

TEAM Consulting Engineering and Management  
Public Company Limited and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 2018



Building a better  
working world

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## Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TEAM Consulting Engineering and Management Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TEAM Consulting Engineering and Management Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

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

### Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

*Chatchai Kasemsriw*

Chatchai Kasemsriwanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 8 November 2018

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		256,860	99,656	147,854	25,247
Current investments		884	776	652	544
Trade and other receivables	4	451,610	329,823	353,756	242,616
Unbilled receivables	5	584,459	345,716	415,120	239,817
Short-term loans to related party	3	-	-	27,000	9,000
Work in process		-	658	-	-
Other current assets	6	48,619	54,433	24,484	28,338
<b>Total current assets</b>		<b>1,342,432</b>	<b>831,062</b>	<b>968,866</b>	<b>545,562</b>
<b>Non-current assets</b>					
Restricted bank deposits	7	60,230	53,438	46,160	41,660
Investments in subsidiaries	8	-	-	113,705	113,705
Investment in associated company	9	4,288	3,015	-	-
Other long-term investment		-	118	-	118
Investment properties		1,264	1,276	5,715	5,843
Property, plant and equipment	10	195,354	209,872	171,395	183,767
Intangible assets - Software computer	11	63,616	66,128	54,085	58,387
Deferred tax assets		42,819	35,644	31,614	27,818
Retention receivable as per contract	5	109,026	101,364	60,975	56,004
Other non-current assets		17,550	3,223	13,141	532
<b>Total non-current assets</b>		<b>494,147</b>	<b>474,078</b>	<b>496,790</b>	<b>487,834</b>
<b>Total assets</b>		<b>1,836,579</b>	<b>1,305,140</b>	<b>1,465,656</b>	<b>1,033,396</b>

The accompanying notes are an integral part of the financial statements.

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	12	16,397	80,464	-	61,904
Trade and other payables	13	213,996	230,127	174,899	185,563
Short-term loans from related parties	3	-	-	-	25,000
Current portion of liabilities under hire-purchase and					
finance lease agreements	15	16,114	17,854	12,659	13,603
Service income received in advance and					
advances received from employers	5	413,437	246,432	252,682	152,941
Income tax payable		6,082	4,352	-	-
Dividend payable		314	115	2	-
Other current liabilities	14	47,763	40,177	31,400	22,639
<b>Total current liabilities</b>		<b>714,103</b>	<b>619,521</b>	<b>471,642</b>	<b>461,650</b>
<b>Non-current liabilities</b>					
Liabilities under hire-purchase and finance lease					
agreements - net of current portion	15	22,735	33,806	16,237	25,335
Provision for long-term employee benefits	16	204,237	179,799	156,743	138,192
<b>Total non-current liabilities</b>		<b>226,972</b>	<b>213,605</b>	<b>172,980</b>	<b>163,527</b>
<b>Total liabilities</b>		<b>941,075</b>	<b>833,126</b>	<b>644,622</b>	<b>625,177</b>

The accompanying notes are an integral part of the financial statements.

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
<b>Shareholders' equity</b>					
Share capital	17				
Registered					
680,000,000 ordinary shares of Baht 0.5 each (31 December 2017: 2,500,000 ordinary shares of Baht 100 each)		340,000	250,000	340,000	250,000
Issued and fully paid					
680,000,000 ordinary shares of Baht 0.5 each (31 December 2017: 2,500,000 ordinary shares of Baht 100 each)		340,000	250,000	340,000	250,000
Share premium		424,318	94,735	424,318	94,735
Capital reserve for share-based payment transactions		14,928	14,928	5,068	5,068
Deficit from the change in the ownership interests in subsidiaries		(22,215)	(22,215)	-	-
Deficit on reorganisation of business of group companies under common control		(22,548)	(22,548)	-	-
Retained earnings					
Appropriated - statutory reserve		1,200	1,200	1,200	1,200
Unappropriated		153,800	149,711	50,448	57,216
Equity attributable to owners of the Company		889,483	465,811	821,034	408,219
Non-controlling interests of the subsidiaries		6,021	6,203	-	-
<b>Total shareholders' equity</b>		<b>895,504</b>	<b>472,014</b>	<b>821,034</b>	<b>408,219</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,836,579</b>	<b>1,305,140</b>	<b>1,465,656</b>	<b>1,033,396</b>

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

## TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 September 2018

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income		402,094	418,534	258,089	298,307
Other income					
Interest income		309	176	625	479
Dividend income		-	-	34,999	-
Gain on sales of investment properties and equipment		-	7,723	-	1,954
Others		2,528	1,277	10,214	8,764
<b>Total revenues</b>		<b>404,931</b>	<b>427,710</b>	<b>303,927</b>	<b>309,504</b>
<b>Expenses</b>					
Cost of service		265,859	269,939	173,994	200,858
Administrative expenses		97,161	119,056	81,849	97,657
<b>Total expenses</b>		<b>363,020</b>	<b>388,995</b>	<b>255,843</b>	<b>298,515</b>
<b>Profit before share of profit from investment in associated company, finance cost and income tax expenses</b>					
Share of profit from investment in associated company		55	565	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>41,966</b>	<b>39,280</b>	<b>48,084</b>	<b>10,989</b>
Finance cost		(921)	(1,301)	(778)	(1,411)
<b>Profit before income tax expenses</b>		<b>41,045</b>	<b>37,979</b>	<b>47,306</b>	<b>9,578</b>
Income tax expenses	18	(7,615)	(8,138)	(2,040)	(2,313)
<b>Profit for the period</b>		<b>33,430</b>	<b>29,841</b>	<b>45,266</b>	<b>7,265</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>33,430</b>	<b>29,841</b>	<b>45,266</b>	<b>7,265</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		33,431	29,723	45,266	7,265
Non-controlling interests of the subsidiaries		(1)	118	-	-
		<b>33,430</b>	<b>29,841</b>		
			(Restated)		(Restated)
<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	19	0.05	0.06	0.07	0.01
Weighted average number of ordinary shares (shares)		664,347,826	500,000,000	664,347,826	500,000,000

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income		1,245,704	1,209,552	799,161	857,133
Other income					
Interest income		619	756	1,287	1,521
Dividend income	8	-	-	57,998	38,699
Gain on sales of investment properties and equipment		382	7,740	374	1,971
Others		5,941	6,378	29,988	27,849
<b>Total revenues</b>		<b>1,252,646</b>	<b>1,224,426</b>	<b>888,808</b>	<b>927,173</b>
<b>Expenses</b>					
Cost of service		823,925	766,199	536,033	561,650
Administrative expenses		315,247	364,893	261,762	301,227
<b>Total expenses</b>		<b>1,139,172</b>	<b>1,131,092</b>	<b>797,795</b>	<b>862,877</b>
<b>Profit before share of profit from investment in associated company, finance cost and income tax expenses</b>					
		113,474	93,334	91,013	64,296
Share of profit from investment in associated company		1,273	1,531	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>114,747</b>	<b>94,865</b>	<b>91,013</b>	<b>64,296</b>
Finance cost		(3,767)	(3,344)	(4,079)	(2,794)
<b>Profit before income tax expenses</b>		<b>110,980</b>	<b>91,521</b>	<b>86,934</b>	<b>61,502</b>
Income tax expenses	18	(18,375)	(19,274)	(5,202)	(5,578)
<b>Profit for the period</b>		<b>92,605</b>	<b>72,247</b>	<b>81,732</b>	<b>55,924</b>
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>92,605</b>	<b>72,247</b>	<b>81,732</b>	<b>55,924</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		92,589	72,233	81,732	55,924
Non-controlling interests of the subsidiaries		16	14		
		<b>92,605</b>	<b>72,247</b>		
			(Restated)		(Restated)
<b>Earnings per share</b>					
19					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		0.17	0.18	0.15	0.14
<b>Weighted average number of ordinary shares (shares)</b>					
		<b>555,384,615</b>	<b>408,364,454</b>	<b>555,384,615</b>	<b>408,364,454</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

		Consolidated financial statements										
		Equity attributable to owners of the company										
Note	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from			Retained earnings			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				the change in the ownership interests in subsidiaries	the change in the ownership interests in subsidiaries	the change in the ownership interests in subsidiaries	Appropriated - statutory reserve	Unappropriated	Unappropriated			
	166,052	94,735	14,928	(22,205)	(22,548)	1,200	55,061	288,223	1,400	289,623		
Balance as at 1 January 2017	-	-	-	-	-	-	72,233	72,233	14	72,247		
Total comprehensive income for the period	-	-	-	(10)	-	-	-	(10)	(345)	(355)		
Change in the Company's interest in subsidiaries which did not result in a loss of control	83,948	-	-	-	-	-	-	83,948	-	83,948		
Increase in share capital	-	-	-	-	-	-	-	-	-	-		
Increase in preferred shares in subsidiaries	-	-	-	-	-	-	-	-	-	-		
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	5,250	5,250		
Balance as at 30 September 2017	250,000	94,735	14,928	(22,215)	(22,548)	1,200	128,294	444,394	6,269	450,663		
Balance as at 1 January 2018	250,000	94,735	14,928	(22,215)	(22,548)	1,200	149,711	465,811	6,203	472,014		
Total comprehensive income for the period	-	-	-	-	-	-	92,589	92,589	16	92,605		
Increase in share capital	90,000	329,583	-	-	-	-	-	419,583	-	419,583		
Dividend paid	-	-	-	-	-	-	(88,500)	(88,500)	-	(88,500)		
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	(198)	(198)		
Balance as at 30 September 2018	340,000	424,318	14,928	(22,215)	(22,548)	1,200	153,800	889,483	6,021	895,504		

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Note	Separate financial statements					
		Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings	Total	
				Appropriated - statutory reserve	Unappropriated	shareholders' equity	
<b>Balance as at 1 January 2017</b>		166,052	94,735	5,068	1,200	1,822	268,877
Total comprehensive income for the period		-	-	-	-	55,924	55,924
Increase in share capital	17	83,948	-	-	-	-	83,948
<b>Balance as at 30 September 2017</b>		250,000	94,735	5,068	1,200	57,746	408,749
<b>Balance as at 1 January 2018</b>		250,000	94,735	5,068	1,200	57,216	408,219
Total comprehensive income for the period		-	-	-	-	81,732	81,732
Increase in share capital	17	90,000	329,583	-	-	-	419,583
Dividend paid	21	-	-	-	-	(88,500)	(88,500)
<b>Balance as at 30 September 2018</b>		340,000	424,318	5,068	1,200	50,448	821,034

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

## Cash flow statement

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before income tax	110,980	91,521	86,934	61,502
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	29,542	29,053	23,722	23,259
Reversal of allowance for doubtful accounts	(1,618)	(281)	(41)	-
Share of profit from investment in associated company	(1,273)	(1,531)	-	-
Allowance for impairment of investments in subsidiaries	-	-	-	3,500
Gain on sales of investments in other long-term investments	(24)	-	(24)	-
Gain on sales of investment properties	-	(7,826)	-	(2,046)
Losses (gains) on disposals/written-off of equipment	(382)	86	(374)	75
Unrealised exchange losses (gains)	(13)	646	(140)	274
Allowance for projects loss (reversal)	(182)	(1,525)	432	(1,804)
Provision for long-term employee benefits	24,897	16,143	19,010	10,715
Dividend income	-	-	(57,998)	(38,699)
Interest income	(619)	(756)	(1,287)	(1,521)
Interest expenses	3,767	3,344	4,079	2,794
Profit from operating activities before changes in operating assets and liabilities	165,075	128,874	74,313	58,049
Operating assets (increase) decrease				
Trade and other receivables	(119,566)	18,964	(105,789)	28,819
Unbilled receivables	(238,743)	(60,039)	(175,303)	(61,768)
Work in process	658	15,952	-	12,347
Other current assets	1,573	5,178	(587)	3,560
Retention receivable as per contract	(7,662)	543	(4,971)	2,184
Other non-current assets	(333)	(400)	(536)	(234)
Operating liabilities increase (decrease)				
Trade and other payables	(19,502)	(66,614)	(14,484)	(29,663)
Advances received from employers and services income received in advance	167,005	(145,033)	99,741	(162,114)
Other current liabilities	7,586	(3,748)	8,761	(1,232)
Cash paid for provision for long-term employee benefits	(459)	(3,132)	(459)	(3,132)
Cash flows used in operating activities	(44,368)	(109,455)	(119,314)	(153,184)
Cash received from interest income	453	982	1,148	1,610
Cash paid for interest expenses	(3,767)	(3,344)	(4,079)	(2,794)
Cash paid for income tax	(29,685)	(31,224)	(12,742)	(16,104)
<b>Net cash flows used in operating activities</b>	<b>(77,367)</b>	<b>(143,041)</b>	<b>(134,987)</b>	<b>(170,472)</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	(108)	416	(108)	418
Decrease (increase) in restricted bank deposits	(6,792)	50	(4,500)	-
Decrease (increase) in short-term loans to related party	-	-	(18,000)	7,500
Dividend income from subsidiaries	-	-	52,998	38,699
Cash paid for additional investments in subsidiaries	-	-	-	(4,500)
Cash received from sale of investments in subsidiaries	-	1	-	1
Cash paid for acquisitions of building and equipment	(5,919)	(10,377)	(3,244)	(12,580)
Cash paid for acquisitions of intangible assets - computer software	(3,708)	(23,903)	(1,043)	(22,639)
Cash received from sales of investment properties	-	15,296	-	2,147
Cash received from sales of equipment	750	60	690	60
Cash received from sales of other long-term investments	142	-	142	-
<b>Net cash flows from (used in) investing activities</b>	<b>(15,635)</b>	<b>(18,457)</b>	<b>26,935</b>	<b>9,106</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(64,067)	15,739	(61,904)	20,036
Increase (decrease) in short-term loans from related parties	-	-	(25,000)	40,000
Cash paid under hire-purchase and finance lease agreements	(13,319)	(14,444)	(10,042)	(10,793)
Purchase of non-controlling interests	-	(356)	-	(356)
Dividend paid	(88,498)	(119,557)	(88,498)	(119,557)
Dividend paid to non-controlling interests of the subsidiary	(1)	(1)	-	-
Cash received from issuance preferred shares	-	5,250	-	-
Cash paid for direct cost related to the share offering	(19,485)	-	(19,485)	-
Cash received from issuance ordinary shares	435,600	83,948	435,600	83,948
<b>Net cash flows from (used in) financing activities</b>	<b>250,230</b>	<b>(29,421)</b>	<b>230,671</b>	<b>13,278</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>(24)</b>	<b>(335)</b>	<b>(12)</b>	<b>(29)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>157,204</b>	<b>(191,254)</b>	<b>122,607</b>	<b>(148,117)</b>
Cash and cash equivalents at the beginning of the period	99,656	243,942	25,247	174,359
<b>Cash and cash equivalents at the end of the period</b>	<b>256,860</b>	<b>52,688</b>	<b>147,854</b>	<b>26,242</b>

## Supplemental cash flow information:

## Non-cash transactions

Accounts payable from purchase of building, equipment and intangible assets	4,244	3,824	3,435	3,688
Purchases of equipment and vehicles under hire-purchase and finance lease agreements	508	20,187	-	16,072
Accounts payable from share offering	536	-	536	-
Dividend payable	314	49	2	-
Dividend receivable	-	-	5,000	-

The accompanying notes are an integral part of the financial statements.

**TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries**  
**Notes to consolidated interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2018**

**1. General information**

**1.1 Corporate information**

TEAM Consulting Engineering and Management Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Five major shareholders are as follows: Dr. Prasert Patramai, Mr. Peerawat Premchun, Dr. Thanasarn Khuayjarernpanishk, Mr. Amnat Prommasutra and Mr. Chawalit Chantararat. The Company is principally engaged in the integrated engineering, environment, management consultancy services and preparation of Environmental Impact Assessment Reports (EIA). The registered office of the Company is at No. 151, TEAM Building, Nuan Chan Road, Nuan Chan, Bueng Kum, Bangkok.

On 12 March 2018, a meeting of the Company’s Annual General Meeting of the shareholders passed a resolution to transform the limited company to public limited company under the public company law. The Company has registered and changed its name from “TEAM Consulting Engineering and Management Company Limited” to “TEAM Consulting Engineering and Management Public Company Limited” with the Ministry of Commerce on 20 March 2018.

The Stock Exchange of Thailand (“SET”) has approved the listing of the Company’s ordinary shares as securities to be traded on the SET, effective from 12 July 2018.

**1.2 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

### **1.3 Basis of consolidation**

The interim consolidated financial statements included the financial statements of the Company and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017, with no significant changes in structure related to subsidiaries occurring during the current period.

### **1.4 New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current year**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### **(b) Financial reporting standards that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

### **Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

(Unaudited but reviewed)

### 3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2018	2017	2018	2017	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Service income	-	-	3.0	14.4	Contract price or cost plus margin
Dividend income	-	-	35.0	-	As declared
Management fee income	-	-	8.0	6.9	Contract price or cost plus margin
Building rental income	-	-	0.5	0.5	Contract price
Interest income	-	-	0.4	0.4	Interest rates of 6.65 and 6.67 percent per annum (2017: Interest rates of 6.67 and 7.39 percent per annum)
Other income	-	-	0.6	0.3	Cost plus margin or as agreed
Cost of service	-	-	14.0	21.4	Contract price or cost plus margin
Interest expense	-	-	0.2	0.5	Interest rates of 6.65 and 6.67 percent per annum (2017: Interest rates of 6.67 and 7.39 percent per annum)
<b><u>Transactions with associated company</u></b>					
Cost of service	1.7	0.3	-	-	Contract price
<b><u>Transactions with related parties</u></b>					
Service income	-	0.2	-	0.2	Contract price
Other income	-	0.1	-	0.1	Contract price or cost plus margin
Cost of service	1.2	1.1	1.2	1.1	Contract price
Other expenses	0.5	0.5	0.5	0.5	Contract price or market price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Service income	-	-	7.1	35.2	Contract price or cost plus margin
Dividend income	-	-	59.0	38.7	As declared
Management fee income	-	-	23.6	20.5	Contract price or cost plus margin
Building rental income	-	-	1.5	1.5	Contract price
Interest income	-	-	0.9	1.0	Interest rates of 6.65 and 6.67 percent per annum (2017: Interest rates of 6.67 and 7.39 percent per annum)
Other income	-	-	1.2	0.9	Cost plus margin or as agreed
Cost of service	-	-	42.9	57.2	Contract price or cost plus margin
Interest expense	-	-	1.3	0.5	Interest rates of 6.65 and 6.67 percent per annum (2017: Interest rates of 6.67 and 7.39 percent per annum)
Other expenses	-	-	0.1	0.2	Cost plus margin or as agreed
<b><u>Transactions with associated company</u></b>					
Cost of service	4.3	1.6	0.8	0.1	Contract price
<b><u>Transactions with related parties</u></b>					
Service income	-	0.9	-	0.4	Contract price
Management fee income	-	0.4	-	0.4	Contract price
Building rental income	-	0.2	-	0.2	Contract price
Other income	0.1	0.3	0.1	0.3	Contract price or cost plus margin
Cost of service	4.9	3.3	4.9	3.2	Contract price
Other expenses	1.3	1.9	1.3	1.9	Contract price or market price



(Unaudited but reviewed)

The balances of the accounts as at 30 September 2018 and 31 December 2017 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b><u>Trade and other receivables - related parties</u></b>				
<b><u>Service contract receivables (Note 4)</u></b>				
Subsidiaries	-	-	28,817	36,716
Related companies (common shareholders and director)	-	167	-	167
Total service contract receivables	-	167	28,817	36,883
<b><u>Other receivables (Note 4)</u></b>				
Subsidiaries	-	-	15,781	8,198
Related companies (common shareholders and directors)	123	87	123	87
Total other receivables	123	87	15,904	8,285
<b><u>Dividend receivable (Note 4)</u></b>				
Subsidiary	-	-	5,000	-
Total dividend receivable - related party	-	-	5,000	-
Total trade and other receivables - related parties	123	254	49,721	45,168

**Short-term loans to related party**

As at 30 September 2018 and 31 December 2017, the balances of short-term loans to related party between the Company and its subsidiary and the movement of these loans are as follows:

(Unit: Thousand Baht)

Loans to related party	Related by	Separate financial statements			
		Balance as at	Increase	Decrease	
		31 December	during the period	during the period	Balance as at
		2017			30 September
		(Audited)			2018
ATT Consultants					
Company Limited	subsidiary	9,000	30,000	(12,000)	27,000
Total		9,000	30,000	(12,000)	27,000

These loans are repayable on demand and unsecured, and carries interest at the rate of 6.65 percent per annum (31 December 2017: 6.67 percent per annum).

(Unaudited but reviewed)

Short-term loans from related parties

As at 30 September 2018 and 31 December 2017, the balances of short-term loans from related parties between the Company and its subsidiaries and the movement of those loans are as follows:

(Unit: Thousand Baht)

Loans from related parties	Related by	Separate financial statements			Balance as at 30 September 2018
		Balance as at 31 December 2017	Increase during the period	Decrease during the period	
		(Audited)			
Geotechnical & Foundation					
Engineering Company Limited	subsidiary	25,000	49,000	(74,000)	-
TWI Consultants Company Limited	subsidiary	-	4,000	(4,000)	-
TEAM Construction Management					
Company Limited	subsidiary	-	3,500	(3,500)	-
Management Solutions					
International Ltd.	subsidiary	-	2,000	(2,000)	-
Total		25,000	58,500	(83,500)	-

These loans are repayable on demand and unsecured, and carries interest at the rates of 6.65 - 6.67 percent per annum (31 December 2017: carries interest at the rate of 6.67 percent per annum).

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
<u>Trade and other payables - related parties</u>				
<u>Trade payables - related parties (Note 13)</u>				
Subsidiaries	-	-	38,297	39,779
Associated company	1,401	539	-	-
Related companies (common shareholder and directors)	1,283	5,700	1,143	5,560
Total trade payables - related parties	2,684	6,239	39,440	45,339

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b><u>Other payables - related parties (Note 13)</u></b>				
Subsidiary	-	-	-	5
Related companies (common shareholder and directors)	557	945	557	945
Total other payables - related parties	557	945	557	950
<b><u>Retention payable - related parties</u></b>				
Subsidiary	-	-	337	90
Related companies (common shareholder and directors)	253	-	253	-
Total Retention payable - related parties	253	-	590	90
<b><u>Accrued expenses - related parties</u></b>				
Related companies (common shareholder and directors)	55	708	55	708
Total accrued expenses - related parties	55	708	55	708
Total trade and other payables - related parties	3,549	7,892	40,642	47,087

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries had employee benefits of their directors and management as below.

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	14,041	22,874	6,941	15,557
Post-employment benefits	371	398	236	181
Total	<u>14,412</u>	<u>23,272</u>	<u>7,177</u>	<u>15,738</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	49,672	60,102	29,518	38,247
Post-employment benefits	1,089	1,192	707	541
Total	<u>50,761</u>	<u>61,294</u>	<u>30,225</u>	<u>38,788</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related companies, as described in Note 22.4 to the financial statements.

(Unaudited but reviewed)

## 4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017 (Audited)	30 September 2018	31 December 2017 (Audited)
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	-	167	2,841	2,933
Past due				
Up to 3 months	-	-	1,044	6,979
3 - 6 months	-	-	849	-
6 - 12 months	-	-	1,243	192
Over 12 months	-	-	22,840	26,779
Total trade receivables - related parties	-	167	28,817	36,883
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	238,428	138,075	164,292	75,128
Past due				
Up to 3 months	78,271	141,612	56,581	91,976
3 - 6 months	31,426	13,788	29,203	13,120
6 - 12 months	85,482	17,776	46,052	8,614
Over 12 months	35,025	51,524	21,763	23,017
Total	468,632	362,775	317,891	211,855
Less: Allowance for doubtful debts	(18,256)	(33,990)	(14,689)	(14,846)
Total trade receivables - unrelated parties, net	450,376	328,785	303,202	197,009
Total trade receivables, net	450,376	328,952	332,019	233,892
<b><u>Other receivables</u></b>				
Other receivables - related parties	123	87	15,904	8,285
Other receivables - unrelated parties	747	561	549	268
Accrued income - unrelated parties	-	25	-	25
Dividend receivable - related party	-	-	5,000	-
Accrued interest income	364	198	284	146
Total other receivables	1,234	871	21,737	8,724
Total trade and other receivable - net	451,610	329,823	353,756	242,616

(Unaudited but reviewed)

**5. Unbilled receivables / Retention receivable as per contract / Service income received in advance and advances received from employers**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b>Unbilled receivables</b>				
Project value as per contract	5,638,654	5,333,382	3,993,820	3,739,352
Accumulated amount recognised as revenue				
on percentage of completion basis	2,980,801	2,950,598	2,132,714	2,013,873
Less: Value of total billed	(2,396,342)	(2,604,882)	(1,717,594)	(1,774,056)
Unbilled receivables	584,459	345,716	415,120	239,817
<b>Retention receivable as per contract</b>				
Retention receivable as per contract	109,192	101,414	61,141	56,054
Less: Allowance for doubtful debts	(166)	(50)	(166)	(50)
Total receivable as per contract - net	109,026	101,364	60,975	56,004
<b>Service income received in advance and advances received from employers</b>				
Project value as per contract	3,118,237	2,272,358	1,838,823	1,498,814
Value of total billed	2,490,033	1,900,953	1,586,154	1,366,522
Less: Accumulated amount recognised as				
revenue on percentage of completion				
basis	(2,297,721)	(1,743,498)	(1,512,812)	(1,285,409)
Service income received in advance	192,312	157,455	73,342	81,113
Advances received from employers	221,125	88,977	179,340	71,828
Total	413,437	246,432	252,682	152,941

Retention receivable as per contract were derived from the amount deducted at the agreed rate from the service fees paid to the Company and its subsidiaries by their customers for each payment that is due more than one year. These retention receivables shall be returned when the Company and its subsidiaries meet conditions stipulated in service contracts.

(Unaudited but reviewed)

**6. Other current assets**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Prepaid expenses	15,381	15,402	12,092	10,661
Value added tax refundable	14,341	14,550	110	52
Purchase vat awaiting tax invoices	7,494	8,636	3,507	4,166
Withholding tax at deducted source	10,080	14,321	7,748	12,189
Others	1,323	1,524	1,027	1,270
Total other current assets	<u>48,619</u>	<u>54,433</u>	<u>24,484</u>	<u>28,338</u>

**7. Restricted bank deposits**

The outstanding balances represent bank deposit accounts which have been pledged with banks for credit facilities of the Company and its subsidiaries.

## 8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investments		Carrying amounts based on cost method - net		Dividend received during the nine-month periods	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017
			(%)	(%)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)		
ATT Consultants Company Limited	20	20	100.00	100.00	46	46	-	-	46	46	5	-
Geotechnical & Foundation Engineering Company Limited	10	10	100.00	100.00	12	12	-	-	12	12	32	6
Management Solutions International Ltd.	10	10	100.00	100.00	15	15	(5)	(5)	10	10	-	-
SQ Architects and Planners Company Limited	5	5	100.00	100.00	7	7	-	-	7	7	9	12
TEAM Construction Management Company Limited	10	10	100.00	100.00	15	15	-	-	15	15	12	3
TEAM Consulting International Company Limited	10	10	100.00	100.00	10	10	(3)	(3)	7	7	-	-
TLT Consultants Company Limited	10.25	10.25	48.77	48.77	6	6	-	-	6	6	-	18
TEAM Quality Management Company Limited	10	10	83.75	83.75	6	6	(3)	(3)	3	3	-	-
TWI Consultants Company Limited	15	15	93.73	93.73	14	14	(11)	(11)	3	3	-	-
LTEAM Sole Company Limited (paid-in capital LAK 1,000 million)	5	5	100.00	100.00	5	5	-	-	5	5	-	-
<b>Total investments in subsidiaries</b>					<b>136</b>	<b>136</b>	<b>(22)</b>	<b>(22)</b>	<b>114</b>	<b>114</b>	<b>58</b>	<b>39</b>



(Unaudited but reviewed)

## 9. Investments in associate

Details of associate held through Geotechnical & Foundation Engineering Company Limited which is the Company's subsidiary

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding		Cost		Carrying amounts	
			percentage				based on equity method	
			30 September	31 December	30 September	31 December	30 September	31 December
			2018	2017	2018	2017	2018	2017
			(%)	(%)		(Audited)		(Audited)
Krungthep Geotechnique Company Limited	Provides geological and Prospecting	Thailand	30	30	1,500	1,500	4,288	3,015

## 10. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2018</b>	209,872	183,767
Acquisitions during the period - at cost	8,739	6,130
Disposals during the period - net book value	(368)	(316)
Depreciation for the period	(22,889)	(18,186)
<b>Balance as at 30 September 2018</b>	<b>195,354</b>	<b>171,395</b>

As at 30 September 2018, the Company and its subsidiaries had vehicles under hire purchase and finance lease agreements with net book values amounting to Baht 28 million (the Company only: Baht 20 million) (31 December 2017: Baht 37 million, the Company only: Baht 27 million).

As at 30 September 2018, the Company and its subsidiaries had equipments under hire purchase and finance lease agreements with net book values amounting to Baht 11 million (the Company only: Baht 8 million) (31 December 2017: Baht 13 million, the Company only: Baht 10 million).

(Unaudited but reviewed)

The Company has pledged land together with buildings constructed thereon amounting to approximately Baht 90 million (31 December 2017: Baht 90 million) as collateral against credit facilities received from financial institutions, as described in Note 12 to the interim financial statements.

#### 11. Intangible assets - computer software

Movements of intangible assets which are computer software for the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2018</b>	66,128	58,387
Acquisitions during the period - at cost	4,129	1,106
Amortisation during the period	(6,641)	(5,408)
<b>Net book value as at 30 September 2018</b>	<b>63,616</b>	<b>54,085</b>

#### 12. Bank overdrafts and short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Bank overdrafts	16,397	40,464	-	21,904
Short-term loans from banks	-	40,000	-	40,000
<b>Total</b>	<b>16,397</b>	<b>80,464</b>	<b>-</b>	<b>61,904</b>

Bank overdrafts and short-term loans from financial institutions of the Company and its subsidiaries are secured by certain saving deposits and fixed deposit of the Company and its subsidiaries, certain mortgaged land with constructions thereon and investment properties of the Company which net book value as at 30 September 2018 amounting to approximately Baht 4 million (31 December 2017: Baht 5 million) include transfer of rights over receipt of payment under certain contracts of the Company and its subsidiaries.

(Unaudited but reviewed)

### 13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Trade payables - related parties	2,684	6,239	39,440	45,339
Trade payables - unrelated parties	48,926	66,458	30,009	33,036
Other payables - related parties	557	945	557	950
Other payables - unrelated parties	24,729	17,644	21,462	14,642
Retention payables	17,462	18,994	15,549	18,926
Accrued expenses	119,638	119,847	67,882	72,670
Total trade and other payables	<u>213,996</u>	<u>230,127</u>	<u>174,899</u>	<u>185,563</u>

### 14. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Deferred output tax	30,101	20,027	19,002	9,852
Withholding tax payable	10,103	10,165	8,888	7,653
Value added tax payable	5,239	6,402	1,997	2,319
Others	2,320	3,583	1,513	2,815
Total other current liabilities	<u>47,763</u>	<u>40,177</u>	<u>31,400</u>	<u>22,639</u>

(Unaudited but reviewed)

## 15. Liabilities under hire purchase and finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Liabilities under hire purchase and finance lease agreements	42,142	56,620	31,017	42,372
Less: Deferred interest expenses	(3,293)	(4,960)	(2,121)	(3,434)
Total	38,849	51,660	28,896	38,938
Less: Portion due within one year	(16,114)	(17,854)	(12,659)	(13,603)
Liabilities under hire purchase and finance lease agreements - net of current portion	22,735	33,806	16,237	25,335

## 16. Provision for long-term employee benefits

Movements of Provision for long-term employee benefits for the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2018</b>	179,799	138,192
Increase during the period	24,897	19,010
Benefit paid during the period	(459)	(459)
<b>Balance as at 30 September 2018</b>	204,237	156,743

## 17. Share capital

Movements of share capital and share premium for the nine-month period ended 30 September 2018 are summarised below.

On 12 March 2018, the Annual General Meeting of the shareholders of the Company passed the following resolutions:

- Approved the change of the par value of the Company's ordinary shares from Baht 100 per share to Baht 0.5 per share, the new ordinary shares will be increased from 2.5 million shares to 500 million shares after the change. The change in the par value was registered with the Ministry of Commerce on 20 March 2018.

(Unaudited but reviewed)

- b) Approved an increase of the Company's registered share capital from the amount of Baht 250 million (500 million ordinary shares of Baht 0.5 each) after the change in the par value mentioned above to Baht 340 million (680 million ordinary shares of Baht 0.5 each) by issuing 180 million new ordinary shares with a par value of Baht 0.5 per share order to accommodate a public offering of the Company's share. The Company registered the increase in its registered share capital with the Ministry of Commerce on 20 March 2018.

During 4 - 6 July 2018, the Company made Initial Public Offering of 180 million ordinary shares, with a par value of Baht 0.50 each, at a price of Baht 2.42 per share, or for Baht 436 million. The Company received payment of this share capital increment and registered the increase of its issued and paid-up share capital from Baht 250 million (500 million ordinary shares with a par value of Baht 0.50 per each) to Baht 340 million (680 million ordinary shares with a par value of Baht 0.50 per each) with the Ministry of Commerce on 9 July 2018. The Stock Exchange of Thailand approved the 680 million ordinary shares with a par value of Baht 0.50 each as listed securities to be traded, effective from 12 July 2018.

Direct costs attributable to the share offering net of income tax, amounting to Baht 16 million and the Company recorded this as a deduction from share premium.

Movements of share capital and share premium for the nine-month period ended 30 September 2017 is summarised below.

On 27 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution approving the increase of the registered share capital from Baht 166 million (1,660,520 ordinary shares of Baht 100 each) to Baht 250 million (2,500,000 ordinary shares of Baht 100 each) by issuing new 839,480 ordinary shares with a par value of Baht 100 per share to be offered to the existing shareholders in proportion to their current shareholding (Rights Offering), where the existing shareholders are allowed to purchase 0.505552 new ordinary share for one existing share held at a price of Baht 100 each. The purpose of the capital increase is to prepare the Company for listing on the Stock Exchange of Thailand. The Company registered the increase of its paid up share capital with the Ministry of Commerce on 6 June 2017.

(Unaudited but reviewed)

## 18. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	4,975	6,020	(652)	2,287
<b>Deferred tax:</b>				
Deferred tax relating to origination and reversal of temporary differences	2,640	2,118	2,692	26
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>7,615</u>	<u>8,138</u>	<u>2,040</u>	<u>2,313</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	21,546	19,833	4,994	6,734
<b>Deferred tax:</b>				
Deferred tax relating to origination and reversal of temporary differences	(3,171)	(559)	208	(1,156)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>18,375</u>	<u>19,274</u>	<u>5,202</u>	<u>5,578</u>

**19. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The Company adjusted the number of ordinary shares in proportion to the change in par value of ordinary shares resulting from the change in par value from Baht 100 per share to Baht 0.5 per share, as discussed in Note 17 to the financial statements as if the changes in the number of shares and par value have occurred since the beginning of the first reporting period.

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Restated)		(Restated)	
Profit to equity holders of the Company for the period (Thousand Baht)	33,431	29,723	45,266	7,265
Weighted average number of ordinary shares (Thousand shares)	664,348	500,000	664,348	500,000
Earnings per share (Baht per share)	0.05	0.06	0.07	0.01
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)		(Restated)
Profit to equity holders of the Company for the period (Thousand Baht)	92,589	72,233	81,732	55,924
Weighted average number of ordinary shares (Thousand shares)	555,385	408,364	555,385	408,364
Earnings per share (Baht per share)	0.17	0.18	0.15	0.14

(Unaudited but reviewed)

## 20. Operating segment information

The Company and its subsidiaries are organised into business units based on its customer base and geographic location. During the period, the reported operating segments have not changed.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for nine-month periods ended 30 September 2018 and 2017.

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Project government segment		Project private domestic segment		Project international segment		Related business segment		Total		Elimination of inter-segment revenues		Consolidated financial statement	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	645	598	318	283	187	284	96	45	1,246	1,210	-	-	1,246	1,210
Inter-segment revenues	27	51	12	19	12	18	-	-	51	88	(51)	(88)	-	-
Total revenues	672	649	330	302	199	302	96	45	1,297	1,298	(51)	(88)	1,246	1,210
Segment profit	242	230	97	85	64	116	19	12	422	443			422	443
Other income													7	14
Share of profit from investment in associated company													1	2
Administrative expenses													(315)	(365)
Finance cost													(4)	(3)
Profit before income tax expenses													111	91
Income tax expenses													(18)	(19)
Profit for the period													93	72



(Unaudited but reviewed)

Revenues from external customers are set up from the customer's location.

(Unit: Million Baht)

For the nine-month periods ended  
30 September

	<u>2018</u>	<u>2017</u>
Revenues from external customers		
Segment in Thailand	1,059	926
Segment in overseas	187	284
Total	<u>1,246</u>	<u>1,210</u>

The basis of pricing policies for inter-segment transfers consists of the prices described in Note 3 to the financial statements.

## 21. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total</u> <u>dividends</u> (Million Baht)	<u>Number of</u> <u>ordinary shares</u> (Million Shares)	<u>Dividend</u> <u>per share</u> (Baht per share)
Dividend for year 2017	Annual General Meeting of the shareholders on 12 March 2018	37.5	2.5	15.000
Interim dividend for year 2018	Board of Directors Meeting of the Company on 9 August 2018	<u>51.0</u>	680	0.075
Total dividend for year 2018		<u>88.5</u>		

## 22. Commitments and contingent liabilities

### 22.1 Capital commitments

As at 30 September 2018, the Company and its subsidiaries had capital commitment of approximately Baht 2.5 million (the Company only: Baht 2.2 million) (31 December 2017: Baht 1.1 million, the Company only: Nil) relating to the acquisition of equipment and computer software.

## 22.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, equipment and motor vehicles. The terms of the agreements are generally between one to five years.

As at 30 September 2018 and 31 December 2017, future minimum lease payments required under these operating lease contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Audited)		(Audited)	
Payable within:				
In up to 1 year	8	7	7	6
In over 1 and up to 5 years	12	8	9	5

## 22.3 Service commitments

As at 30 September 2018, the Company and its subsidiaries have the following service commitments:

- a) The Company and its subsidiaries have commitments totaling Baht 56 million (the Company only: Baht 25 million) (31 December 2017: Baht 47 million, the Company only: Baht 32 million) in respect of cost of service, for which the Company and its subsidiaries had already entered into agreements.
- b) The Company and its subsidiaries have commitments totaling Baht 8 million (the Company only: Baht 7 million) (31 December 2017: Baht 11 million, the Company only: Baht 11 million) in respect of other service commitments, for which the Company and its subsidiaries had already entered into agreements.

## 22.4 Related party guarantees

As at 30 September 2018, the Company have provided guarantees totaling Baht 693 million (31 December 2017: Baht 500 million) for bank credit facilities on behalf of the Company for its subsidiaries.

(Unaudited but reviewed)

## 22.5 Bank guarantees

As at 30 September 2018 and 31 December 2017, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries. The details of bank guarantees are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Guarantee of service contracts, advance payment and bidding	654	490	487	342
Guarantee of retention	43	44	26	27
Other guarantees	3	3	3	3
	<u>700</u>	<u>537</u>	<u>516</u>	<u>372</u>

## 22.6 Litigation

### The Company

In 2013, an employer filed a lawsuit against the Company with the Central Administrative Court for its breach of a hire of work contract, seeking damages totaling approximately Baht 8 million. On 21 August 2017, the Central Administrative Court ordered the Company to pay damages, together with interest in total amount of approximately Baht 0.7 million. The Company recorded the whole amount as an expense in the statement of comprehensive income for the third quarter of 2017.

Subsequently, on 19 September 2017, the plaintiff and the Company appealed to the Supreme Administrative Court, and the Company requested an amendment to its appeal on 8 December 2017. Currently, the Company is awaiting a judgment from the Supreme Administrative Court. However, the management of the Company expects no material loss to result this case.

Subsidiaries

On 23 February 2016, a lawsuit was filed against TEAM Construction Management Company Limited, a subsidiary with the Civil Court on the grounds related to breach of a hire of work contract with the plaintiff, who sought damages of Baht 31 million from the subsidiary. The contract value was Baht 0.9 million, with a maximum fine of 10 percent of the contract value specified in the contract. Although the final outcome of the suit cannot be determined at this stage, it is the management of the Company and such subsidiary's opinion that the resolution of these matters will not have any material adverse effect on the financial statements as a whole.

On 18 March 2017, ATT Consultants Company Limited, a subsidiary of the Company, was sued as a defendant. The petitioner filed the complaint with the Civil Court against three defendants, namely the contractor group (Defendants 1 and 2) and the employer (Defendant 3), demanding the three defendants jointly pay, or pay on behalf of each other, damages arising from the performance of work amounting to approximately Baht 1.6 million. Defendant 3 filed a petition with the Court to include the subsidiary as a co-defendant in this case because the subsidiary was in charge of work performance on behalf of the employer. Subsequently, on 31 January 2018, the Civil Court dismissed the case on the grounds that the defendants did not commit a violation. The case is currently in the appeal period. After the first period of appeal ended on 28 February 2018, To date, the plaintiff filed the appeal on 20 September 2018. However, the management of the Company and its subsidiaries expect no material losses to be incurred as a result of the case.

**23. Foreign currency risk**

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 September 2018 and 31 December 2017 are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
USD	1.4	0.9	0.2	0.2	32.4066	32.6809
LAK	67.0	266.9	-	-	0.0038	0.0039

(Unaudited but reviewed)

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.9	0.7	0.2	0.1	32.4066	32.6809

#### 24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 8 November 2018.