(2,931,335)
Total deferred tax liability - net	-	-	-	(2,931,335)

As at December 31, 2017

	Separate financial statement			Balances as at December 31, 2017 Baht
	Balances as at December 31, 2016 Baht	Realized in profit or loss Baht	Realized in other comprehensive income Baht	
Deferred tax asset				
Allowance for doubtful accounts	52,153,505	73,790	-	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	(5,059,696)	-	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>(4,430,348)</u>	<u>4,430,348</u>	<u>65,675,571</u>
Deferred tax liability				
Gain on revaluation of assets	(65,675,571)	62,744,236	-	(65,675,571)
Total deferred tax liability	<u>(65,675,571)</u>	<u>62,744,236</u>	<u>-</u>	<u>(65,675,571)</u>
Total deferred tax liability - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Tax income (expense) for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current income tax				
Current tax expense	-	-	-	-
Deferred tax				
Deferred tax income (expense) relating to temporary differences recognized during the periods	2,440,012	(4,430,348)	2,440,012	(4,430,348)
Total	<u>2,440,012</u>	<u>(4,430,348)</u>	<u>2,440,012</u>	<u>(4,430,348)</u>

The reconciliation of income tax at application tax rate for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loss before income tax expense	(189,156,293)	(114,747,672)	(189,236,638)	(114,667,297)
Current income tax expense at 20%	(37,831,258)	(22,949,534)	(37,847,327)	(22,933,459)
Effect of tax losses not recognized as deferred tax asset	-	23,049,336	-	23,033,261
Utilisation of tax loss carried forward which was not recognized as deferred tax asset	(59,947,747)	-	(59,960,818)	-
Reversal of prior year deferred tax asset	(2,440,012)	-	(2,440,012)	-
Effect of the non-taxable income and non-deductible expense	97,779,005	4,330,546	97,808,145	4,330,546
Income tax expense	<u>(2,440,012)</u>	<u>4,430,348</u>	<u>(2,440,012)</u>	<u>4,430,348</u>

The Group and the Company used tax rate of 20% for the corporate income tax calculation for the years ended December 31, 2018 and 2017 and for deferred tax calculation as at December 31, 2018 and 2017.

Effect from income tax relating to components of other comprehensive income for the years ended December 31, 2018 and 2017, are as follows:

	Consolidated financial statements					
	Before tax	2018 Income tax relating to components of other comprehensive income	Net of tax	Before tax	2017 Income tax relating to components of other comprehensive income	Net of tax
	Baht	Baht	Baht	Baht	Baht	Baht
Components of other comprehensive income that will be subsequently reclassified to profit or loss						
Losses on remeasuring investments held as available for sale	(215,334)	43,067	(172,267)	(23,586,905)	4,717,381	(18,869,524)
Reversal of losses from sale of investments held as available for sale	8,166,504	(1,633,301)	6,533,203	-	-	-
Reversal of deferred tax asset from losses on remeasuring investments held as available for sale	-	(3,781,113)	(3,781,113)	-	-	-
Components of other comprehensive income that will not be subsequently reclassified to profit or loss						
Gains on remeasurements of defined benefit plans	-	-	-	1,435,164	(287,033)	1,148,131
Total	<u>7,951,170</u>	<u>(5,371,347)</u>	<u>2,579,823</u>	<u>(22,151,741)</u>	<u>4,430,348</u>	<u>(17,721,393)</u>
	Separate financial statements					
	Before tax	2018 Income tax relating to components of other comprehensive income	Net of tax	Before tax	2017 Income tax relating to components of other comprehensive income	Net of tax
	Baht	Baht	Baht	Baht	Baht	Baht
Components of other comprehensive income that will be subsequently reclassified to profit or loss						
Losses on remeasuring investments held as available for sale	(215,334)	43,067	(172,267)	(23,586,905)	4,717,381	(18,869,524)
Reversal of losses from sale of investments held as available for sale	8,166,504	(1,633,301)	6,533,203	-	-	-
Reversal of deferred tax asset from losses on remeasuring investments held as available for sale	-	(3,781,113)	(3,781,113)	-	-	-
Components of other comprehensive income that will not be subsequently reclassified to profit or loss						
Gains on remeasurements of defined benefit plans	-	-	-	1,435,164	(287,033)	1,148,131
Total	<u>7,951,170</u>	<u>(5,371,347)</u>	<u>2,579,823</u>	<u>(22,151,741)</u>	<u>4,430,348</u>	<u>(17,721,393)</u>

The Group and the Company have not recognized deferred tax assets for unused tax losses because they expects no certain future taxable profit to be utilized. As at December 31, 2018, the Group and the Company have unused tax losses carried forward amounting to Baht 434.54 million and Baht 434.48 million, respectively. Such tax losses will expire in 2019. As at December 31, 2017, the Company has unused tax losses carried forward amounting to Baht 734.58 million. Such tax losses will expire in 2019.

28. PROVISIONS FOR EMPLOYEE BENEFITS

The Company established the retirement benefit plan based on the requirement of Thai Labour Protection Act and the employees' retirement policy to the Group and the Company which is classified as employee benefit plan without funds.

Movements in the provisions for employee for retirement for the years ended December 31, consisted of the following:

	Consolidated financial statement		Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht	2018 Baht
Beginning balances of provisions for employee benefits for retirement	5,048,656	5,552,735	5,048,656	5,552,735
Current service cost	1,832,263	1,613,634	1,832,263	1,613,634
Interest cost	106,980	104,375	106,980	104,375
Benefit paid in the year	-	(607,000)	-	(607,000)
(Gains) losses on remeasurements of defined benefit plans				
Arising from experience adjustments	(1,835,961)	-	(1,835,961)	-
Arising from demographic assumptions	299,019	-	299,019	-
Arising from financial assumptions	101,778	-	101,778	-
	<u>5,552,735</u>	<u>6,663,744</u>	<u>5,552,735</u>	<u>6,663,744</u>
<u>Less</u> Current provisions for employee benefit for retirement	<u>(851,267)</u>	<u>-</u>	<u>(851,267)</u>	<u>-</u>
Ending balances of provisions for employee benefit for retirement	<u>4,701,468</u>	<u>6,663,744</u>	<u>4,701,468</u>	<u>6,663,744</u>

Employee benefit expenses for retirement recognized as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current service costs	1,613,634	1,832,263	1,613,634	1,832,263
Finance costs	104,375	106,980	104,375	106,980
Total	<u>1,718,009</u>	<u>1,939,243</u>	<u>1,718,009</u>	<u>1,939,243</u>

Principal actuarial assumptions are as follows:

	Consolidated and Separate financial statements	
	2018	2017
Discount rate (% per annum)	1.88	1.88
Salary increase rate (% per annum)	5	5
Employee turnover rate	27- 45*	27- 45*
Mortality rate	TMO2017**	TMO2017**

* Depend on the average age of employees

** Reference from TMO 2017 : Thai Mortality Ordinary Tables 2017

Actuarial assumptions sensitivity analysis which had a positive (negative) impact on provisions for employee benefit as at December 31, 2018 as follows:

	Consolidated and Separate financial statements Provisions for employee benefit increased /(decreased) Baht
	Discount rate
Discount rate - decrease by 1%	291,963
Discount rate - increase by 1%	(269,093)
Salary raise rate	
Salary raise rate - decrease by 1%	(315,980)
Salary raise rate - increase by 1%	336,942
Employee turnover rate	
Employee turnover rate - decrease by 1%	134,274
Employee turnover rate - increase by 1%	(310,414)

The sensitivity analysis presented above may not be representative of the actual change in non-current provisions for employee benefit as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The maturity date analysis of the post-employment benefit payments as at December 31, 2018 and 2017 are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Within 1 year	851,267	-	851,267
Over 1 year to 3 years	2,662,213	5,790,454	2,662,213
Over 3 years	2,039,255	873,290	2,039,255
Total	<u>5,552,735</u>	<u>6,663,744</u>	<u>5,552,735</u>

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company will reflect the effect of the change by recognizing past service cost as an expense in the income statement of the period in which the law is effective.

29. PROVIDENT FUND

The Group and the Company have established a provident fund which contribution is deducted from employees' monthly salaries and contribution from the Company. This fund has registered as provident fund in accordance with the Provident Fund Act B.E. 2530 (1987).

The contribution of the Group was recorded as expense in the consolidated statements of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2017 in amount of Baht 1.54 million and Baht 1.21 million, respectively.

The contribution of the Company was recorded as expense in the separate statements of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2017 in amount of Baht 1.54 million and Baht 1.21 million, respectively.

30. 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.

31. DISCOUNT ON ORDINARY SHARES

Section 52 of the Public Limited Company Act B.E. 2535, requires if the Company which has been in operation for not less than one year suffers a loss, it may offer its shares for sale at a price lower than the registered par value, provided; approval is granted at the meeting of shareholders, the fixed discount rate shall be definitely determined and specified in the prospectus.

32. WARRANTS

32.1 The Annual General Meeting of Shareholders held on April 25, 2013, had 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 has a resolution to approve the allotment and offering of newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) and adjustment of right which specified that the Company is obliged to adjust the exercise price and exercise ratio. The preliminary details of the warrants are described below:

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

Type : Specified warrant's holder and non-transferable.

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

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

Offering Price : 0 Baht per unit

Allocation method : 17,000,000 units directly allocated to management and employees 5,000,000 units allocated by the appointed person from the Board of Directors and/or Managing Director in order to allocate to new management and employees who will work for the Company within 1 year from the date of the shareholders' meeting approve this offering

Exercise Ratio : 1 warrant to 11.971 ordinary shares (Formerly: 1 warrant to 1 ordinary share)

Exercise Price : Baht 1 (Formerly: Baht 2.50)

Exercise Period : The first: 1 year after the Company issued warrants, and not exceed 25% of the allocated warrants

The second: 2 years after the Company issued warrants, and not exceed 50% of the allocated warrants

The third: 3 years after the Company issued warrants, and not exceed 75% of the allocated warrants

The forth: 4 years after the Company issued warrants, and not exceed 100% of the allocated warrants

Holders of warrants are able to exercise the warrants to ordinary shares on the last business day of March, June, September and December throughout the term of the warrants. The unexercised warrants as at May 14, 2018 which was the last exercised date were 8,140,000 units and the Company transferred expired share capital from share-based payment of Baht 7.86 million to be a separate item under retained earnings in the consolidated and separate statements of financial position as at December 31, 2018 and the consolidated and separate statements of changes in shareholders' equity for the year ended December 31, 2018.

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

Type of Warrants : Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited No. 3 (T-W3)

Type : Specified warrant's holder and transferable

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

Number of issued : 1,451,232,630 units
and offered warrants

Offering Price : 0 Baht per unit

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

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

On 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.

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

Type of Warrants	:	Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited No.4 (T-W4)
Type	:	Specified warrant's holder and transferable
Term of Warrants	:	3 years from the issuing date of warrants
Number of issued and offered warrants	:	3,000,000,000 units
Offering Price	:	0 Baht per unit
Exercise Ratio	:	1 warrant to 1 ordinary share (subject to change in case of the adjustment exercise ratio to the terms and conditions)
Exercise Price	:	Baht 1 per share (subject to change in case of the adjustment exercise price to the terms and conditions).

33. BASIC LOSSES PER SHARE AND DILUTED LOSSES PER SHARE

Basic losses per share

Basic losses per share for the years ended December 31, 2018 and 2017 are calculated by dividing loss for the years by weighted average number of ordinary shares issued during the years.

Basic losses per share calculation for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Loss for the years (Baht)	(186,716,281)	(119,178,020)	(186,796,626)	(119,097,645)
Weighted average number of ordinary shares (shares)	10,114,933,553	10,114,930,520	10,114,933,553	10,114,930,520
Basic losses per share (Baht)	<u>(0.0185)</u>	<u>(0.0118)</u>	<u>(0.0185)</u>	<u>(0.0118)</u>

Diluted losses per share

Diluted losses per share for the years ended December 31, 2018 and 2017 are calculated by dividing the loss for the years of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the years plus 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 Group and the Company's ordinary shares for the year ended December 31, 2018 and 2017 are lower than the exercise price causing the Group and the Company to exclude the losses of dilutive potential ordinary share from the calculation of loss per share.

Diluted losses per share calculation for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Loss for the years (Baht)	(186,716,281)	(119,178,020)	(186,796,626)	(119,097,645)
Diluted weighted average number of ordinary share (shares)	<u>10,114,933,553</u>	<u>10,114,930,520</u>	<u>10,114,933,553</u>	<u>10,114,930,520</u>
Diluted losses per share (Baht)	<u>(0.0185)</u>	<u>(0.0118)</u>	<u>(0.0185)</u>	<u>(0.0118)</u>

34. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of net profit after deducting accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered shares capital and the reserve is not available for distribution as dividends.

35. CAPITAL MANAGEMENT

The purpose of the Group and the Company's capital management is to maintain the operating activities continuously for generating compensation for shareholders and benefits for stakeholders.

The Group and the Company did not use any financial ratios for maintaining cost level; however, cost are managed to be enough to be used as working capital within the Group and the Company.

36. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

Significant information of construction contracts as at December 31, consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Contract revenues	<u>1,790,893,747</u>	<u>2,429,073,956</u>	<u>1,790,893,747</u>	<u>2,429,073,956</u>
Cost incurred to date	1,607,786,160	1,472,165,671	1,607,786,160	1,472,165,671
Loss recognized to date	<u>(130,411,058)</u>	<u>(19,816,821)</u>	<u>(130,411,058)</u>	<u>(19,816,821)</u>
Cost and loss recognized to date	1,477,375,102	1,452,348,850	1,477,375,102	1,452,348,850
<u>Less</u> Progress billings to date	(1,342,695,824)	(1,370,192,156)	(1,342,695,824)	(1,370,192,156)
Unbilled construction revenues	<u>(143,436,032)</u>	<u>(91,270,070)</u>	<u>(143,436,032)</u>	<u>(91,270,070)</u>
Unearned construction revenues	<u>(8,756,754)</u>	<u>(9,113,376)</u>	<u>(8,756,754)</u>	<u>(9,113,376)</u>

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of construction contracts incurred during the year	818,597,125	548,112,776	818,597,125	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 year	<u>(653,925,760)</u>	<u>(505,500,082)</u>	<u>(653,925,760)</u>	<u>(505,500,082)</u>
Cost of construction contracts related to activities in the future which recognized as asset	<u>155,771</u>	<u>14,322,944</u>	<u>155,771</u>	<u>14,322,944</u>
Unbilled construction revenues at the beginning of the year	91,270,070	72,176,743	91,270,070	72,176,743
Unearned construction revenues at the beginning of the year	(9,113,376)	(7,269,498)	(9,113,376)	(7,269,498)
Revenues from construction contracts recognized as revenues during the year	666,579,644	547,678,910	666,579,644	547,678,910
Progress billings during the year	(614,057,060)	(530,429,461)	(614,057,060)	(530,429,461)
Unearned construction revenues at the ending of the year	<u>8,756,754</u>	<u>9,113,376</u>	<u>8,756,754</u>	<u>9,113,376</u>
Unbilled construction revenues	<u>143,436,032</u>	<u>91,270,070</u>	<u>143,436,032</u>	<u>91,270,070</u>

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenues from construction contracts recognized as revenues during the years	666,579,644	547,678,910	666,579,644	547,678,910
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 years	<u>(653,925,760)</u>	<u>(505,500,082)</u>	<u>(653,925,760)</u>	<u>(505,500,082)</u>
Profit (loss) recognized during the years	<u>(151,861,710)</u>	<u>13,889,078</u>	<u>(151,861,710)</u>	<u>13,889,078</u>

37. OTHER INCOME

Other income for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest income	550,210	762,620	547,112	761,695
Reversal of retention payables	-	2,757,068	-	2,757,068
Gain on sales asset	52,179,152	-	52,179,152	-
Revenue from sales scrap	10,233,532	4,224,171	10,233,532	4,224,171
Others	5,490,553	6,960,730	5,490,553	6,960,730
Total	<u>68,453,447</u>	<u>14,704,589</u>	<u>68,450,349</u>	<u>14,703,664</u>

38. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, consisted of the following items:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Construction materials	158,879,876	179,966,060	158,879,876	179,966,060
Subcontractor	334,057,554	160,328,975	334,057,554	160,328,975
Employee and workers benefits expenses	174,432,844	150,428,881	174,432,844	150,428,881
Depreciation and amortization	10,874,433	13,327,548	10,874,433	13,327,548
Professional and service fees	14,435,343	18,347,974	14,435,343	18,347,974
Bad debt	-	3,166,433	-	3,166,433
Doubtful accounts	500,000	5,000,000	500,000	5,000,000
Reversal of allowance for doubtful accounts	(962,902)	(4,640,795)	(962,902)	(4,640,795)
Provision from litigations	3,251,309	-	3,251,309	-
Reversal of provision on litigations	(21,854,500)	-	(21,854,500)	-
Bank fees	963,737	6,889,008	963,737	6,889,008
Transportation expenses	2,599,609	2,535,669	2,599,609	2,535,669
Insurance premium	455,306	539,864	455,306	539,864
Other fees	6,703,999	7,271,421	6,703,999	7,271,421
Rental	8,718,041	8,743,304	8,718,041	8,743,304
Directors remuneration	2,822,000	3,614,000	2,822,000	3,614,000
Utilities expenses	9,553,613	7,728,922	9,553,613	7,728,922
Repair and maintenance expenses	1,133,805	1,044,338	1,133,805	1,044,338
Advertising expenses	451,053	1,136,883	451,053	1,136,883
Entertainment expenses	1,320,271	1,913,088	1,320,271	1,913,088

39. 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 consolidated and separate 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 December 31, are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Other non-current receivables (see Note 14)			
Thai Industrial Service and Reung Narong Joint Venture	428,689	435,392	428,689
Other current payables (see Note 20)			
Thai Industrial Service and Reung Narong Joint Venture	1,200,000	1,200,000	1,200,000

Directors and key management personnel's compensation

Directors and key management personnel's compensation for the years ended December 31, are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term benefits	14,861,300	12,568,000	14,861,300	12,568,000
Post-employee benefits	1,777,971	1,145,619	1,777,971	1,145,619
Directors remuneration	2,822,000	3,614,000	2,822,000	3,614,000
Total directors and key management's compensation	<u>19,461,271</u>	<u>17,327,619</u>	<u>19,461,271</u>	<u>17,327,619</u>

Relationships

Company	Country	Relationship	Type of relationship
Thai Industrial Service and Reung Narong Joint Venture	Thailand	Joint arrangement	Jointly controlled operations
T Asset Management Company Limited.	Thailand	Subsidiary	Direct shareholder

Intercompany pricing policy

Pricing policies

Interest expense	Refer to commercial bank's interest rate
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40. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

40.1 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Group and the Company.

As at December 31, 2018 and 2017, the Company may have credit concentration risk because 76% and 86% of trade receivables represent trade receivables with 3 major clients and 4 major clients, respectively. To mitigate credit risks, the management has established the credit risk policy and has reviewed impact arising from credit risk on a regularly basis. The Company enters into a contract with the project owners with strict terms of payments of receivables of each project. In addition, the Company evaluates the financial viability of potential clients prior to accepting projects.

The managements believes that the maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for doubtful accounts as stated in the statement of financial position.

40.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Group and the Company in the current reporting period and in future years. In case the interest rate is higher, it will have an impact to the Group's and the Company's operation since most of the Company's borrowings bear the floating interest rates. However, as at December 31, 2018, the Company does not have any interest rate risk because the Company does not have any borrowing.

40.3 Exchange rate risk

There is no exchange rate risk from foreign exchange rate because the Company have no outstanding assets and liabilities balance dominated in foreign currency.

40.4 Liquidity risk

As at December 31, 2018, the Company has liquidity risk because the Company's total current assets are lower than total current liabilities. However, the Company monitors its liquidity risk by maintaining its working capital sufficient for the Company's operation and to mitigate the effects of fluctuations in cash flows. In addition, the Company have future operation plans to ensure that the Company will have continuing cash inflow from its operation sufficiently.

40.5 Fair value of financial instruments

For the fair value disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair value of financial instruments.

Financial assets and financial liabilities measured at fair value

Investments held as available for sale investments - equity securities and held-for-trading investments - equity securities have fair value equal 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.

Financial assets and financial liabilities not measured at fair value

Cash and cash equivalents, trade and other current receivables, trade and other non-current receivables, unbilled revenue, asset held for distribution to owners, deposits at financial institution with restriction of use, deposit for business acquisition, retention receivables, bank overdraft, trade and other current payables, current retention payables, non-current retention payables, unearned construction revenue and other current liabilities has approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

Long-term borrowing from a financial institution and other borrowing with the floating interest rate and liabilities under finance lease agreement approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

Non-financial assets measured at fair value

Land has fair value equal to its carrying amount which is measured using fair value hierarchy level 3 using value appraised by the independent appraiser licensed by the Securities and Exchange Commission which is determined by using the Sale Price method.

41. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has commitments and contingent liabilities as follows:

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

As at December 31, 2017, the Company has letters of guarantee issued by the banks of Baht 258.29 million. 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), retention receivables (see Note 16) and has certain land and building as collateral (see Note 15).

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

41.2 As at December 31, 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).

41.3 Commitments for payments under the office rental and service agreement in the future as at December 31, are as follows:

	Consolidated financial statement	Separate financial statements	
	2017 Baht	2018 Baht	2017 Baht
Within 1 year	10,179,168	9,496,478	10,179,168
Later than 1 year and not later than 5 years	1,589,957	846,777	1,589,957

Rental under the lease agreements recognized as expenses in the consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2017 are Baht 11.01 million and Baht 10.72 million, respectively.

Rental under the lease agreements recognized as expenses in the separate statements of profit or loss and other comprehensive income for the years ended

December 31, 2018 and 2017 are Baht 11.01 million and Baht 10.72 million, respectively.

42. OPERATING SEGMENT INFORMATION

Operating segment information is reported to comply with the internal report that is prepared for decision in the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

Business segment

The Group and the Company operates only construction business. Therefore, the Group and the Company have a business segment.

Geographical segment

The Group and the Company operate in only domestic. Therefore, the Group and the Company have only one geographic segment.

Information about transactions with major customers

The Company has revenues from construction contracts with external customers over 10% of the Company's total revenue. For the years ended December 31, 2018 and 2017, the Company had revenue from construction contracts from 3 major customers amounting to Baht 508.74 million and from 4 major customers amounting to Baht 441.51 million, respectively.

43. LITIGATION

43.1 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 judgement as the Company was a construction provider and the Company has not been paid by the contractor. The Company recorded provision for loss on 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 on litigations of Baht 21.85 million was made, resulting in provision for loss on litigations as at December 31, 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 trade and other non-current receivables (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 breach 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.

- 43.2 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 has submitted a dispute between the Company and the Contractor to the Arbitration process.

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

- 43.3 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 the amount of Baht 11.39 million. The Civil Court had ordered to accept testimony and sued for counterclaim. Later, the Court appointed the mediation of the case on March 8, 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 judgement on November 27, 2018.

On November 27, 2018, the court rendered its judgement to order the Company to make payment to sub-contractor and return letter of guarantee. The case is currently extend to the Appeal Court until March 22, 2019.

The Company recorded provision for resultant losses as at December 31, 2018 of Baht 3.25 million (as at December 31, 2017: Nil). The management believes that the resultant losses will not significantly differ from the provision that is recognized in the financial statements.

43.4 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, breach and others as follows:

43.4.1 A case that is in the consideration of the Court 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 December 31, 2018, the Company does not record provision which may arise from this legal case in the Company's consolidated and separate financial statements.

43.4.2 A case that the Civil Court has rendered the judge compulsions to order the Company to make compensation in amount of Baht 1.40 million. As at December 31, 2018, the Company has outstanding claim amount to be paid of Baht 0.35 million that was recorded as liabilities in the related account in the financial statements.

43.4.3 The Company was sued for 3 cases relating to services and purchase of goods with the claims of Baht 19.02 million. The Company has recorded as liabilities in the related accounts as at December 31, 2018 of Baht 14.78 million. The Company's management believes that the resultant losses will not significantly differ from the liabilities recognized in the financial statements.

The Company recorded provisions for losses on litigations (see Notes 43.1 and 43.2) as at December 31, 2018 and 2017, totaling Baht 78.46 million and Baht 97.06 million, respectively.

44. RECLASSIFICATIONS

Certain reclassifications have been made in the consolidated and separate financial statements for the year ended December 31, 2017, to conform to the classification used in the consolidated and separate financial statements for the year ended December 31, 2018. Such reclassifications have no effect to previously reported net loss, total comprehensive loss and shareholders' equity. The reclassifications are as follows:

Accounts	Previous presentation	Current presentation	Amount (Baht)	
			Consolidated financial statements	Separate financial statements
Statement of financial position as at December 31, 2017				
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
Statement of profit or loss and other comprehensive income for the year ended December 31, 2017				
Expected loss on construction contracts	Revenues from construction contracts	Cost of construction contracts	28,289,750	28,289,750

However, the statement of cash flows for the year ended December 31, 2017 has been reclassified according to the above presentation.

45. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Company's Board of Directors on February 28, 2019.