

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 2019



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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 2019, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, 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 period. 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 Kasemsrithanawat*

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 14 November 2019

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		317,113	246,026	161,552	109,991
Current investments		1,088	943	854	710
Trade and other receivables	4	534,595	473,203	462,856	361,823
Unbilled receivables	5	467,993	555,345	299,955	403,265
Short-term loans to related parties	3	-	-	37,500	47,900
Other current assets	6	43,910	53,253	19,840	28,061
<b>Total current assets</b>		<b>1,364,699</b>	<b>1,328,770</b>	<b>982,557</b>	<b>951,750</b>
<b>Non-current assets</b>					
Restricted bank deposits		63,230	60,230	49,160	46,160
Long-term loan to related party	3	-	-	2,070	-
Investments in subsidiaries	7	-	-	118,705	113,705
Investments in associated companies	8	4,480	3,276	-	-
Investment properties		1,248	1,260	6,663	5,672
Property, plant and equipment	9	188,719	195,079	162,784	170,760
Intangible assets - computer software	10	61,296	66,783	51,771	57,021
Deferred tax assets		54,834	40,127	38,473	28,069
Retention receivables as per contract	5	139,737	113,923	87,550	67,716
Other non-current assets		30,102	18,521	22,857	12,935
<b>Total non-current assets</b>		<b>543,646</b>	<b>499,199</b>	<b>540,033</b>	<b>502,038</b>
<b>Total assets</b>		<b>1,908,345</b>	<b>1,827,969</b>	<b>1,522,590</b>	<b>1,453,788</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 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts		14,162	4,624	-	-
Trade and other payables	11	190,418	212,803	179,659	164,503
Current portion of liabilities under hire purchase and finance lease agreements	13	11,276	14,755	8,308	11,565
Service income received in advance and advances received from employers	5	427,453	403,246	260,477	252,034
Income tax payable		4,560	6,382	-	-
Other current liabilities	12	63,489	51,175	43,615	31,767
<b>Total current liabilities</b>		<u>711,358</u>	<u>692,985</u>	<u>492,059</u>	<u>459,869</u>
<b>Non-current liabilities</b>					
Liabilities under hire purchase and finance lease agreements - net of current portion	13	12,396	19,959	7,914	13,769
Provision for long-term employee benefits	14	262,100	187,774	191,552	139,084
<b>Total non-current liabilities</b>		<u>274,496</u>	<u>207,733</u>	<u>199,466</u>	<u>152,853</u>
<b>Total liabilities</b>		<u>985,854</u>	<u>900,718</u>	<u>691,525</u>	<u>612,722</u>

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

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

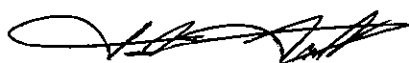
Statement of financial position (continued)

As at 30 September 2019

(Unit: Thousand Baht)

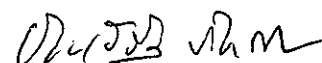
	Consolidated financial statements		Separate financial statements		
	Note	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Shareholders' equity</b>					
Share capital	15				
Registered					
680,000,000 ordinary shares of Baht 0.5 each		340,000	340,000	340,000	340,000
Issued and fully paid					
680,000,000 ordinary shares of Baht 0.5 each		340,000	340,000	340,000	340,000
Share premium		424,318	424,318	424,318	424,318
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 from the reorganisation of business of group under common control		(22,548)	(22,548)	-	-
Retained earnings					
Appropriated - statutory reserve		5,800	5,800	5,800	5,800
Unappropriated		176,678	181,005	55,879	65,880
Equity attributable to owners of the Company		916,961	921,288	831,065	841,066
Non-controlling interests of the subsidiaries		5,530	5,963	-	-
<b>Total shareholders' equity</b>		<b>922,491</b>	<b>927,251</b>	<b>831,065</b>	<b>841,066</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,908,345</b>	<b>1,827,969</b>	<b>1,522,590</b>	<b>1,453,788</b>

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



(Mr. Chawalit Chantararat)

Director



(Mr. Prasert Patramai)

Director



TEAM Consulting Engineering and Management Public Company Limited

(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 2019

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

	Consolidated financial statements		Separate financial statements		
	Note	2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income		451,157	402,094	293,581	258,089
Other income					
Dividend income		-	-	9,500	34,999
Others		2,322	2,837	15,402	10,839
<b>Total revenues</b>		<u>453,479</u>	<u>404,931</u>	<u>318,483</u>	<u>303,927</u>
<b>Expenses</b>					
Cost of service		301,970	265,859	203,765	173,994
Administrative expenses		95,997	97,161	78,906	81,849
<b>Total expenses</b>		<u>397,967</u>	<u>363,020</u>	<u>282,671</u>	<u>255,843</u>
<b>Profit before share of profit from investments in associated companies, finance cost and income tax expenses</b>		55,512	41,911	35,812	48,084
Share of profit from investments in associated companies		19	55	-	-
<b>Profit before finance cost and income tax expenses</b>		<u>55,531</u>	<u>41,966</u>	<u>35,812</u>	<u>48,084</u>
Finance cost		(474)	(921)	(229)	(778)
<b>Profit before income tax expenses</b>		55,057	41,045	35,583	47,306
Income tax expenses	16	(10,806)	(7,615)	(4,870)	(2,040)
<b>Profit for the period</b>		<u>44,251</u>	<u>33,430</u>	<u>30,713</u>	<u>45,266</u>
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>44,251</u>	<u>33,430</u>	<u>30,713</u>	<u>45,266</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		44,256	33,431	30,713	45,266
Non-controlling interests of the subsidiaries		(5)	(1)		
		<u>44,251</u>	<u>33,430</u>		
<b>Earnings per share</b>	17				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.07</u>	<u>0.05</u>	<u>0.05</u>	<u>0.07</u>
Weighted average number of ordinary shares (shares)		<u>680,000,000</u>	<u>664,347,826</u>	<u>680,000,000</u>	<u>664,347,826</u>

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 2019

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income		1,362,863	1,245,704	887,755	799,161
<b>Other income</b>					
Dividend income	7	-	-	38,499	57,998
Others		8,222	6,942	43,910	31,649
<b>Total revenues</b>		<b>1,371,085</b>	<b>1,252,646</b>	<b>970,164</b>	<b>888,808</b>
<b>Expenses</b>					
Cost of service		968,146	823,925	643,138	536,033
Administrative expenses		301,937	315,247	244,165	261,762
<b>Total expenses</b>		<b>1,270,083</b>	<b>1,139,172</b>	<b>887,303</b>	<b>797,795</b>
<b>Profit before share of profit from investments in associated companies, finance cost and income tax expenses</b>					
		101,002	113,474	82,861	91,013
Share of profit from investments in associated companies		140	1,273	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>101,142</b>	<b>114,747</b>	<b>82,861</b>	<b>91,013</b>
Finance cost		(1,505)	(3,767)	(808)	(4,079)
<b>Profit before income tax expenses</b>		<b>99,637</b>	<b>110,980</b>	<b>82,053</b>	<b>86,934</b>
Income tax expenses	16	(19,199)	(18,375)	(7,054)	(5,202)
<b>Profit for the period</b>		<b>80,438</b>	<b>92,605</b>	<b>74,999</b>	<b>81,732</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>80,438</b>	<b>92,605</b>	<b>74,999</b>	<b>81,732</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		80,673	92,589	74,999	81,732
Non-controlling interests of the subsidiaries		(235)	16	-	-
		<b>80,438</b>	<b>92,605</b>		
<b>Earnings per share</b>					
17					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		0.12	0.17	0.11	0.15
Weighted average number of ordinary shares (shares)		680,000,000	555,384,615	680,000,000	555,384,615

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

## 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 2019

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to shareholders of the company									
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from		Retained earnings	Unappropriated statutory reserve	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
the ownership interests in subsidiaries				the change in the ownership interests in subsidiaries	reorganisation of business of group companies under common control					
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 (Note 15)	90,000	329,583	-	-	-	-	-	419,583	-	419,583
Dividend paid (Note 19)	-	-	-	-	-	-	(88,500)	(88,500)	-	(88,500)
Decrease in non-controlling interests of subsidiaries from dividend paid by subsidiaries	-	-	-	-	-	-	-	-	(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
Balance as at 1 January 2019	340,000	424,318	14,928	(22,215)	(22,548)	5,800	181,005	921,288	5,963	927,251
Total comprehensive income for the period	-	-	-	-	-	-	80,673	80,673	(235)	80,438
Dividend paid (Note 19)	-	-	-	-	-	-	(85,000)	(85,000)	-	(85,000)
Decrease in non-controlling interests of subsidiaries from dividend paid by subsidiaries	-	-	-	-	-	-	-	-	(198)	(198)
Balance as at 30 September 2019	340,000	424,318	14,928	(22,215)	(22,548)	5,800	176,678	916,981	5,530	922,491

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 2019**

(Unit: Thousand Baht)

**Separate financial statements**

	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
<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 (Note 15)	90,000	329,583	-	-	-	419,583
Dividend paid (Note 19)	-	-	-	-	(88,500)	(88,500)
<b>Balance as at 30 September 2018</b>	<u>340,000</u>	<u>424,318</u>	<u>5,068</u>	<u>1,200</u>	<u>50,448</u>	<u>821,034</u>
<b>Balance as at 1 January 2019</b>	340,000	424,318	5,068	5,800	65,880	841,066
Total comprehensive income for the period	-	-	-	-	74,999	74,999
Dividend paid (Note 19)	-	-	-	-	(85,000)	(85,000)
<b>Balance as at 30 September 2019</b>	<u>340,000</u>	<u>424,318</u>	<u>5,068</u>	<u>5,800</u>	<u>55,879</u>	<u>831,065</u>

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 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before income tax	99,637	110,980	82,053	86,934
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	28,983	29,542	23,346	23,722
Reversal of allowance for doubtful accounts	(5,861)	(1,618)	(5,868)	(41)
Share of profit from investments in associated companies	(140)	(1,273)	-	-
Gain on sales of other long-term investments	-	(24)	-	(24)
(Gain) loss on disposal/written-off of equipment	572	(382)	-	(374)
Unrealised exchange (gains) losses	198	(13)	300	(140)
Allowance for projects loss (reversal)	7	(182)	(448)	432
Provision for long-term employee benefits	76,941	24,897	55,083	19,010
Dividend income	-	-	(38,499)	(57,998)
Written-off withholding tax deducted at source	947	-	947	-
Interest income	(1,894)	(619)	(3,371)	(1,287)
Interest expenses	1,505	3,767	808	4,079
Profit from operating activities before changes in operating assets and liabilities	200,895	165,075	114,351	74,313
Operating assets (increase) decrease				
Trade and other receivables	(55,940)	(119,566)	(95,000)	(105,789)
Unbilled receivables	87,352	(238,743)	103,310	(175,303)
Other current assets	(1,154)	2,231	(2,099)	(587)
Retention receivables as per contract	(25,764)	(7,662)	(19,784)	(4,971)
Other non-current assets	975	(333)	(34)	(536)
Operating liabilities increase (decrease)				
Trade and other payables	(14,193)	(19,502)	22,821	(14,484)
Service income received in advance and advances received from employers	24,688	167,005	8,443	99,741
Other current liabilities	12,621	7,586	11,720	8,761
Cash paid for provision for long-term employee benefits	(2,615)	(459)	(2,615)	(459)
Cash flows from (used in) operating activities	226,865	(44,368)	141,113	(119,314)
Cash received from interest income	1,504	453	3,199	1,148
Cash paid for interest expenses	(1,505)	(3,767)	(808)	(4,079)
Cash paid for income tax	(38,858)	(29,685)	(17,974)	(12,742)
<b>Net cash flows from (used in) operating activities</b>	<b>188,006</b>	<b>(77,367)</b>	<b>125,530</b>	<b>(134,987)</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 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Increase in current investments	(145)	(108)	(144)	(108)
Increase in restricted bank deposits	(3,000)	(6,792)	(3,000)	(4,500)
(Increase) decrease in short-term loans to related parties	-	-	10,400	(18,000)
Increase in long-term loan to related party	-	-	(2,070)	-
Cash paid for additional investment in subsidiary	-	-	(5,000)	-
Dividend income from subsidiaries	-	-	38,499	52,998
Cash paid for additional investment in associated company	(1,064)	-	-	-
Cash received from sales of other long-term investments	-	142	-	142
Cash paid for acquisitions of building improvement and equipment	(19,658)	(5,919)	(14,157)	(3,244)
Cash paid for acquisitions of intangible assets - computer software	(5,935)	(3,708)	(4,379)	(1,043)
Cash received from disposal of equipment	67	750	64	690
<b>Net cash flows from (used in) investing activities</b>	<b>(29,735)</b>	<b>(15,635)</b>	<b>20,213</b>	<b>26,935</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	9,538	(64,067)	-	(61,904)
Decrease in short-term loans from related parties	-	-	-	(25,000)
Cash paid under hire-purchase and finance lease agreements	(11,662)	(13,319)	(9,112)	(10,042)
Dividend paid	(84,995)	(88,498)	(84,995)	(88,498)
Dividend paid to non-controlling interests of the subsidiaries	(510)	(1)	-	-
Cash paid for direct cost related to the share offering	-	(19,485)	-	(19,485)
Cash received from issuance ordinary shares	-	435,600	-	435,600
<b>Net cash flows from (used in) financing activities</b>	<b>(87,629)</b>	<b>250,230</b>	<b>(94,107)</b>	<b>230,671</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>445</b>	<b>(24)</b>	<b>(75)</b>	<b>(12)</b>
<b>Net increase in cash and cash equivalents</b>	<b>71,087</b>	<b>157,204</b>	<b>51,561</b>	<b>122,607</b>
Cash and cash equivalents at the beginning of the period	246,026	99,656	109,991	25,247
<b>Cash and cash equivalents at the end of the period</b>	<b>317,113</b>	<b>256,860</b>	<b>161,552</b>	<b>147,854</b>

**Supplemental cash flow information:**

## Non-cash transactions

Accounts payable from share offering	-	536	-	536
Accounts payable from purchase of building improvements, equipment and intangible assets	1,065	4,244	593	3,435
Purchases of equipment under finance lease agreements	620	508	-	-
Transfer of land and buildings to investment properties	-	-	1,135	-
Dividend payables	72	314	6	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 2019**

**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.

**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 2018, 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 (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below.

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

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

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.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

**(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

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.

**TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is 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 2018.

## 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, its subsidiaries 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	
	2019	2018	2019	2018	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Service income	-	-	18.9	3.0	Contract price or cost plus margin
Dividend income	-	-	9.5	35.0	As declared
Management fee income	-	-	10.9	8.0	Contract price or cost plus margin
Building rental income	-	-	0.6	0.5	Contract price
Interest income	-	-	0.8	0.4	Interest rates of 4.65 and 6.65 percent per annum (2018: Interest rates of 6.65 and 6.67 percent per annum)
Other income	-	-	1.1	0.6	Cost plus margin or as agreed
Cost of service	-	-	23.7	14.0	Contract price or cost plus margin
Interest expense	-	-	-	0.2	Interest rates of 6.65 and 6.67 percent per annum
<b><u>Transactions with associated company</u></b>					
Cost of service	-	1.7	-	-	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<b><u>Transactions with related parties</u></b>					
Service income	1.1	-	-	-	Contract price
Cost of service	2.0	1.2	1.8	1.2	Contract price
Other expenses	0.2	0.5	0.2	0.5	Contract price or market price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<b><u>Transactions with subsidiaries</u></b> (eliminated from the consolidated financial statements)					
Service income	-	-	44.5	7.1	Contract price or cost plus margin
Dividend income	-	-	38.5	58.0	As declared
Management fee income	-	-	29.3	23.6	Contract price or cost plus margin
Building rental income	-	-	1.7	1.5	Contract price
Interest income	-	-	2.4	0.9	Interest rates of 4.65 and 6.65 percent per annum (2018: Interest rates of 6.65 and 6.67 percent per annum)
Other income	-	-	3.4	1.2	Cost plus margin or as agreed
Cost of service	-	-	66.7	42.9	Contract price or cost plus margin
Interest expense	-	-	-	1.3	Interest rates of 6.65 and 6.67 percent per annum
Other expenses	-	-	0.1	0.1	Cost plus margin or as agreed
<b><u>Transactions with associated company</u></b>					
Cost of service	5.3	4.3	0.1	0.8	Contract price
<b><u>Transactions with related parties</u></b>					
Service income	5.4	-	0.2	-	Contract price
Other income	-	0.1	-	0.1	Contract price or cost plus margin
Cost of service	4.0	4.9	3.8	4.9	Contract price
Other expenses	0.9	1.3	0.9	1.3	Contract price or market price



(Unaudited but reviewed)

The balances of the accounts as at 30 September 2019 and 31 December 2018 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
<b><u>Trade and other receivables - related parties</u></b>				
<b><u>Service contract receivables - related parties</u></b>				
<b>(Note 4)</b>				
Subsidiaries	-	-	66,375	41,908
Related companies (common shareholders and directors)	1,089	71	-	71
Total service contract receivables - related parties	1,089	71	66,375	41,979
<b><u>Other receivables - related parties (Note 4)</u></b>				
Subsidiaries	-	-	25,819	17,086
Related companies (common shareholders and directors)	10	8	10	8
Total other receivables - related parties	10	8	25,829	17,094
Total trade and other receivables - related parties	1,099	79	92,204	59,073
<b><u>Retention receivables as per contract - related party</u></b>				
Subsidiary	-	-	1,237	1,183
Total retention receivables as per contract - related party	-	-	1,237	1,183

Short-term loans to related parties

As at 30 September 2019 and 31 December 2018, the balances of short-term loans to related parties between the Company and its subsidiaries and the movement of these loans are as follows:

(Unit: Thousand Baht)

Short-term loans	Related by	Separate financial statements			Balance as at 30 September 2019
		Balance as at 31 December 2018	Increase during the period	Decrease during the period	
		(Audited)			
ATT Consultants Company Limited	subsidiary	42,900	9,000	(14,400)	37,500
TEAM SQ Company Limited (Formerly known as "SQ Architects and Planners Company Limited")	subsidiary	5,000	-	(5,000)	-
<b>Total</b>		<b>47,900</b>	<b>9,000</b>	<b>(19,400)</b>	<b>37,500</b>

These short-term loans to related parties are repayable on demand and unsecured, and carries interest at the rate of 6.65 percent per annum (31 December 2018: 6.65 percent per annum).

Long-term loan to related party

As at 30 September 2019 and 31 December 2018, the balance of long-term loan to related party between the Company and its subsidiary and the movement of this loan is as follows:

(Unit: Thousand Baht)

Long-term loan	Related by	Separate financial statements			Balance as at 30 September 2019
		Balance as at 31 December 2018	Increase during the period	Decrease during the period	
		(Audited)			
ATT Consultants Company Limited	subsidiary	-	2,070	-	2,070
<b>Total</b>		<b>-</b>	<b>2,070</b>	<b>-</b>	<b>2,070</b>

This loan contract grants a credit facility of Baht 2.3 million and as at 30 September 2019, the subsidiary had drawn down Baht 2.1 million. This long-term loan is repayable in monthly installments and is to be fully repaid within 15 years from the contract date. The loan carries interest at the rate announced by the Company minus 2 percent, with the rate referenced to MLR. The loan is unsecured.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Trade and other payables - related parties</u></b>				
<b><u>Trade payables - related parties (Note 11)</u></b>				
Subsidiaries	-	-	53,261	41,620
Associated company	-	1,889	-	221
Related companies (common shareholders and directors)	2,577	1,321	2,129	1,180
Total trade payables - related parties	2,577	3,210	55,390	43,021
<b><u>Other payables - related parties (Note 11)</u></b>				
Subsidiary	-	-	41	43
Related companies (common shareholders and directors)	679	429	679	429
Total other payables - related parties	679	429	720	472
<b><u>Retention payables - related parties</u></b>				
Subsidiary	-	-	90	90
Related company (common shareholders and directors)	269	163	269	163
Total retention payables - related parties	269	163	359	253
<b><u>Accrued expenses - related parties</u></b>				
Subsidiaries	-	-	141	-
Related companies (common shareholders and directors)	337	377	337	277
Total accrued expenses - related parties	337	377	478	277
Total trade and other payables - related parties	3,862	4,179	56,947	44,023
<b><u>Advances received from employers - related party</u></b>				
Subsidiary	-	-	3,340	3,340
Total advances received from employers - related party	-	-	3,340	3,340

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2019 and 2018, 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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	19,274	14,041	13,946	6,941
Post-employment benefits	692	371	482	236
<b>Total</b>	<b>19,966</b>	<b>14,412</b>	<b>14,428</b>	<b>7,177</b>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	51,740	49,672	35,351	29,518
Post-employment benefits	7,737	1,089	4,821	707
<b>Total</b>	<b>59,477</b>	<b>50,761</b>	<b>40,172</b>	<b>30,225</b>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 21.4 to the financial statements.

## 4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018 (Audited)	30 September 2019	31 December 2018 (Audited)
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	661	71	1,166	1,724
Past due				
Up to 3 months	428	-	19,580	18,892
3 - 6 months	-	-	21,404	1,253
6 - 12 months	-	-	9,172	57
Over 12 months	-	-	15,053	20,053
Total trade receivables - related parties	<u>1,089</u>	<u>71</u>	<u>66,375</u>	<u>41,979</u>
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	221,891	251,137	155,380	166,488
Past due				
Up to 3 months	119,587	92,571	87,539	47,799
3 - 6 months	16,413	28,180	15,319	21,633
6 - 12 months	95,231	74,326	64,982	57,058
Over 12 months	88,002	48,030	53,719	27,362
Total	<u>541,124</u>	<u>494,244</u>	<u>376,939</u>	<u>320,340</u>
Less: Allowance for doubtful debts	<u>(11,286)</u>	<u>(22,717)</u>	<u>(9,433)</u>	<u>(18,875)</u>
Total trade receivables - unrelated parties, net	<u>529,838</u>	<u>471,527</u>	<u>367,506</u>	<u>301,465</u>
Total trade receivables - net	<u>530,927</u>	<u>471,598</u>	<u>433,881</u>	<u>343,444</u>
<b><u>Other receivables</u></b>				
Other receivables - related parties	10	8	25,829	17,094
Other receivables - unrelated parties	3,016	1,341	2,817	1,124
Accrued income - unrelated parties	-	4	-	4
Accrued interest income	642	252	329	157
Total other receivables	<u>3,668</u>	<u>1,605</u>	<u>28,975</u>	<u>18,379</u>
Total trade and other receivable - net	<u>534,595</u>	<u>473,203</u>	<u>462,856</u>	<u>361,823</u>

During the third quarter of the current year, the Company and its subsidiaries wrote-off bad debt and reversed the related allowance for doubtful accounts of Baht 6 million (the Company only: Baht 4 million).

**5. Unbilled receivables / Retention receivables 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
	2019	2018	2019	2018
		(Audited)		(Audited)
<b>Unbilled receivables</b>				
Project value as per contract	5,084,844	5,811,869	3,453,895	4,357,325
Accumulated amount recognised as revenue on percentage of completion basis	3,328,210	3,224,660	2,419,523	2,554,886
Less: Value of total billed	(2,860,217)	(2,669,315)	(2,119,568)	(2,151,621)
Unbilled receivables	467,993	555,345	299,955	403,265
<b>Retention receivables as per contract</b>				
Retention receivables as per contract	139,853	114,089	87,666	67,882
Less: Allowance for doubtful debts	(116)	(166)	(116)	(166)
Total retention receivables as per contract - net	139,737	113,923	87,550	67,716
<b>Service income received in advance and advances received from employers</b>				
Project value as per contract	4,189,938	3,044,742	2,718,997	1,571,968
Value of total billed	3,091,271	2,411,639	1,994,581	1,298,451
Less: Accumulated amount recognised as revenue on percentage of completion basis	(2,840,649)	(2,212,327)	(1,872,646)	(1,211,667)
Service income received in advance	250,622	199,312	121,935	86,784
Advances received from employers	176,831	203,934	138,542	165,250
Total	427,453	403,246	260,477	252,034

Retention receivables 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 and are 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
	2019	2018	2019	2018
		(Audited)		(Audited)
Prepaid expenses	17,269	14,293	14,172	11,583
Value added tax refundable	11,151	14,313	69	197
Purchase vat awaiting tax invoices	11,115	8,795	4,158	3,635
Withholding tax at deducted source	3,340	13,714	516	10,836
Others	1,035	2,138	925	1,810
Total other current assets	43,910	53,253	19,840	28,061

## 7. 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 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	30 September 2018	30 September 2019	30 September 2018
			(%)	(%)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)		
ATT Consultants Company Limited	20	20	100.00	100.00	46	46	-	-	46	46	9	5
Geotechnical & Foundation Engineering Company Limited	10	10	100.00	100.00	12	12	-	-	12	12	12	32
Management Solutions International Ltd.	10	10	100.00	100.00	15	15	(5)	(5)	10	10	-	-
TEAM SQ Company Limited (Formerly known as "SQ Architects and Planners Company Limited")	10	5	100.00	100.00	12	7	-	-	12	7	6	9
TEAM Construction Management Company Limited	10	10	100.00	100.00	15	15	-	-	15	15	9	12
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	2	-
TEAM Quality Management Company Limited	10	10	83.75	83.75	6	6	(3)	(3)	3	3	-	-
TWl 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>141</b>	<b>136</b>	<b>(22)</b>	<b>(22)</b>	<b>119</b>	<b>114</b>	<b>38</b>	<b>58</b>



Movements in the investment in subsidiary account during the nine-month period ended 30 September 2019 are summarised below.

### Investment in TEAM SQ Company Limited (Formerly known as “SQ Architects and Planners Company Limited”)

On 25 March 2019, the Annual General Meeting of the shareholders of TEAM SQ Company Limited, a subsidiary, passed a resolution to approve an increase in its share capital from Baht 5 million to Baht 10 million by issuing 50,000 ordinary shares with a par value of Baht 100 each to the subsidiary’s existing shareholders. The subsidiary received the share subscriptions in full and registered the increase in its share capital with the Ministry of Commerce on 22 April 2019.

On 20 September 2019, the Extraordinary General Meeting of the shareholders of the subsidiary passed a resolution to approve the change of its name from SQ Architects and Planners Company Limited to TEAM SQ Company Limited and registered with the Ministry of Commerce on 3 October 2019.

## 8. Investments in associated companies

Details of associates 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 percentage		Cost		Carrying amounts based on equity method	
			30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
			(%)	(%)		(Audited)		(Audited)
Krungthep Geotechnique Company Limited	Providing services in exploration and testing of geotechnical materials	Thailand	30	30	1,500	1,500	3,416	3,276
iGL Synergy Co., Ltd.	Providing services in engineering consultancy and project management	The Lao People's Democratic Republic	30	-	1,064	-	1,064	-
<b>Total investments in associates</b>					<b>2,564</b>	<b>1,500</b>	<b>4,480</b>	<b>3,276</b>

During the second quarter of the current year, Geotechnical & Foundation Engineering Company Limited invested in ordinary shares of a new associated company, iGL Synergy Co., Ltd., which has a registered share capital of LAK 1,000 million. The subsidiary acquired 30% of its share capital for a total investment of LAK 300 million and paid up the shares in full. The associated company registered its incorporation with the government agency of the Lao People's Democratic Republic on 31 May 2019.

## 9. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2019</b>	195,079	170,760
Acquisitions during the period - at cost	16,232	10,841
Transfer of land and buildings to investment properties	-	(1,135)
Disposal/write-off during the period - net book value as at disposal/write-off date	(871)	(296)
Depreciation for the period	(21,721)	(17,386)
<b>Balance as at 30 September 2019</b>	<u>188,719</u>	<u>162,784</u>

As at 30 September 2019, the Company and its subsidiaries had vehicles under hire purchase and finance lease agreements with net book values amounting to Baht 16 million (the Company only: Baht 11 million) (31 December 2018: Baht 24 million, the Company only: Baht 17 million).

As at 30 September 2019, the Company and its subsidiaries had equipment under hire purchase and finance lease agreements with net book values amounting to Baht 8 million (the Company only: Baht 6 million) (31 December 2018: Baht 10 million, the Company only: Baht 8 million).

The Company has pledged land with constructions thereon amounting to approximately Baht 112 million (31 December 2018: Baht 113 million) as collateral against credit facilities received from financial institutions, as described in Note 20 to the financial statements.

(Unaudited but reviewed)

## 10. Intangible assets - computer software

Movements of intangible assets which are computer software for the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2019</b>	66,783	57,021
Acquisitions during the period - at cost	1,763	566
Amortisation during the period	(7,250)	(5,816)
<b>Net book value as at 30 September 2019</b>	<b>61,296</b>	<b>51,771</b>

## 11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Trade payables - related parties	2,577	3,210	55,390	43,021
Trade payables - unrelated parties	45,251	49,386	28,199	26,745
Other payables - related parties	679	429	720	472
Other payables - unrelated parties	27,467	30,721	23,233	24,646
Retention payables	14,869	17,589	11,950	15,212
Accrued expenses	99,575	111,468	60,167	54,407
<b>Total trade and other payables</b>	<b>190,418</b>	<b>212,803</b>	<b>179,659</b>	<b>164,503</b>

(Unaudited but reviewed)

**12. Other current liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
Deferred output tax	40,312	31,853	27,077	19,659
Withholding tax payable	9,743	8,356	7,501	5,612
Value added tax payable	10,816	7,060	7,476	3,959
Others	2,618	3,906	1,561	2,537
<b>Total other current liabilities</b>	<b>63,489</b>	<b>51,175</b>	<b>43,615</b>	<b>31,767</b>

**13. Liabilities under hire purchase and finance lease agreements**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
Liabilities under hire purchase and finance lease agreements	25,453	37,598	17,181	27,100
Less: Deferred interest expenses	(1,781)	(2,884)	(959)	(1,766)
<b>Total</b>	<b>23,672</b>	<b>34,714</b>	<b>16,222</b>	<b>25,334</b>
Less: Portion due within one year	(11,276)	(14,755)	(8,308)	(11,565)
<b>Liabilities under hire purchase and finance lease agreements - net of current portion</b>	<b>12,396</b>	<b>19,959</b>	<b>7,914</b>	<b>13,769</b>

**14. Provision for long-term employee benefits**

Movements of Provision for long-term employee benefits for the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2019</b>	187,774	139,084
Past service costs	48,277	34,410
Increase during the period	28,664	20,673
Benefits paid during the period	(2,615)	(2,615)
<b>Balance as at 30 September 2019</b>	<u>262,100</u>	<u>191,552</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries recognised the effect of the change of Baht 48 million (the Company only: Baht 34 million) as past service costs in the statement of comprehensive income for the current period.

**15. Share capital**

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

- a) 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.
- 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 in 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.

(Unaudited but reviewed)

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.

## 16. 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 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	13,796	4,975	6,231	(652)
<b>Deferred tax:</b>				
Deferred tax relating to origination and reversal of temporary differences	(2,990)	2,640	(1,361)	2,692
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>10,806</u>	<u>7,615</u>	<u>4,870</u>	<u>2,040</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	33,906	21,546	17,458	4,994
<b>Deferred tax:</b>				
Deferred tax relating to origination and reversal of temporary differences	(14,707)	(3,171)	(10,404)	208
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>19,199</u>	<u>18,375</u>	<u>7,054</u>	<u>5,202</u>

## 17. 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.

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit to equity holders of the Company for the period (Thousand Baht)	44,256	33,431	30,713	45,266
Weighted average number of ordinary shares (Thousand shares)	680,000	664,348	680,000	664,348
Earnings per share (Baht per share)	0.07	0.05	0.05	0.07

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit to equity holders of the Company for the period (Thousand Baht)	80,673	92,589	74,999	81,732
Weighted average number of ordinary shares (Thousand shares)	680,000	555,385	680,000	555,385
Earnings per share (Baht per share)	0.12	0.17	0.11	0.15

## 18. Operating segment information

During the second quarter of the current year, the Board of Directors of the Company and its subsidiaries passed a resolution to approve an organisational restructuring from structuring business units based on type of customer and geography to structuring them based on type of service and specialisation. The Company and its subsidiaries have changed the reported operating segment information in a manner consistent with the internal reports under this organisational structure and have eight reportable segments as follows:

- (1) Transportation and logistics project segment
- (2) Water resources project segment
- (3) Urban, building and infrastructure project segment
- (4) Project management and construction supervision segment
- (5) Construction management and supervision for various types of buildings and infrastructure segment
- (6) Energy, power, oil and gas, petrochemical and related industry, including port and infrastructure project segment
- (7) Geotechnical engineering and underground structure project segment
- (8) Other segment, which consists of environment science project work, international business project work, related business project work and architectural planning and design, interior design, landscape architecture and design work for urban development project

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for nine-month periods ended 30 September 2019 and 2018.



For the nine-month periods ended 30 September 2019

	Transportation and logistics project segment	Water resources project segment	Urban, building and infrastructure project segment	Project management and supervision construction segment	Construction management and supervision for various types of buildings and infrastructure segment	Energy, power, oil and gas, petrochemical and related industry, including port and infrastructure project segment	Geotechnical engineering and underground structure project segment	Other segment	Total	Elimination	Consolidated financial statement
Revenues from external customers	284	104	230	200	152	125	144	124	1,363	-	1,363
Segment profit	82	11	83	62	38	43	32	44	395	-	395
Other income											8
Administrative expenses											(302)
Finance cost											(2)
Profit before income tax expenses											99
Income tax expenses											(19)
Profit for the period											80

For the nine-month periods ended 30 September 2018

	Transportation and logistics project segment	Water resources project segment	Urban, building and infrastructure project segment	Project management and construction supervision segment	Construction management and supervision for various types of buildings and infrastructure segment	Energy, power, oil and gas, petrochemical and related industry, including port and infrastructure project segment	Geotechnical engineering and underground structure project segment	Other segment	Elimination	Consolidated financial statement
								Total		
Revenues from external customers	211	159	127	241	121	124	175	88	-	1,246
Segment profit	72	60	40	87	31	63	38	31	-	422
Other income										7
Share of profit from investment in associated company										1
Administrative expenses										(315)
Finance cost										(4)
Profit before income tax expenses										111
Income tax expenses										(18)
Profit for the period										93

(Unaudited but reviewed)

Revenues from external customers are set up from the customer's location for nine-month periods ended 30 September 2019 and 2018.

(Unit: Million Baht)

	For the nine-month periods ended 30 September	
	<u>2019</u>	<u>2018</u>
Revenues from external customers		
Segment in Thailand	1,178	1,059
Segment in overseas	185	187
Total	<u>1,363</u>	<u>1,246</u>

## 19. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Number of ordinary shares (Million shares)	Dividend per share (Baht per share)
Dividend for year 2017	Annual General Meeting of the shareholders on 12 March 2018	37.5	2.5	15
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 2018		<u>88.5</u>		
Dividend for year 2018	Annual General Meeting of the shareholders on 3 April 2019	51.0	680	0.075
Interim dividend for year 2019	Board of Directors Meeting of the Company on 7 August 2019	<u>34.0</u>	680	0.050
Total dividend for 2019		<u>85.0</u>		

## 20. Credit facilities from financial institutions

Credit facilities from financial institutions of the Company and its subsidiaries are secured by

- a) Certain saving deposits and fixed deposits of the Company and its subsidiaries.
- b) Certain mortgaged land with constructions thereon as described in Note 9 to the financial statements.
- c) Certain mortgaged investment properties of the Company which net book value as at 30 September 2019 amounting to approximately Baht 5 million (31 December 2018: Baht 4 million).
- d) Transfer of rights over receipt of payment under certain contracts of the Company and its subsidiaries.

## 21. Commitments and contingent liabilities

### 21.1 Capital commitments

As at 30 September 2019, the Company and its subsidiaries had capital commitment of approximately Baht 3 million (the Company only: Baht 3 million) (31 December 2018: Baht 2 million, the Company only: Baht 1 million) relating to the acquisition of equipment and computer software.

### 21.2 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 2019 and 31 December 2018, future minimum lease payments required under these operating lease contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
Payable within:				
In up to 1 year	10	9	8	7
In over 1 and up to 5 years	14	13	9	10

### 21.3 Service commitments

As at 30 September 2019, the Company and its subsidiaries have the following service commitments:

- a) The Company and its subsidiaries have commitments totaling Baht 48 million (the Company only: Baht 31 million) (31 December 2018: Baht 51 million, the Company only: Baht 27 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 6 million (the Company only: Baht 6 million) (31 December 2018: Baht 8 million, the Company only: Baht 8 million) in respect of other service commitments, for which the Company and its subsidiaries had already entered into agreements.

## 21.4 Related party guarantees

As at 30 September 2019, the Company has provided guarantees totaling Baht 698 million (31 December 2018: Baht 648 million) for bank credit facilities on behalf of the Company for its subsidiaries.

## 21.5 Bank guarantees

As at 30 September 2019 and 31 December 2018, 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:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018 (Audited)	30 September 2019	31 December 2018 (Audited)
Guarantee of service contracts, advance payment and bidding	649	644	468	479
Guarantee of retention	40	42	26	24
Other guarantees	2	2	2	2
	<u>691</u>	<u>688</u>	<u>496</u>	<u>505</u>

## 21.6 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 additional material loss to be incurred as a result of the 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. On 17 April 2019, the Civil Court ordered the subsidiary to pay damages, together with interest and other fees in total amount of approximately Baht 1.2 million. The subsidiary recorded the whole amount as an expense in the statement of comprehensive income for the first quarter of 2019. Subsequently, on 6 September 2019 and 8 October 2019, the subsidiary and the plaintiff, respectively, lodged appeals with the Appeal Court. Currently, the subsidiary is considering whether to request an amendment to the plaintiff's appeal. However, the management of the Company and its subsidiary expects no additional material losses to be incurred as a result of the case.

On 18 March 2017, ATT Consultants Company Limited, a subsidiary, 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. On 20 September 2018, the plaintiff filed an appeal with the Appeal Court. On 25 July 2019, the Court of Appeal affirmed the judgement of the Civil Court and the plaintiff did not file an appeal with the Supreme Court within the deadline. As a result, the case is final.

**22. Foreign currency risk**

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 September 2019 and 31 December 2018 are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.8	0.9	0.1	0.2	30.5919	32.4498
LAK	28.0	107.2	-	-	0.0035	0.0038
MMK	-	-	5.3	4.0	0.0200	0.0209

(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
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.4	0.3	0.1	0.1	30.5919	32.4498
MMK	-	-	1.3	-	0.0200	0.0209

### 23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2019.