

IR.019/2017

15 August 2017

Re: Clarification on the change of profit and loss statement

To President

The Stock Exchange of Thailand

T Engineering Corporation Public Company Limited (the “Company”) would like to provide the clarification on the business operation for the 2nd Quarter of the year 2017 ending 30 June 2017.

Total Revenue

The Company has the total revenue of Baht 128.10 million for the business operation for three-month period in Quarter 2 of 2017, ended 30 June 2017. When compared with the total revenue of Baht 117.60 million for the same period of the year 2016, the overall total revenue increases in the amount of Baht 10.50 million or 8.93%.

The total revenue from business operation for six-month period ended 30 June 2017 is in the amount of Baht 263.47 million. When compared with the total revenue of Baht 155.57 million for same period of the year 2016, the overall total revenue increases in the amount of Baht 107.90 million or 69.36%.

Overall Profit and Loss

The Company has loss for three-month period in the 2nd Quarter of the year 2017 in the amount of Baht 15.81 million, comparing to the same period of the year 2016 that had loss in the amount of Baht 12.33 million. The Company has the comprehensive loss in the amount of Baht 13.81 million, comparing to the same period in the year 2016 that had comprehensive loss in the amount of Baht 12.33 million.

For six-month period, the Company has loss in the amount of Baht 12.65 million, comparing to the same period of the year 2016 that had loss in the amount of Baht 53.55 million. The Company has the comprehensive loss in the amount of Baht 19.06 million, comparing to the same period in the year 2016 that had comprehensive loss in the amount of Baht 53.55 million.

The Company would like to provide the explanation on the changes of the Profit and Loss for three-month period and six-month period ending 30 June 2017 as follows:

Three-month period ending 30 June 2017

1. The revenues from construction is Baht 125.67 million which increases in the amount of Baht 20.88 million or 19.93% when compared to the same period of the year of 2016. It is a result of completed projects and new projects that have revenue recognition from its completion within this period.
2. Cost of construction increases in the amount of Baht 31.52 million or 38.13% when compared to the same period of the year 2016 which is related to the rise of revenue. The Company's gross profit is Baht 11.49 million or 9.14%.
3. The total administrative expense is Baht 26.57 million. When compared to the administrative expense in 2016, the total difference increases in the amount of Baht 3.06 million or 13.01% as a result of an increase of its employment which conformed with its additional projects.
4. The Financial Cost is Baht 3.16 million which is close to the year 2016.
5. The net loss is Baht 15.81 million. The total difference increases in the amount of 3.47 million or 28.14% comparing to the same period of the year 2016. The major cause is from last-year deferred tax.

Six-month period ending 30 June 2017

1. The revenues from construction is Baht 256.77 million which increases in the amount of Baht 117.75 million or 84.69% when compared to the same period of the year of 2016. It is a result of completed projects and new projects that have revenue recognition from its completion within this period.
2. Cost of construction increases in the amount of Baht 104.58 million or 95.66% when compared to the same period of the year 2016 which is related to the rise of revenue. The Company's gross profit is Baht 42.87 million or 16.70% according to its goal.
3. The total administrative expense is Baht 53.37 million. When compared to the administrative expense in 2016, the total difference declines in the amount of Baht 18.17 million or 25.39%. This is because there is no allowance for doubtful accounts in this period.
4. The Financial Cost is Baht 8.85 million which is Baht 1.94 million or 28.15% higher than the year of 2016. It is a result of bank fees from bank guarantees.
5. The net loss is Baht 12.65 million. The total difference declines in the amount of 40.90 million or 76.38% comparing to the same period of the year 2016.

Please be informed accordingly.

Sincerely yours,

(Mr. Tradsin Chongussayakul)

Chief Executive Officer and Acting Managing Director
T Engineering Corporation Public Company Limited