

TEAM Consulting Engineering and Management  
Public Company Limited and its subsidiaries  
Review report and interim financial information  
For the three-month period ended  
31 March 2020

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**EY Office Limited**  
33rd Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klongtoey, Bangkok 10110  
G.P.O.Box 1047, Bangkok 10501, Thailand  
Tel: +66 2264 9090  
Fax: +66 2264 0789-90  
ey.com

บริษัท สำนักงาน อีวาย จำกัด  
ชั้น 33 อาคารเลกซ์ดา  
193/136-137 ถนนรัชดาภิเษก  
คลองเตย กรุงเทพฯ 10110  
ต.ป.ฉ. 1047 กรุงเทพฯ 10501  
โทรศัพท์: +66 2264 9090  
โทรสาร: +66 2264 0789-90  
ey.com

## **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 31 March 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of TEAM Consulting Engineering and Management Public Company Limited for the same period (collectively "interim financial information"). 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*.



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### Other Matter

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Company for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Company for the accounting period of 2020. I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

*Chai Kasemsriw*

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 12 May 2020

TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)	<u>31 March 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		401,989	350,878	208,335	176,372
Current investments	2	-	1,151	-	915
Trade and other receivables	2, 4	394,550	472,714	346,705	390,910
Unbilled receivables	2, 5	540,300	473,258	347,484	299,931
Short-term loan to related party	2, 3	-	-	31,400	34,700
Other current financial assets	2	1,179	-	944	-
Other current assets	6	46,516	48,786	24,438	26,258
<b>Total current assets</b>		<b>1,384,534</b>	<b>1,346,787</b>	<b>959,306</b>	<b>929,086</b>
<b>Non-current assets</b>					
Restricted bank deposits	2	63,230	63,230	49,160	49,160
Long-term loan to related party	2, 3	-	-	2,070	2,070
Investments in subsidiaries	7	-	-	115,645	115,645
Investments in associated companies	8	4,436	4,135	-	-
Investment properties		1,254	1,259	9,538	9,766
Property, plant and equipment	2, 9	202,098	182,555	167,127	154,422
Intangible assets - computer software	10	59,388	61,339	50,566	52,046
Deferred tax assets		58,298	60,192	41,932	43,950
Retention receivables	5	136,403	134,587	89,328	85,466
Other non-current assets		39,891	32,159	29,745	25,083
<b>Total non-current assets</b>		<b>564,998</b>	<b>539,456</b>	<b>555,111</b>	<b>537,608</b>
<b>Total assets</b>		<b>1,949,532</b>	<b>1,886,243</b>	<b>1,514,417</b>	<b>1,466,694</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 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)	<u>31 March 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts		4,323	6,745	-	-
Trade and other payables	11	220,319	212,363	190,016	187,064
Current portion of lease liabilities	2, 13	18,588	9,975	12,775	7,051
Service income received in advance and advances received from customers	5	400,705	361,330	235,326	197,485
Income tax payable		5,134	4,412	-	-
Other current liabilities	12	44,647	68,342	30,013	46,301
<b>Total current liabilities</b>		<b>693,716</b>	<b>663,167</b>	<b>468,130</b>	<b>437,901</b>
<b>Non-current liabilities</b>					
Lease liabilities, net of current portion	2, 13	23,904	10,405	15,861	6,639
Provision for long-term employee benefits	14	288,261	284,787	206,910	204,988
<b>Total non-current liabilities</b>		<b>312,165</b>	<b>295,192</b>	<b>222,771</b>	<b>211,627</b>
<b>Total liabilities</b>		<b>1,005,881</b>	<b>958,359</b>	<b>690,901</b>	<b>649,528</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 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
680,000,000 ordinary shares of Baht 0.5 each	<u>340,000</u>	<u>340,000</u>	<u>340,000</u>	<u>340,000</u>
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
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	10,000	10,000	10,000	10,000
Unappropriated	208,648	192,914	49,198	42,848
Other components of shareholders' equity				
Exchange differences on translation of financial statements in foreign currencies	<u>58</u>	<u>(46)</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company	<u>938,261</u>	<u>922,423</u>	<u>823,516</u>	<u>817,166</u>
Non-controlling interests of the subsidiaries	<u>5,390</u>	<u>5,461</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>	<u>943,651</u>	<u>927,884</u>	<u>823,516</u>	<u>817,166</u>
<b>Total liabilities and shareholders' equity</b>	<u>1,949,532</u>	<u>1,886,243</u>	<u>1,514,417</u>	<u>1,466,694</u>

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

( Mr.Chawalit Chantararat )

Director

( Mr.Prasert Patramai )

Director

(Unaudited but reviewed)

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

## Statement of comprehensive income

For the three-month period ended 31 March 2020

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income		430,388	435,005	273,854	280,744
Other income					
Dividend income	7	-	-	-	28,999
Others		2,452	4,251	17,384	14,769
<b>Total revenues</b>		<b>432,840</b>	<b>439,256</b>	<b>291,238</b>	<b>324,512</b>
<b>Expenses</b>					
Cost of service		320,781	313,383	206,557	207,893
Administrative expenses		83,539	95,312	69,756	76,249
<b>Total expenses</b>		<b>404,320</b>	<b>408,695</b>	<b>276,313</b>	<b>284,142</b>
<b>Profit from operating activities</b>		<b>28,520</b>	<b>30,561</b>	<b>14,925</b>	<b>40,370</b>
Share of profit from investments in associated companies		197	60	-	-
Finance income		2,472	613	3,019	1,104
Finance cost		(621)	(504)	(388)	(311)
<b>Profit before income tax expenses</b>		<b>30,568</b>	<b>30,730</b>	<b>17,556</b>	<b>41,163</b>
Income tax expenses	15	(5,946)	(5,458)	(3,038)	(1,113)
<b>Profit for the period</b>		<b>24,622</b>	<b>25,272</b>	<b>14,518</b>	<b>40,050</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		104	-	-	-
<b>Other comprehensive income for the period</b>		<b>104</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>24,726</b>	<b>25,272</b>	<b>14,518</b>	<b>40,050</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 comprehensive income (continued)

For the three-month period ended 31 March 2020

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit attributable to:</b>					
Equity holders of the Company		24,627	25,501	14,518	40,050
Non-controlling interests of the subsidiaries		(5)	(229)		
		<u>24,622</u>	<u>25,272</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		24,731	25,501	14,518	40,050
Non-controlling interests of the subsidiaries		(5)	(229)		
		<u>24,726</u>	<u>25,272</u>		
<b>Earnings per share</b>	16				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.036</u>	<u>0.038</u>	<u>0.021</u>	<u>0.059</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 changes in shareholders' equity

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements										
	Equity attributable to owners of the company					Other components of equity					
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Deficit from the change in the ownership interests in subsidiaries	Deficit from the reorganisation of business of group under common control	Retained earnings - Appropriated - statutory reserve	Unappropriated in foreign currencies	Exchange differences on translation of financial statements	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
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	-	-	-	-	-	-	25,501	-	25,501	(229)	25,272
Decrease in non-controlling interests of subsidiary from dividend paid by subsidiary	-	-	-	-	-	-	-	-	-	(66)	(66)
Balance as at 31 March 2019	340,000	424,318	14,928	(22,215)	(22,548)	5,800	206,506	-	946,789	5,668	952,457
Balance as at 1 January 2020	340,000	424,318	-	(22,215)	(22,548)	10,000	192,914	(46)	922,423	5,461	927,884
Cumulative effect of change in accounting policy for the adoption of new financial reporting standard (Note 2)	-	-	-	-	-	-	(8,893)	-	(8,893)	-	(8,893)
Balance as at 1 January 2020 - as restated	340,000	424,318	-	(22,215)	(22,548)	10,000	184,021	(46)	913,530	5,461	918,991
Profit for the period	-	-	-	-	-	-	24,627	-	24,627	(5)	24,622
Other comprehensive income for the period	-	-	-	-	-	-	-	104	104	-	104
Total comprehensive income for the period	-	-	-	-	-	-	24,627	104	24,731	(5)	24,726
Decrease in non-controlling interests of subsidiary from dividend paid by subsidiary	-	-	-	-	-	-	-	-	-	(66)	(66)
Balance as at 31 March 2020	340,000	424,318	-	(22,215)	(22,548)	10,000	209,648	58	938,261	5,390	943,651

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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and fully paid share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings	Unappropriated	Total
				Appropriated - statutory reserve	shareholders' equity	
Balance as at 1 January 2019	340,000	424,318	5,068	5,800	65,880	841,066
Total comprehensive income for the period	-	-	-	-	40,050	40,050
Balance as at 31 March 2019	340,000	424,318	5,068	5,800	105,930	881,116
Balance as at 1 January 2020	340,000	424,318	-	10,000	42,848	817,166
Cumulative effect of change in accounting policy for the adoption of new financial reporting standard (Note 2)	-	-	-	-	(8,168)	(8,168)
Balance as at 1 January 2020 - as restated	340,000	424,318	-	10,000	34,680	808,998
Total comprehensive income for the period	-	-	-	-	14,518	14,518
Balance as at 31 March 2020	340,000	424,318	-	10,000	49,198	823,516

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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit before income tax	30,568	30,730	17,556	41,163
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	11,679	9,745	9,151	7,888
Allowance for expected credit losses/Allowance for doubtful accounts (reversal)	(133)	(5,426)	505	(5,974)
Share of profit from investments in associated companies	(197)	(60)	-	-
(Gain) Loss on disposal/write-off of equipment	-	4	-	(2)
Unrealised exchange (gains) losses	(1,477)	252	(843)	27
Allowance for projects loss (reversal)	829	-	(906)	(353)
Provision for long-term employee benefits	8,250	8,526	5,640	6,155
Dividend income	-	-	-	(28,999)
Finance income	(2,472)	(613)	(3,019)	(1,104)
Finance cost	621	504	388	311
Profit from operating activities before changes in operating assets and liabilities	47,668	43,662	28,472	19,112
Operating assets (increase) decrease				
Trade and other receivables	74,919	37,421	39,498	4,863
Unbilled receivables	(68,574)	(5,107)	(48,152)	9,032
Other current assets	3,514	(2,128)	3,434	(1,836)
Retention receivables	(1,816)	(7,759)	(3,862)	(6,562)
Other non-current assets	104	(114)	58	26
Operating liabilities increase (decrease)				
Trade and other payables	8,386	22,925	5,123	25,770
Services income received in advance and advances received from customers	39,375	28,382	37,841	22,262
Other current liabilities	(23,762)	5,651	(16,288)	5,765
Cash paid for provision for long-term employee benefits	(4,776)	-	(3,718)	-
Cash flows from operating activities	75,038	122,933	42,406	78,432
Cash received from interest income	37	30	583	798
Cash paid for interest expenses	(621)	(504)	(388)	(311)
Cash received from income tax	16	-	-	-
Cash paid for income tax	(12,425)	(10,594)	(7,354)	(6,330)
<b>Net cash flows from operating activities</b>	<b>62,045</b>	<b>111,865</b>	<b>35,247</b>	<b>72,589</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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Increase in current investments	-	(17)	-	(17)
Increase in other current financial assets	(28)	-	(29)	-
Decrease in restricted bank deposit	-	1,000	-	1,000
Decrease in short-term loan to related party	-	-	3,300	2,500
Increase in long-term loan to related party	-	-	-	(460)
Cash paid for acquisitions of building improvements and equipment	(2,367)	(6,769)	(1,930)	(4,685)
Cash paid for acquisitions of intangible assets - computer software	(1,108)	(5,036)	(1,010)	(4,083)
Cash received from disposal of equipment	314	67	314	64
<b>Net cash flows from (used in) investing activities</b>	<b>(3,189)</b>	<b>(10,755)</b>	<b>645</b>	<b>(5,681)</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts	(2,422)	(4,528)	-	-
Cash paid under lease liabilities	(5,470)	(4,203)	(4,027)	(3,298)
<b>Net cash flows used in financing activities</b>	<b>(7,892)</b>	<b>(8,731)</b>	<b>(4,027)</b>	<b>(3,298)</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>147</b>	<b>(21)</b>	<b>98</b>	<b>(26)</b>
<b>Net increase in cash and cash equivalents</b>	<b>51,111</b>	<b>92,358</b>	<b>31,963</b>	<b>63,584</b>
Cash and cash equivalents at the beginning of the period	350,878	246,026	176,372	109,991
<b>Cash and cash equivalents at the end of the period</b>	<b>401,989</b>	<b>338,384</b>	<b>208,335</b>	<b>173,575</b>

**Supplemental cash flow information:**

Non-cash transactions

Decrease in accounts payable from purchase of

building improvements, equipment and intangible assets	(1,477)	(7,250)	(1,452)	(6,525)
Purchases of equipment and vehicles under lease agreements	-	620	-	-
Transfer of land and buildings to investment properties	-	-	-	409
Dividend receivables	-	-	-	28,999

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 period ended 31 March 2020**

**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 Khuayjarempanishk, Mr. Amnat Prommasutra and Mr. Chawalit Chantararat. The Company is principally engaged in the integrated engineering, environment and management consultancy services. The registered office of the Company is at No. 151, TEAM Building, Nuan Chan Road, Nuan Chan, Bueng Kum, Bangkok.

**1.2 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**1.3 Basis for the 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 interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

#### **1.4 Basis of consolidation**

The interim consolidated financial statements included the financial statements of TEAM Consulting Engineering and Management Public Company Limited 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 2019, with no significant changes in structure related to subsidiaries occurring during the current period.

#### **1.5 New financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised (revised 2019) and new 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves 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.

The impact of the adoption of these standards on the Group's financial statements is as follow.

Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

### **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 under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the interim financial statements.

## **1.6 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

### **1.6.1 Financial instruments**

#### ***Classification and measurement***

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

### ***Impairment of financial assets***

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

## **1.6.2 Leases**

### ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

### ***Short-term leases and Leases of low-value assets***

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.



## 2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the reclassification of transactions in the statement of financial position and the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			1 January 2020
	The impacts of			
	31 December 2019	Financial reporting standards related		
		to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	1,151	(1,151)	-	-
Trade and other receivables	472,714	(6,135)	-	466,579
Unbilled receivables	473,258	(2,758)	-	470,500
Other current financial assets	-	1,151	-	1,151
<b>Non-current assets</b>				
Property, plant and equipment	182,555	-	24,777	207,332
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	9,975	-	9,201	19,176
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	10,405	-	15,576	25,981
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	192,914	(8,893)	-	184,021

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			1 January 2020
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	915	(915)	-	-
Trade and other receivables	390,910	(6,791)	-	384,119
Unbilled receivables	299,931	(1,377)	-	298,554
Other current financial assets	-	915	-	915
<b>Non-current assets</b>				
Property, plant and equipment	154,422	-	17,069	171,491
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	7,051	-	6,490	13,541
<b>Non-current liabilities</b>				
Lease liabilities - net of current portion	6,639	-	10,579	17,218
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	42,848	(8,168)	-	34,680

## 2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	8,893	8,168
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	8,893	8,168

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

	Consolidated financial statements		Separate financial statements		Amortised cost
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9	
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	350,878	350,878	176,372	176,372	176,372
Trade and other receivables	472,714	472,714	390,910	390,910	390,910
Short-term loan to related party	-	-	34,700	34,700	34,700
Other current financial assets	1,151	1,151	915	915	915
Restricted bank deposits	63,230	63,230	49,160	49,160	49,160
Long-term loan to related party	-	-	2,070	2,070	2,070
<b>Total financial assets</b>	<b>887,973</b>	<b>887,973</b>	<b>654,127</b>	<b>654,127</b>	<b>654,127</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

## 2.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	28,263	19,511
Less: Short-term leases and leases of low-value assets	(1,314)	(953)
Less: Deferred interest expenses	(2,172)	(1,489)
Increase in lease liabilities due to TFRS 16 adoption	24,777	17,069
Liabilities under hire purchase and finance lease agreements as at 31 December 2019	20,380	13,690
Lease liabilities as at 1 January 2020	<u>45,157</u>	<u>30,759</u>
Comprise of:		
Current lease liabilities	19,176	13,541
Non-current lease liabilities	25,981	17,218
	<u>45,157</u>	<u>30,759</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Buildings and building improvement	163	-
Office equipment	5,091	4,525
Motor vehicles	19,523	12,544
<b>Total right-of-use assets</b>	<u>24,777</u>	<u>17,069</u>

### 3. Related party transactions

During the periods, the Group 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 Group and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Service income	-	-	12.6	4.2	Contract price or cost plus margin
Dividend income	-	-	-	29.0	As declared
Management fee income	-	-	13.4	9.0	Contract price or cost plus margin
Building rental income	-	-	0.6	0.6	Contract price
Interest income	-	-	0.6	0.8	Interest rate of 4.49 - 6.53 per annum (2019: Interest rate of 6.65 per annum)
Other income	-	-	1.7	1.0	Cost plus margin or as agreed
Cost of service	-	-	18.4	21.1	Contract price or cost plus margin
Other expenses	-	-	0.1	0.1	Cost plus margin or as agreed
<b><u>Transactions with associated companies</u></b>					
Service income	1.0	-	-	-	Contract price
Cost of service	-	3.3	-	0.1	Contract price
<b><u>Transactions with related companies</u></b>					
Service income	-	1.8	-	0.2	Contract price
Cost of service	1.4	1.1	1.1	1.1	Contract price
Other expenses	0.5	0.5	0.5	0.5	Contract price or market price

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2020 and 31 December 2019 between the Group and those related parties are as follows:

	(Unit: Thousand Baht)				
	Consolidated		Separate		
	financial statements		financial statements		
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	
				(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	-	-	36,625	44,894	
Associated company	1,004	794	-	-	
Related company (common director)	428	428	-	-	
Total	1,432	1,222	36,625	44,894	
Less: Allowance for expected credit losses/ Allowance for doubtful debts	(7)	-	(1,300)	-	
Total service contract receivables - net	1,425	1,222	35,325	44,894	
<b><u>Other receivables - related parties (Note 4)</u></b>					
Subsidiaries	-	-	30,997	24,743	
Related company (common shareholders and director)	12	33	12	33	
Total	12	33	31,009	24,776	
Less: Allowance for expected credit losses/ Allowance for doubtful debts	-	-	(576)	-	
Total other receivables - net	12	33	30,433	24,776	
Total trade and other receivables - related parties - net	1,437	1,255	65,758	69,670	
<b><u>Retention receivables - related parties</u></b>					
Subsidiaries	-	-	1,506	1,398	
Total retention receivables - related parties	-	-	1,506	1,398	

(Unaudited but reviewed)

Short-term loan to related party

As at 31 March 2020 and 31 December 2019, the balance of short-term loan to related party between the Company and its subsidiaries and the movement of this loan is as follows:

(Unit: Thousand Baht)

Short-term loan	Related by	Separate financial statements			Balance as at 31 March 2020
		Balance as at 31 December 2019	Increase during the period	Decrease during the period	
		(Audited)			
ATT Consultants Company Limited	subsidiary	34,700	-	(3,300)	31,400

This short-term loan to related party is repayable on demand and unsecured, and carries interest at the rate of 6.49 percent per annum (31 December 2019: 6.56 percent per annum).

Long-term loan to related party

As at 31 March 2020 and 31 December 2019, the balance of long-term loan to related party between the Company and its subsidiaries and the movement of this loan is as follows:

(Unit: Thousand Baht)

Long-term loan	Related by	Separate financial statements			Balance as at 31 March 2020
		Balance as at 31 December 2019	Increase during the period	Decrease during the period	
		(Audited)			
ATT Consultants Company Limited	subsidiary	2,070	-	-	2,070

This loan contract grants a credit facility of Baht 2.3 million and as at 31 March 2020, 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	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<b><u>Trade and other payables - related parties</u></b>				
<b><u>Trade payables - related parties (Note 11)</u></b>				
Subsidiaries	-	-	42,923	43,082
Related companies (common shareholders and directors)	1,115	1,845	915	1,397
Total trade payables - related parties	1,115	1,845	43,838	44,479
<b><u>Other payables - related parties (Note 11)</u></b>				
Subsidiaries	-	-	245	88
Related companies (common shareholder and directors)	338	4	338	4
Total other payables - related parties	338	4	583	92
<b><u>Retention payables - related parties</u></b>				
Subsidiary	-	-	90	90
Related company (common shareholders and director)	366	329	366	329
Total retention payables - related parties	366	329	456	419
<b><u>Accrued expenses - related parties</u></b>				
Subsidiaries	-	-	1	-
Related company (common shareholders and directors)	574	401	574	401
Total accrued expenses - related parties	574	401	575	401
Total trade and other payables - related parties	2,393	2,579	45,452	45,391
<b><u>Advances received from customer - related party</u></b>				
Subsidiary	-	-	3,340	3,340
Total Advances received from customer - related party	-	-	3,340	3,340



(Unaudited but reviewed)

Directors and management's remuneration

During the three-month periods ended 31 March 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	12,772	13,904	6,162	9,790
Post-employment benefits	275	403	83	245
Total	<u>13,047</u>	<u>14,307</u>	<u>6,245</u>	<u>10,035</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 19.3 to the interim financial statements.

**4. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Audited)		(Audited)

Trade receivables - related parties

Aged on the basis of due dates

Not yet due	1,004	1,222	3,080	2,420
Past due				
Up to 3 months	-	-	10,048	5,848
3 - 6 months	428	-	3,494	16,707
6 - 12 months	-	-	20,003	9,866
Over 12 months	-	-	-	10,053
Total	<u>1,432</u>	<u>1,222</u>	<u>36,625</u>	<u>44,894</u>
Less: Allowance for expected credit losses/ Allowance for doubtful debts	<u>(7)</u>	<u>-</u>	<u>(1,300)</u>	<u>-</u>
Total trade receivables - related parties - net	<u>1,425</u>	<u>1,222</u>	<u>35,325</u>	<u>44,894</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	195,124	172,288	137,862	112,727
Past due				
Up to 3 months	75,112	147,638	54,862	113,004
3 - 6 months	18,771	18,370	17,331	13,964
6 - 12 months	17,810	40,159	14,580	29,998
Over 12 months	99,327	100,816	66,678	58,216
Total	406,144	479,271	291,313	327,909
Less: Allowance for expected credit losses/				
Allowance for doubtful debts	(15,649)	(10,602)	(12,521)	(8,749)
Total trade receivables - unrelated parties - net	390,495	468,669	278,792	319,160
Total trade receivables - net	391,920	469,891	314,117	364,054
<b><u>Other receivables</u></b>				
Other receivables - related parties	12	33	31,009	24,776
Other receivables - unrelated parties	2,155	2,587	1,988	1,921
Accrued interest income	841	203	546	159
Total	3,008	2,823	33,543	26,856
Less: Allowance for expected credit losses/				
Allowance for doubtful debts	(378)	-	(955)	-
Total other receivables	2,630	2,823	32,588	26,856
Total trade and other receivables - net	394,550	472,714	346,705	390,910

(Unaudited but reviewed)

**5. Unbilled receivables / Retention receivables / Service income received in advance and advances received from customers**

**Contract balances**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Audited)		(Audited)
<b>Unbilled receivables</b>	541,832	473,258	348,083	299,931
Less: Allowance for expected credit losses/Allowance for doubtful debts	(1,532)	-	(599)	-
<b>Total unbilled receivables - net</b>	<u>540,300</u>	<u>473,258</u>	<u>347,484</u>	<u>299,931</u>
<b>Retention receivables</b>	<u>136,403</u>	<u>134,587</u>	<u>89,328</u>	<u>85,466</u>
<b>Service income received in advance and advances received from customers</b>				
Service income received in advance	274,938	206,573	135,115	78,237
Advances received from customers	125,767	154,757	100,211	119,248
<b>Total</b>	<u>400,705</u>	<u>361,330</u>	<u>235,326</u>	<u>197,485</u>

**6. Other current assets**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Audited)		(Audited)
Prepaid expenses	16,900	18,677	13,585	16,516
Value added tax refundable	10,743	11,545	-	157
Purchase vat awaiting tax invoices	8,665	9,339	3,858	3,812
Current tax assets	9,307	8,063	6,334	4,720
Others	901	1,162	661	1,053
<b>Total other current assets</b>	<u>46,516</u>	<u>48,786</u>	<u>24,438</u>	<u>26,258</u>

## 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 amount based on cost method - net		Dividend received during the three-month periods	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 March 2019
	(Percent)	(Percent)	(Percent)	(Percent)	(Audited)	(Audited)	(Audited)	(Audited)				
ATT Consultants Company Limited	20	20	100.00	100.00	46	46	-	-	46	46	-	9
Geotechnical & Foundation Engineering Company Limited	10	10	100.00	100.00	12	12	-	-	12	12	-	8
Management Solutions International Ltd.	10	10	100.00	100.00	15	15	(5)	(5)	10	10	-	-
TEAM SQ Company Limited	10	10	100.00	100.00	12	12	-	-	12	12	-	5
TEAM Construction Management Company Limited	10	10	100.00	100.00	15	15	-	-	15	15	-	7
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	-	-
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	(14)	(14)	-	-	-	-
LTEAM Sole CO., LTD. (paid-in capital LAK 1,000 million)	5	5	100.00	100.00	5	5	-	-	5	5	-	-
<b>Total investments in subsidiaries</b>					141	141	(25)	(25)	116	116	-	29

## 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	
			31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
			(Percent)	(Percent)		(Audited)		(Audited)
Krungthep Geotechnique Company Limited	Providing services in exploration and testing of geotechnical materials	Thailand	30	30	1,500	1,500	3,243	3,103
iGL Synergy Co., Ltd.	Providing services in engineering consultancy and project management	The Lao People's Democratic Republic	30	30	1,064	1,064	1,193	1,032
<b>Total investments in associated companies</b>					<b>2,564</b>	<b>2,564</b>	<b>4,436</b>	<b>4,135</b>

## 9. Property, plant and equipment

Movements in the property, plant and equipment for the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2019</b>	182,555	154,422
Adjustments of right-of-use assets due to TFRS 16 adoption	24,777	17,069
Acquisitions during the period - at cost	4,348	2,938
Disposal/write-off during the period - net book value as at disposal/write-off date	(314)	(314)
Depreciation for the period	(9,268)	(6,988)
<b>Net book value as at 31 March 2020</b>	<b>202,098</b>	<b>167,127</b>

The Company has pledged land together with buildings constructed thereon amounting to approximately Baht 108 million (31 December 2019: Baht 108 million) as collateral against credit facilities received from financial institutions, as described in Note 18 to the interim financial statements.

**10. Intangible assets - computer software**

Movements of intangible assets which are computer software for the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2020</b>	61,339	52,046
Acquisitions during the period - at cost	455	455
Amortisation during the period	(2,406)	(1,935)
<b>Net book value as at 31 March 2020</b>	<b>59,388</b>	<b>50,566</b>

**11. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
				(Audited)
Trade payables - related parties	1,115	1,845	43,838	44,479
Trade payables - unrelated parties	33,549	48,098	20,327	29,439
Other payables - related parties	338	4	583	92
Other payables - unrelated parties	12,817	16,870	11,439	14,362
Retention payables	13,794	13,711	12,259	12,222
Accrued expenses	158,706	131,835	101,570	86,470
<b>Total trade and other payables</b>	<b>220,319</b>	<b>212,363</b>	<b>190,016</b>	<b>187,064</b>

(Unaudited but reviewed)

## 12. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Deferred output tax	30,559	34,953	21,372	23,589
Withholding tax payable	5,998	7,092	3,881	4,270
Value added tax payable	6,531	10,660	3,904	5,923
Others	1,559	15,637	856	12,519
Total other current liabilities	<u>44,647</u>	<u>68,342</u>	<u>30,013</u>	<u>46,301</u>

## 13. Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Lease liabilities	45,832	21,847	30,684	14,453
Less: Deferred interest expenses	(3,340)	(1,467)	(2,048)	(763)
Total	42,492	20,380	28,636	13,690
Less: Portion due within one year	(18,588)	(9,975)	(12,775)	(7,051)
Lease liabilities, net of current portion	<u>23,904</u>	<u>10,405</u>	<u>15,861</u>	<u>6,639</u>

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

Movements of Provision for long-term employee benefits for the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2020</b>	284,787	204,988
Increase during the period	8,250	5,640
Benefits paid during the period	(4,776)	(3,718)
<b>Balance as at 31 March 2020</b>	<u>288,261</u>	<u>206,910</u>

**15. 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 periods ended 31 March 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	4,052	6,717	1,020	2,274
<b>Deferred tax:</b>				
Deferred tax relating to origination and reversal of temporary differences	1,894	(1,259)	2,018	(1,161)
<b>Income tax expenses reported in profit or loss</b>	<u>5,946</u>	<u>5,458</u>	<u>3,038</u>	<u>1,113</u>



**16. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit to equity holders of the Company for the period (Thousand Baht)	24,627	25,501	14,518	40,050
Weighted average number of ordinary shares (Thousand shares)	680,000	680,000	680,000	680,000
Earnings per share (Baht per share)	0.036	0.038	0.021	0.059

**17. Operating segment information**

The Group is organised into business units based on type of service and specialisation. During the period, the reported operating segments have not changed.

The following tables present revenue and profit information regarding the Group's operating segments for three-month periods ended 31 March 2020 and 2019.

(Unit: Million Baht)

For three-month period ended 31 March 2020

	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	Total	Elimination	Consolidated financial statement
Revenues from external customers	97	39	50	77	51	20	43	430	-	430
Segment profit (loss)	28	14	5	29	11	(5)	10	110	-	110
Other income										5
Administrative expenses										(83)
Finance cost										(1)
Profit before income tax expenses										31
Income tax expenses										(6)
Profit for the period										25

(Unaudited but reviewed)

(Unit: Million Baht)

For three-month period ended 31 March 2019

	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	Total	Elimination	Consolidated financial statement
Revenues from external customers	103	20	63	62	50	47	54	36	435	-	435
Segment profit (loss)	34	(7)	16	22	12	19	12	14	122	-	122
Other income											5
Administrative expenses											(95)
Finance cost											(1)
Profit before income tax expenses											31
Income tax expenses											(6)
Profit for the period											25

(Unaudited but reviewed)

Revenues from external customers are set up from the customer's location for three-month periods ended 31 March 2020 and 2019.

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Revenues from external customers		
Segment in Thailand	362	365
Segment in overseas	68	70
Total	<u>430</u>	<u>435</u>

## 18. Credit facilities from financial institutions

Credit facilities from financial institutions of the Group are secured by

- a) Certain saving deposits and fixed deposits of the Group.
- b) Certain mortgaged land with constructions thereon as described in Note 9 to the interim financial statements.
- c) Certain mortgaged investment properties of the Company which net book value as at 31 March 2020 amounting to approximately Baht 8 million (31 December 2019: Baht 9 million).
- d) Transfer of rights over receipt of payment under certain contracts of the Group.

## 19. Commitments and contingent liabilities

### 19.1 Capital commitments

As at 31 March 2020, the Group had capital commitment of approximately Baht 1 million (the Company only: Baht 1 million) (31 December 2019: Baht 1 million, the Company only: Baht 1 million) relating to the acquisition of equipment and computer software.

### 19.2 Lease and service commitments

As at 31 March 2020, the Group has the following lease and service commitments:

- a) The Group has commitments totaling Baht 1 million (the Company only: Baht 1 million) in respect of the lease of equipment and motor vehicles, for which the Group had already entered into agreements. The terms of the agreements are generally between 6 to 12 months.

(Unaudited but reviewed)

- b) The Group has commitments totaling Baht 37 million (the Company only: Baht 23 million) (31 December 2019: Baht 48 million, the Company only: Baht 32 million) in respect of cost of service, for which the Group had already entered into agreements.
- c) The Group has commitments totaling Baht 6 million (the Company only: Baht 6 million) (31 December 2019: Baht 3 million, the Company only: Baht 3 million) in respect of other service commitments, for which the Group had already entered into agreements.

### 19.3 Related party guarantees

As at 31 March 2020, the Company has provided guarantees totaling Baht 698 million (31 December 2019: Baht 698 million) for bank credit facilities on behalf of the Company for its subsidiaries.

### 19.4 Bank guarantees

As at 31 March 2020 and 31 December 2019, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Guarantee of service contracts, advance payment and bidding	750	637	572	461
Guarantee of retention	38	41	25	27
Other guarantees	2	2	2	2
	<u>790</u>	<u>680</u>	<u>599</u>	<u>490</u>

As at 31 March 2020, the subsidiaries together utilised Baht 25 million of the Company's guarantee facilities to provide guarantees under service contracts and advance payment (31 December 2019: Nil).

## 19.5 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 year 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.

### Subsidiary

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 year 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 awaiting a judgment from the Appeal Court. However, the management of the Group expects no additional material losses to be incurred as a result of the case.

**20. Foreign currency risk**

The balances of financial assets and liabilities denominated in foreign currencies of the Group as at 31 March 2020 and 31 December 2019 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.9	0.9	-	0.1	32.6712	30.1540
LAK	153.5	21.2	-	-	0.0037	0.0034
MMK	-	-	-	4.0	0.0236	0.0203
Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.6	0.5	-	0.1	32.6712	30.1540

**21. Event after the reporting period**

On 7 April 2020, the meeting of the Company's Board of Directors No. 2/2020 passed the resolution approving the payment of an interim dividend of Baht 0.06 per share, to the Company's shareholders from the net profit for six-month period, 1 July 2019 to 31 December 2019, a total of approximately Baht 40.8 million. This dividend will be recorded in the second quarter of the current year.

**22. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2020.