



THAI INDUSTRIAL AND
ENGINEERING SERVICE PCL

บริษัท ไทยบริการอุตสาหกรรมและวิศวกรรม จำกัด (มหาชน)
Thai Industrial & Engineering Service Public Company Limited

ชั้น 15 อาคารจัตุรัสจามจุรี 3 ถนนสาทรใต้ แขวงยานนาวา เขตสาทร กรุงเทพมหานคร 10120 โทร : 02-018-7190-8 แฟกซ์ : 02-018-7199 ทะเบียนเลขที่ 0107548000501
15th Floor, Rajanakam Building, 3 South Sathom Road, Yannawa, Sathom, Bangkok 10120 Tel : 02-018-7190-8 Fax : 02-018-7199 Tax ID : 0107548000501



IR.035/2016

11 November 2016

Re: Clarification on the change of profit and loss statement

To President

The Stock Exchange of Thailand

Thai Industrial & Engineering Public Company Limited (the "Company") would like to provide the clarification on the business operation for the 3rd Quarter of the year 2016 ending 30 September 2016.

Total Revenue

The Company has the total revenue of Baht 99.15 million for the business operation in 3rd Quarter of 2016. When compare with the total revenue of Baht 105.28 million for same period in the year 2015, the overall total revenue decrease in the amount of Baht 6.13 million or 5.82% since the Company started taking new construction projects in the early 2nd quarter of 2016 after re-organization.

Profit and Comprehensive Profit

The Company has loss for the 3rd Quarter of the year 2016 in the amount of Baht 19.41 million, comparing with the same period in the year 2015 that had profit in the amount of Baht 44.21 million, and the Company has the comprehensive loss for the 3rd Quarter of the year 2016 in the amount of Baht 24.36 million, comparing with the same period in the year 2015 that had comprehensive profit in the amount of Baht 44.21 million.

The Company would like to provide the explanation on the changes in the Profit and Loss of the Company for the period of 3 months ending 30 September 2016 as follows:

1. In the 3rd Quarter of 2016, the revenues from construction is Baht 94.89 million which declines in the amount of Baht 4.91 million or 4.92% when compared with the same period of the year of 2015. The Company has gross profit in the amount of Baht 5.86 million increasing from the same period in the year 2015 which had the loss in the amount of Baht 0.57 million. It indicates the Company's enhanced efficiency in management, construction cost-control, and generating profit from construction projects.
2. Cost of construction declines in the amount of Baht 11.34 million or 11.30% compared with the year of 2015.



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3. The total administrative expense is Baht 26.65 million. When compared with the administrative expense in 2015, the total difference increases in the amount of Baht 7.69 million or 40.58%. This is due to the investment in human resources for structure of work in order to be in line with future policy which is related to generating constant profit. Also, the difference is as a result of the reversal of allowance for doubtful debt which lowered administrative expense in the amount of Baht 6.66 million in the 3rd quarter of 2015.
4. The Financial Cost is Baht 3 million which is Baht 3.38 million or 53.06% lesser than the year of 2015. The reason for the decrease of Financial Cost in 2016 is as a result of the decline of bank loan and the increase of liquidity indicating the Company's efficiency in liquidity-management causing the ability to pay a debt in the past steadily.
5. For the period of 3 months ending 30 September 2016, the net loss is Baht 19.41 million comparing with the same period in the year 2015 which the profit is Baht 44.21 million. Comprehensive loss is Baht 24.36 million lesser than the year of 2015 which gained comprehensive profit in the amount of Baht 44.21 million. Start taking new construction projects in the early 2nd quarter causes the net loss of the Company as the profit is inadequate to support the administrative expense.

In conclusion, for the period of 9 months ending 30 September 2016, the total revenue of the Company is in the amount of Baht 254.72 million, net loss is in the amount of Baht 72.97 million, and comprehensive loss is Baht 77.91 million as a result of the above-mentioned facts, including as a consequence of reserve for lawsuits, and allowance for doubtful debt of the Company's construction projects in the past.

Please be informed accordingly.

Sincerely yours,

Thai Industrial & Engineering Service Public Company Limited

(Mr. Tradsin Chongussayakul)

Chief Executive Officer and Acting Managing Director