

IR.022/2017

13 November 2017

Re: Clarification on the changes 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 3rd Quarter of the year 2017 ended 30 September 2017.

The Company set up a subsidiary company, which registered as a juristic person in Thailand under the Civil and Commercial Code on August 29, 2017. The subsidiary operates in property development and asset management business.

Total Revenue

The Company and subsidiary have the total revenue for three-month period and nine-month period ended 30 September 2017 in the amount of Baht 163.26 million and Baht 426.73 million respectively, comparing to the same period of the year 2016 that had total revenue of Baht 99.15 million and Baht 254.72 million respectively. The overall total revenue increases in the amount of Baht 64.11 million or 64.65% for three-month period and Baht 172 million or 67.53% for nine-month period.

Total Comprehensive Profit and Loss

The Company and subsidiary have the total loss for three-month period and nine-month period ended 30 September 2017 in the amount of Baht 29.08 million and Baht 41.73 million respectively, comparing to the same period of the year 2016 that had total loss in the amount of Baht 19.41 million and Baht 72.97 million respectively.

The Company and subsidiary have the total comprehensive loss in the amount of Baht 33.19 million and Baht 52.25 million respectively, comparing to the same period of the year 2016 that had total comprehensive loss in the amount of Baht 24.36 million and Baht 77.91 million respectively.

The Company and subsidiary would like to provide the explanation on the changes of the Profit and Loss Statement for three-month period and nine-month period ended 30 September 2017 as follows;

1. The revenues from construction is Baht 156.22 million for three-month period which increases in the amount of Baht 61.33 million or 64.62% and Baht 413 million for nine-month period which increases in the amount of Baht 179.07 million or 76.55% when compared to the same period of the year 2016. It is a result of completed projects and new projects that received in this year.
2. Cost of construction increases in the amount of Baht 63.48 million or 71.30% for three-month period and Baht 168.06 million or 84.73% for nine-month period when compared to the same period of the year 2016, which is related to the rise of revenue and to catch up work progress to complete on time resulting in higher costs while the Company's gross profit margin is rather low due to highly-competitive.
3. The total administrative expense increases in the amount of Baht 10.71 million or 40.18% for three-month period when compared to the same period of the year 2016, as a result of unrealized loss from adjustment of fair value of investments and legal expenses. For nine-month period, the total administrative expense decreases in the amount of Baht 7.46 million or 7.59% when compared to the same period of the year 2016, as a result of reduction of allowance for doubtful accounts.
4. The financial cost decreases in the amount of Baht 0.54 million or 17.90% for three-month period. For nine-month period, the financial cost increases in the amount of Baht 1.4 million or 14.24% when compared to the same period of the year 2016.
5. The subsidiary company has no operating results yet for three-month period and nine-month period ended 30 September 2017.

Please be informed accordingly.

Sincerely yours,

(Mr. Tradsin Chongussayakul)

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