



Annual Report 2018 (form 56-2)

As at 31 December 2018

SYNTEC CONSTRUCTION PCL.

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Remarks:-

“In this regards, investors may obtain further information from the Disclosure report concerning additional information (Form 56-1) at www.sec.or.th / www.set.or.th or www.synteccon.com”

Vision

"To be the leader in construction Industry which must be efficiently develop for the quality, timing, cost, safety, C.S.R. & environment at all time."

Mission

1. To develop personnel jobs skills & Technology in construction for higher accomplishment and good reputation of the organization.
2. To create engagement plan of innovation and make it happen in our jobs to be the leader in construction work.
3. To manage efficient cost for high ability of competition
4. Keep mission statement to build trust and high satisfaction to the clients
5. Take into consideration of safety, corporate social & environment responsibility with high standardize of constructions.



Corporate Information

General Information

Name	Syntec Construction Public Company Limited
Business Type	Construction Contracts and Civil Engineering Works
Headquarter Address	555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klong Ton Nua Sub-district, Wattana District, Bangkok 10110 Thailand
Company Registration No.	Registered as Juristic Person as Limited Public Company Act On October 14, 1992 (B.E. 2535), Registration No. 0107535000184 (Previously BorMorJor.51)
Telephone	(02) 381-6333
Facsimile	(02) 711-4596
Homepage	www.synteccon.com
Investor Relation	0-2-711-7423 or 0-2381-6333 # 5941 E-mail: ir@synteccon.com
Registered Capital	1,600,000,000 Baht
Common Stock	1,600,000,000 Shares
Par Value	1.00 Baht per share
Auditor	Miss Maliwan Phahuwattanakorn, C.P.A. (Thailand) Registration No. 4701 Mr. Chaikrit Worrakitjaporn, C.P.A. (Thailand) Registration No. 7326 Mr. Narong Lakthan, C.P.A. (Thailand) Registration No. 4700 NPS Siam Audit Limited 555/5-6, SSP Tower, 5 th Floor, Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klong Ton Nua Sub-district, Wattana District, Bangkok 10110 Thailand Tel. 0-2711-5300 Fax. 0-2711-5866 E-mail: info@npssiam.co.th
Share Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Sub-district, Dindaeng, District, Bangkok 10400 Tel.0-2-009-9000 Fax. 0-2-009-9991

More than 10% of Shares held by Juristic Persons

Company Name & Address	Business Type	No. of Entire Shares	No. of Shares Held by the Company	Paid-up Share Capital	Shares' Equity (%)	Type of Share
1. SCR Asset Management Co., Ltd. 555/7-11 Soi Sukhumvit 63(Ekamai), Sukhumvit Road, Klongtoey-Nua Sub-district, Wattana District, Bangkok 10110	Development of Real Estate for Rent	6,000,000	4,080,000	4,080,000	68.00	Ordinary
2. Natural Hotel Sukhumvit Co., Ltd. 555/5 Soi Sukhumvit63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Operation and Management for the Business of Hotel & Service Apartment and other properties	1,500,000	375,000	375,000	25.00	Ordinary
3. Natural Ville Service Apartment and Management Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Human Resource operation and management for the Business of Hotel& Service Apartment and other Properties for Rent	20,000	19,997	19,997	99.97	Ordinary
4. CSM Capital Partners Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Investment and Development on Real Estates for Rent	11,000,000	6,600,000	6,600,000	60.00	Ordinary
5. PT Three Land Co., Ltd 555/11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Development of Real Estate for Rent	10,000	6,998	6,998	69.98	Ordinary
6. JT Ten Co., Ltd 555/11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Development of Real Estate for Rent	1,000,000	849,800	849,800	84.98	Ordinary

Other Important Information

Other required importation information beneficial for the investors' determination are appeared as shown in the Annual Registration Statement 2018 (Form 56-1) or www.synteccon.com topic "Investor News" sub-topic "Annual Registration Statement Form"

Financial Information

Unit: Million Baht

Company Financial Statements	Consolidated Financial Statements			Separated Financial Statements		
	2018	2017	2016	2018	2017	2016
Total Assets	10,294.81	9,930.95	9,523.22	7,837.61	7,664.37	7,226.51
Total Liabilities	4,230.14	4,367.24	4,721.02	2,182.47	2,529.70	2,918.48
Total Shareholders' Equity	6,064.67	5,563.70	4,802.19	5,655.14	5,134.67	4,308.03
Revenue from construction	6,789.35	8,675.33	7,504.94	6,815.68	8,702.51	7,504.94
Revenue from Accommodation Service	419.76	389.25	338.09	114.24	119.38	117.18
Total Revenue	7,428.30	9,156.69	8,028.12	7,158.67	8,884.95	7,782.84
Gross Profit	1,175.52	1,794.57	1,454.77	1,054.81	1,697.09	1,366.67
Net Profit (Loss)	590.84	985.14	852.07	666.92	1,050.11	896.24
Earnings per Share	0.39	0.63	0.54	0.42	0.66	0.56

Financial Ratios	Consolidated FS			Separated FS		
	2018	2017	2016	2018	2017	2016
<u>Liquidity Ratio</u>						
Current Ratio (times)	1.67	1.71	1.27	2.23	1.84	1.03
Quick Ratio (times)	1.16	1.21	0.89	1.54	1.30	0.91
Account Receivable Turnover (times)	6.16	9.29	7.94	5.93	9.05	7.75
Average Collection Period (Days)	59.27	39.29	45.97	61.55	40.31	47.10
Inventory Turnover (times)	47.36	56.28	45.91	46.39	55.34	45.08
Average Inventory Days (Days)	7.71	6.49	7.95	7.87	6.60	8.10
Account Payment Turnover (times)	17.07	20.16	13.95	17.01	20.00	13.72
Average Payment Period (Days)	21.38	18.11	26.16	21.46	18.25	26.60
Cash Cycle (Days)	45.60	27.67	27.76	47.96	28.66	28.60
<u>Profitability Ratio</u>						
Gross Profit Margin (%)	16.31	19.80	17.44	15.22	19.24	16.79
Operating Profit Margin (%)	10.48	13.93	12.75	11.98	15.05	13.74
Net Profit Margin (%)	7.95	10.76	10.58	9.32	11.82	11.52
Return on Equity (%)	11.23	21.26	22.10	12.36	22.24	23.03
<u>Efficiency Ratio</u>						
Return on Assets (%)	5.84	10.13	10.45	8.60	14.10	13.18
Return on Fixed Assets (%)	21.97	32.75	41.08	106.59	140.93	118.77
Total Assets Turnover (times)	0.73	0.94	0.99	0.92	1.19	1.14
<u>Leverage Ratio</u>						
Debt Ratio (times)	0.41	0.44	0.50	0.28	0.33	0.40
Debt to Equity (times)	0.70	0.78	0.98	0.39	0.49	0.68
Interest coverage ratio (time)	1.27	13.44	24.93	4.43	449.70	93.25

The Calculation Formula of Financial Ratios

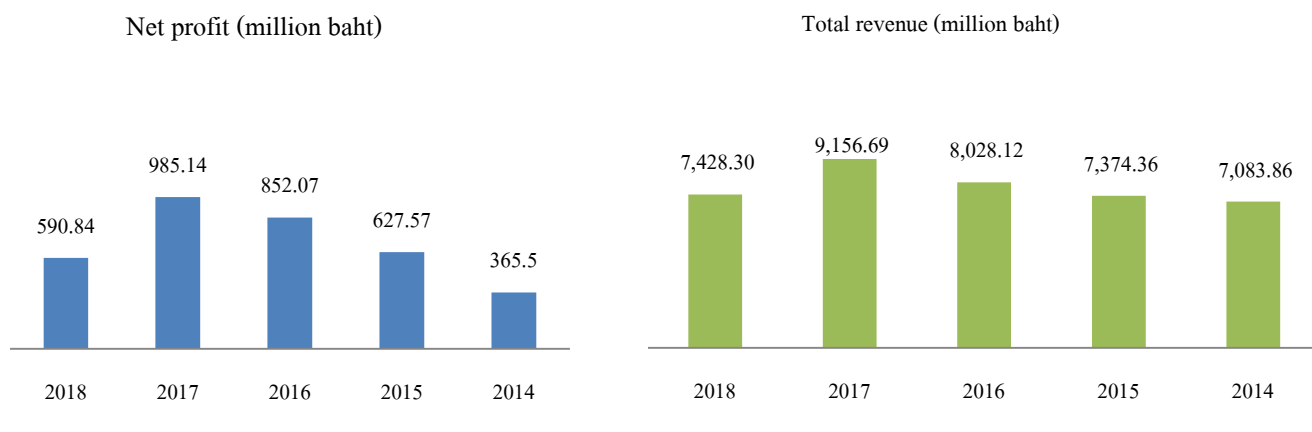
Liquidity Ratio			
Liquidity Ratio	Current Assets	Inventory Turnover (times)	Cost of Sales + Selling Expenses
	Current Liabilities		Average Inventory
Quick Ratio (Times)	Cash + Current Investment+Net Receivables	Account Payment Turnover (times)	Cost of Sales + Selling Expenses
	Total Current Liabilities		Average Accounts Payable
Account Receivable Turnover (times)	Net Sales	Average Inventory Days (days)	365
	Average Gross Account Receivables		Inventory Turnover (times)
Average Collection Period (Days)	365	Average Payment Period (days)	365
	Account Receivable Turnover (times)		Account Payment Turnover (times)
Cash Cycle (days)		Collection Period+Average Inventory Day Average Payment Period	

Profitability Ratios			
Gross Profit Margin (%)	Revenue - cost	Net Profit Margin (%)	Net Profit (Loss)
	Revenue		Total Revenue
Operating Profit Margin (%)	Earnings before Tax	Return on Equity (%)	Net Profit (Loss)
	Revenue		Total Return on Equity

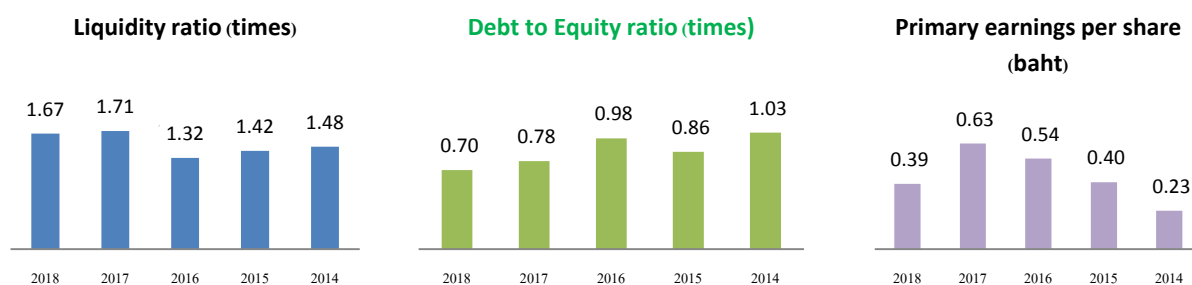
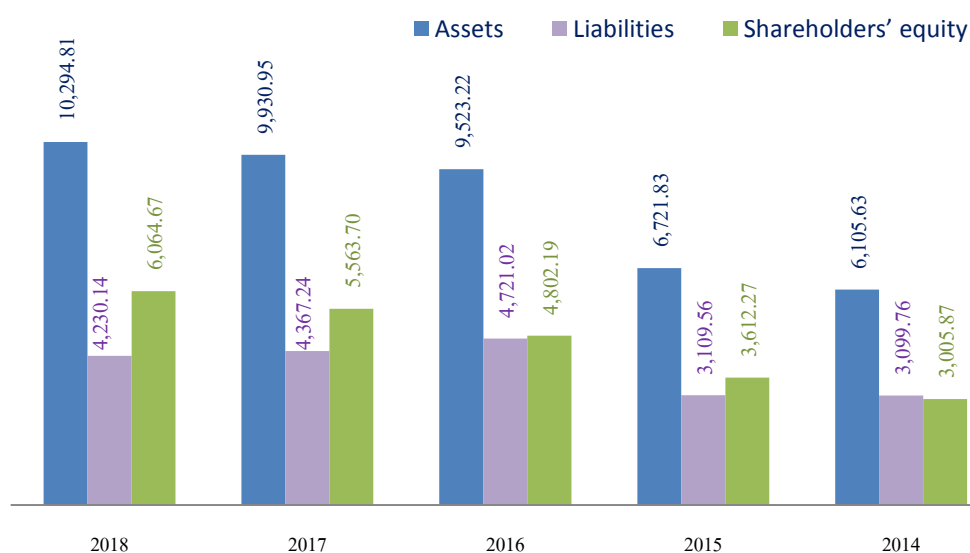
Efficiency Ratio			
Return on Assets (%)	Net Profit	Return on Fixed Assets (%)	Net Profit + Depreciation + Amortization
	Total Assets (Average)		Property, plant and equipment (Average)
Total Assets Turnover (times)		Total Revenue	
		Total Assets (Average)	

Leverage Ratio			
Debt Ratio (times)	Total Liabilities	Debt to Equity (times)	Total Liabilities
	Total Assets		Total shareholders' equity
Interest coverage ratio (times)		Cash Flows from Operating Activities	
		interest	

Financial outstanding comparing 5 years (consolidated financial statement)



Statement of financial position (million baht)



Report of Audit Committee

Audit Committee of Syntec Construction Public Company Limited ("Company") consists of 3 independent directors.

- | | |
|-------------------------------|---------------------------------|
| 1. Mr. Chaiwat Atsawintarakul | Chairman of the Audit Committee |
| 2. Miss Benjawan Sinkuknakorn | Audit Committee |
| 3. Dr. Arichai Ractham | Audit Committee |

Everyone is free to perform duties according to the scope. The responsibilities specified in the Audit Committee Charter approved by the Board of Directors Everyone is a qualified person from many areas, including law, accounting, finance, economics, etc. They have sufficient qualifications and experience to review the reliability of financial reports According to the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2018, the audit committee organized six meetings regularly to consider and review the matters as being responsible for. The meeting reports and suggestions were proposed to the Board of Directors for the further action considered by the Board of Directors as appropriated. The summary of key contents was as follows:

Review Financial Statement

The audit committee reviewed the important information of the Company's and subsidiary's financial report: quarter financial statement and annual financial statement 2018, with support and comments from the auditor Executive of Accounting Division and management on the information accuracy on the report, disclosure of information, accounting policy and significant forecasting according to the certified accounting standard, internal control on financial statement related, and considered the notice from the auditor on financial statement examination to propose to the Board of Directors by having the meeting with the auditor as scheduled.

The Connected Transactions or Transactions Prone to a Conflict of Interest

The audit committee reviewed the connected transactions or transactions prone to a conflict of interest of the Company and subsidiary to be consistent with the notifications of The Office of the Securities and Exchange Commission and The Securities Exchange of Thailand (SET), as well as other relevant laws. The transactions were in accordance with trade terms, fairness and reasonableness without benefit transfer, as well as the accurate and adequate disclosure, and good corporate governance principles that was beneficial for the Company and shareholders.

Internal Control and Internal Audit System

Consider and approve the annual audit plan. And the results of significant audits of the internal audit section that the business operation was efficient and effective with the adequate internal control system by considering the monitoring report and suggestions on internal audit report of Internal Audit Division. Further, the audit committee proposed to the Board of Directors to amend the audit process emphasizing on risk assessment covering subdivision/important section's activities with the high risk to foster the efficiency of performance,including

reviewing the assessment of the adequacy of the internal control system in accordance with the COSO framework covering 5 areas: (1) internal control (control environment) (2) risk assessment work (3) Control Activities (4) Information and Communication System and (5) Monitoring Activities, which are summarized in related topics in This report And presented to the Board of Directors for consideration

Certified Public Accountant (CPA)

The audits Committee select the authorized auditors every year which the Board of Directors has approved in accordance with the opinion of the Audit Committee and propose to the Annual General Meeting of Shareholders for the year 2018. The shareholders approved the appointment of NPS Siam Audit Company Limited as the authorized auditor of the Company and its subsidiaries.

The Audit Committee has considered the performance of the auditor in the past year, independence, remuneration, skills, knowledge, ability, adequacy of resources and experience in auditing the work of certified public accountants. For the auditor's remuneration has considered the scope of responsibility remuneration for the auditor of other comparable offices as well as providing relevant suggestions to the Board of Directors.

Good Corporate Governance

The audit committee reviewed and suggested on the good corporate governance policy to be in consistent with the notifications of The Office of the Securities and Exchange Commission and The Securities Exchange of Thailand (SET), which were shareholder's rights, equitable treatment of shareholders, roles of stakeholders, disclosure and transparency, and the responsibilities of directors; the Company's business operation, and the enhancement of the adequate implementation to follow these principles.

Implementation on Relevant Rules and Regulations

The audit committee reviewed the Company's performance to perform in accordance with the relevant laws such as The Securities and Exchange Act, Public Limited Companies Act, and other relevant laws relating to the Company's business operation to ensure that the Company complied with laws and regulations of the responsible agency.

The audit committee had opinion that the company financial reports and its subsidiaries has been prepared correctly, completely showing important information and reliable information, and had sufficient disclosure according to the financial report standard and regulations. The disclosure of transactions or transactions prone to a conflict of interest complied with securities and exchange law and other relevant laws to the Company's business sufficiently whereas the internal control and audit system were performed appropriately. The development was performed consistently under the good corporate governance to be in accordance with the Company's business conditions.



(Mr. Chaiwat Atsawintarakul)

Chairman of the Audit Committee

Board of Directors



(Standing, from left to right:)

Mr. Chaiwat Atsawintarakul
Independent Director,
Chairman of the Audit Committee,
Chairman of the Nomination
and Remuneration Committee

Mr. Somchai Sirilertpanich
Vice Chairman,
Director of Nomination
and Remuneration Committee,
Chief Executive Officer

Mr. Jiramote Phahusutr
Director,
Managing Director

(Seated, from left to right:)

Miss Benjawan Sinkuknakorn
Independent Director,
Director of the Audit Committee,
Director of the Nomination
and Remuneration Committee

Dr. Arichai Ractham
Independent Director,
Audit Committee,
Chairman of the Risk Management Committee,
Director of the Nomination and Remuneration Committee

Mr. Tavee Kullertprasert
Independent Director

Mr. Paisarn Tangyuenyong
Independent Director

Mrs. Angsana Munkongcharoen
Director,
Director of the Nomination and Remuneration Committee



Mr. Jiramote Phahusutr
Managing Director

Mr. Somchai Sirilertpanich
Chief Executive Officer

Message from the Chief Executive Officer and Managing Director

Attn: Shareholders and stakeholders,

In 2018, Syntec determined to develop the construction's and services' quality together with the business performing based on good corporate governance, virtue, morality, honesty, transparency, social and environmental responsibility, as well as to treat all stakeholders equally. Consequently, during the past five years, the Company received many awards and certificates from agencies and organizations such as (1) been certified as the member of Thailand's Private Sector Collective Action against Corruption, (2) been qualified to be listed as the registered firm on Thailand Sustainability Investment 2018 or "sustainable shares", (3) been awarded Certificate of ESG100 Company from Thaipat Institute, and (4) been awarded the Best Executive and Best Performance Registered Company (registered company with SET with market cap 3,000-10,000 million baht) from SET Award 2018. (5) Received a certificate of sustainable development report for the year 2018, sustainability report. The company still maintains the credit rating of TRIS at BBB / Stable level.

For the performance in the past year that the company has a turnover of 7,428.31 million baht, which is a decrease from the year 2017 with the amount of 9,156.70 million baht, worth 1,728.396 or 18.87 percent, net profit decreased from 985.15 million baht to 598.84 million baht or equivalent to 386.31 million baht or 39.21 percent. Due to higher competition and lower profit margins from material procurement.

At the end of 2018, the Company had 26 ongoing construction projects in Bangkok Metropolitan Region and provinces. The total projects value was 22,738 million baht, recognized income was 12,381 million baht and the backlog was 10,357million baht, where the revenue was continually acknowledged until 2021.

Lastly, Syntec Construction PCL. would like to thank you the shareholders and stakeholders for the kind support. The Company assures that the directors, executives, and all employees would be united and dedicate ourselves to perform the Company's business to become successful with Corporate Social Responsibility for the sustainable economic growth.



Mr. Somchai Sirilertpanich

Chief Executive Officer



Mr. Jiramote Phahusutr

Managing Director

Policy and Business Overview



The integrated approach construction services has continuously been the Company's major business, it is offered for both government and private sectors ranging from the beginning to completion of construction in a manner of "One-Stop Shopping" construction including preparation, piling, foundation establishment, bracing system, structural, architectural, landscape architect, and system engineering works such as electrical system, mechanical system, sanitation system, elevator system, air-conditioning system and other building automation works, etc.

The Company's construction work acceptance is rightfully and suitably preceded according to the procedure in all cases the hirer is a government bureau, state enterprise or private sector, the procedure is included of different processes, price offer methods, operation timeframes and construction conditions. In case the Company is selected, price negotiation and construction conditions must be considered and mutually satisfied by all concerned parties then the Company will be eventually hired for the construction.

After being hired, the Company is generally the main contractor. However, if the project is big and requires the specialization, the Company will consider the co-operation as a joint venture with other company or other people possessing the required specialization. Consequently, the Company can be transferred the modern technologies in construction along with much knowledge such as the construction management including the increase of staffs' capabilities. These are to ensure the hirer that the construction will be achieved with the specific agreement or contract. Furthermore, the Company is likely to have a new co-operator (in trade) who possesses enough potentiality to cooperate in the construction of a big project in the future agreeing with the government policy.

History

Syntec Construction Public Company, Limited. (“Company”) was formerly named as “Siam Syntec Construction Public Company Limited” and had registered as a juristic person incorporated in Thailand on 22nd December, 1988 (B.E. 2531). It was registered for transformation to become a public company on 14th October, 1992 (B.E. 2535), later on 12th February, 1993 (B.E. 1993), it was registered in Stock Exchange of Thailand. The Company’s head office is located at 555/711, Soi Sukhumvit 63 (Ekamai), Klong Tan Nua Sub-district, Wattana District, Bangkok 10110 and another branch office is located at 61 Soi Langsuan, Ploenchit Road, Lumpini Sub-district, Pathuwan District, Bangkok 10330, having its principle business in construction services and real estate development for accommodation or serviced apartments service.

Significant development in the past 5 years

- 2013**
- The Board’s meeting approved to buy the 1st newly issued ordinary shares of S C R Asset Management Co., Ltd. (a subsidiary), from existing registered capital of 100,000,000 Baht or 1,000,000 shares, by increasing 50,000,000 Baht or 500,000 shares to be 150,000,000 Baht or 1,500,000 shares. The Company holds 52.00% of total shares, after the increase of capital by portion, the Company’s investment value is at 78,000,000 Baht or 780,000 shares.
 - The Board’s meeting resolved to set up 2 subsidiaries which are Sam HR Co.,Ltd. (a subsidiary) to engage in the business of personnel management for hotel, serviced apartment and other properties for rent with the registered capital of 1,000,000 Baht or 10,000 shares (100 Baht per share), the Company holds 99.97% of total shares or 999,700 Baht equivalent to 9,997 shares; and Syntec Asset Management Co.,Ltd. (a subsidiary) to engage in the business of management of hotel, serviced apartment and other properties for rent with the registered capital of 1,000,000 Baht or 10,000 shares with par value of 100 Baht, the Company holds 74.97% of total shares or 749,700 Baht equivalent to 7,497 shares.
 - The Board’s meeting approved to buy the 2nd newly issued ordinary shares of S C R Asset Management Co., Ltd. (a subsidiary), from existing registered capital of 150, 000,000 Baht or 1,500,000 shares, by increasing 40,000,000 Baht or 400,000 shares to be 190,000,000 Baht or 1,900,000 shares. The Company holds 52.00% of total shares, after the increase of capital by portion, the Company’s investment value is at 98,800,000 Baht or 988,000 shares.
 - The Board’s meeting approved to adopt anti-corruption policy specified in the business code of conduct as a part of the Company’s good governance policy by which the Company will be part of the group refusing bribery under the campaign of Private Sector Collective Action Coalition against Corruption (CAC).
 - The Board’s Meeting resolved to approve the name change of a subsidiary from Sam HR Co., Ltd. to be Natural Ville Serviced Apartment and Management Co.,Ltd. and also approve its increase of registered capital from 1,000,000 Baht or 10,000 shares to be 1,000,000 Baht or 10,000 shares, to be 2,000,000 Baht or 20,000 shares, the Company holds 99.97% of total share, after the increase of capital, then the new shareholding ratio became 99.985% of total shares or 1,999,700 Baht for investment or equivalent to 19,997 shares.

- The Board's meeting resolved to reduce the investment proportion in Syntec Asset Management Co. Ltd. (a subsidiary) to be compliance with the current operational plan, from existing registered capital of 1,000,000 Baht or 10,000 shares with par value of 100 Baht, the Company's shareholding of 74.97% or 749,700 Baht or equivalent to 7,497 shares was reduced 20%, resulting the Company's shareholding of 54.97% or 549,700 Baht.
- 2014**
 - The Board's meeting approved to buy the 3st newly issued ordinary shares of S C R Asset Management Co., Ltd. (a subsidiary), from existing registered capital of 190,000,000 Baht or 1,900,000 shares, by increasing 50, 000,000 Baht or 500,000 shares to be 240,000,000 Baht or 2,400,000 shares. The Company holds 52.00% of total shares, after the increase of capital by portion, the Company's investment value is at 124,800,000 Baht or 1,248,000 shares.
 - The Board's meeting approved the signing of "Collective Action Coalition" of Thai private sector as a part of the group refusing bribery under the campaign of "Private Sector Collective Action Coalition against Corruption (CAC)".
- 2015**
 - The Board's meeting resolved to cut off the investment in Salintara Co., Ltd. (related company) from the Company's financial statement and shareholding structure chart which the Company holds 5.00% of its total shares because on 22 January, 2015, the Supreme Court issued absolute receivership order for the related companies under the supervision of asset protection officer and it has been under the lawful process.
 - The Board's meeting approved to buy the 4th newly issued ordinary shares of S C R Asset Management Co., Ltd. (a subsidiary), from existing registered capital of 240,000,000 Baht or 2,400,000 shares, by increasing 160,000,000 Baht or 1,600,000 shares to be 400,000,000 Baht or 4,000,000 shares. The Company holds 52.00% of total shares, after the increase of capital by portion, the Company's investment value is at 208,000,000 Baht or 2,080,000 shares.
 - The Central Bankruptcy Court granted the absolute receivership order to Mivan (Thailand) Co., Ltd. (Syntec-Mivan Joint Venture)'s assets on 14 August 2015 and later, on 19 October, 2015, Mivan (Thailand) Co., Ltd. was bankrupted according to the order of the Central Bankruptcy Court, the Company as the Joint Venture holds 65% of its total shares.
 - The Board's Meeting resolved to set up CSM Capital Partners Co., Ltd. (a subsidiary) to engages in the business of real estate development for rent with the registered capital of 1,000,000 Baht or 10,000 shares (100 Baht per share), the Company holds 60% of total shares or 600,000 Baht or being equal to 6,000 shares.
 - Since Bangkok Expressway Public Co, Ltd. (BECL) merged its business with Bangkok Metro Public Company Limited (BMCL) to be Bangkok Expressway and Metro Public Company Limited (BEM), the Board's meeting resolved to maintain the existing investment value without capital increase by portion, then the Company's shareholding ratio was changed from holding BMCL shares at 1.18% to be holding BEM share at 0.49%.
- 2016**
 - The Board's Meeting approved to increase the registered capital of C S M Capital Partners Co., Ltd. (a subsidiary) from existing registered capital at 1,000,000 Baht or 10,000 shares (100 Baht per share), by increasing 999,000,000 Baht or 9,990,000 shares, to be 1,000,000,000 Baht or 10,000,000 shares, the Company holds 60 % of total shares or 600,000,000 Baht or being equal to 6,000,000 shares, the objective of capital increase is to support the asset acquisition in the Eight Thonglor Residences project.
 - C S M Capital Partners Co., Ltd. (a subsidiary) was registered to accept the transfer of condominium rooms under the Eight Thonglor Residences project from UOB Freehold Property Fund with total value of 2,495,000,000 Baht, such

property is 137 condominium rooms with equipment and public utilities and located at 88 Soi Sukhumvit 55 (Thonglor), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110.

- C S M Capital Partners Co., Ltd. was registered its capital increase with Ministry of Commerce.
- Syntec Asset Management Co., Ltd. was registered for its dissolution and liquidation.

- 2017**
- Bought 640,000 shares of SCR Asset Management Co., Ltd. (subsidiary) at 100 Baht per share. Cost of capital was 64,000,000 Baht, As a result, the Company held 68.00% of shares, 4,080,000 shares.
 - Became the member of “Thailand’s Private Sector Collective Action against Corruption” and received the certificate.
 - Been selected to be on the list of the registered firm on Thailand Sustainability Investment 2017 or “Sustainable Shares”. It reflected that the Company was aware and gave priority to Corporate Social Responsibility (CSR) and the administration under Good Governance together with created the good economic return for the sustainable growth.
 - Received the Best Executive and Best Performance Registered Company from all registered company with SET with market cap 3,000-10,000 million baht.

2018

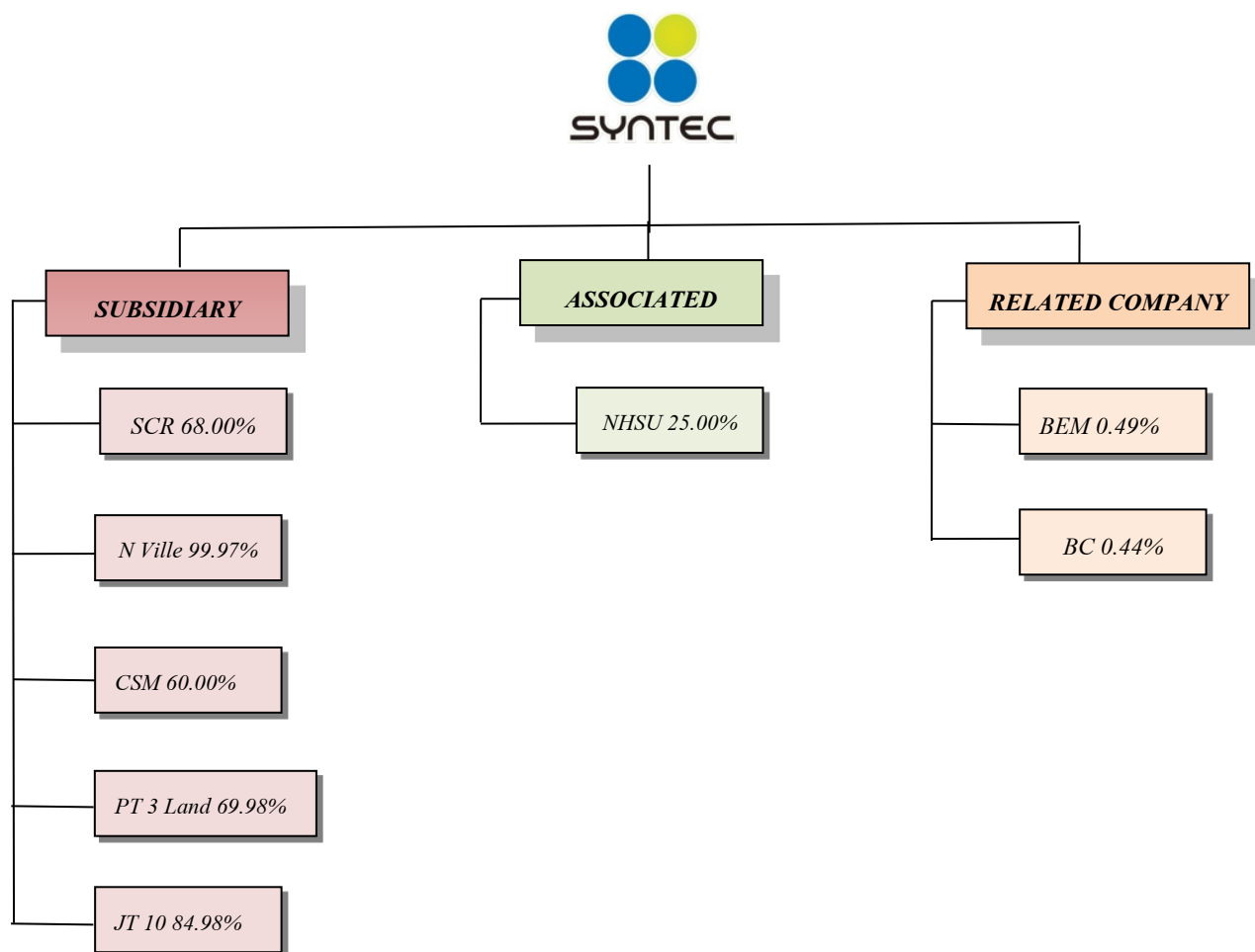
- March, 16 - Appointed the top executives of the company as follows: Mr. Somchai Sirilertpanich Managing Director to be the Chief Executive Officer. And still holding the position of Vice Chairman and former director of the company, Mr. Jiramote Phahusutr, Business Development Manager To hold the position of Managing Director and still holding the position of director of the company as before and Ms. Nuchanart Sirisupamit, Accounting Manager To hold the position of Chief Financial Officer.
- April 23, - Increase registered capital in proportion to CSM Capital Partners Company Limited (subsidiary) from the original registered capital 1,000,000,000 baht, 10,000,000 shares, par value of 100 baht per share, additional 100,000,000 baht, 1,000,000 shares, 1,100,000,000 baht, 11,000,000 shares, with the company holding 60% of the shares or equivalent to a total investment value of 660,000,000 baht, 6,600,000 shares.
- May 15, - Establishment of 2 subsidiaries, namely PT 3 Land Co., Ltd., to support business expansion and increase revenue from room service in Phuket. With a registered capital of 1,000,000 baht, 10,000 shares with a par value of 100 baht each. The company holds 69.98% of shares or equivalent to the investment value of 699,800 baht, 6,998 shares. JT 10 Co., Ltd. to support business expansion and increase revenue from room service in Chonburi with a registered capital of 1,000,000 baht, 10,000 shares with a par value of 100 baht per share, with the company holding 84.98% or 849,800 baht, 8,498 shares.
- June 20, - Increase the registered capital in JT 10 Co., Ltd. from the original registered capital of 1,000,000 baht, 10,000 shares, par value of 100 baht per share, additional 99,000,000 baht, 990,000 shares to 100,000,000 baht, 1,000,000 shares, with 84.98% shareholding or 84,980,000 total investment value. Baht 849,800 shares.
- July 9, - Approve write-offs Of the joint venture Siam Syntec - Vijitphan - Krung Thon amount of 11,100,000 baht already reserved.
- December 3, - Resolved to approve the purchase of shares of PT3 Land Co., Ltd. from the former company holding 69.98 percent or equivalent to investment value 699,800 baht, 6,998 shares, an additional 10.00 percent or equivalent to the

investment value of 100,000 baht, 1,000 shares. The company therefore holds 79.98% or 799,800 baht, 7,998 shares, which are in the process of registering to change the shareholding proportion.

- December 3, - Resolved to approve the share repurchase program for financial management within the maximum limit of 200,000,000 baht, equivalent to the number of shares not exceeding 60,000,000 shares or 3.75 percent of the total paid-up shares By repurchasing shares on the Stock Exchange of Thailand Is scheduled from 17 December 2018 to 16 December 2019.

Chart of the shareholding structure of the Company

The Company has policy to divide the operation of companies in the Group into 4 main categories such as Subsidiary, Associated Company, Joint Venture and Related Company as shown in below chart:



Remarks:

1. SCR : SCR Asset Management Co., Ltd.
2. N Ville: Natural Ville Service Apartment and Management Co., Ltd.
3. CSM : CSM Capital Partners Co., Ltd. / registered on business establishment dated on 9th October, 2015
4. PT 3 Land : PT 3 Land Co., Ltd. / registered on business establishment dated on 25th June, 2018
5. JT 10 : JT 10 Co., Ltd. / registered on business establishment dated on 13th June, 2018
6. NHSU: Natural Hotel Sukhumvit Co., Ltd.

7. BEM : Expressway and Metro Public Company Limited change of the name
BMCL on 4th Jan, 2016 to be holding share at 0.49 %.
8. BC : Bangkok Club Co., Ltd

Details of Subsidiary, Associated Company, and Joint Venture

Joint Venture/Company	Shareholding Ratio	Details of Subsidiary
1. SCR Asset Management Co., Ltd. (S C R)	68.00%	It engages in business of investment in properties for rent Presently, there are 3 projects under its operations as follows: Citadines Grand Central Sriracha Project, Somerset Habourview Sriracha Project, The Zone Prachinburi Project
2. Natural Ville Service Apartment and Management Co., Ltd. (N Ville)	99.97%	It engages in the business of personnel management for hotel business, serviced apartment and other properties. At present, it is managing lease right of The Duchess Hotel and Residences
3. CSM Capital Partners Co., Ltd. (CSM)	60.00%	It engages in business of investment in properties for rent At present, it is managing lease right of Eight Thonglor Residence
4. Natural Hotel Sukhumvit Co., Ltd. (NHSU)	25.00%	It engages in the business of real estate development
5. Joint venture Siam Syntec-Wichitphan -Krung Thon (SVK)	51.00%	The joint venture that the registration has been canceled.
6. PT 3 Land Co., Ltd. (PT3 Land)	69.98%	Operating a service apartment business, investing in real estate for rent There are projects during the operation of X2 Vibe Patong Center.
7. JT 10 Co., Ltd. (JT 10)	84.98%	Operating a service apartment business, investing in real estate for rent. There are projects during the operation of Banglamung District, Chonburi Province

Investment Policy in Subsidiaries and Associated Companies

The Company had the policy to invest in the beneficial business for the main Company's business that had the possible trend of growth. The investment proportion and administration policy of the subsidiaries, associated companies, and joint venture mainly depended on the expertise in business, investment capability, and management authority. To administrate business the Company was proficient, the representative of directors would join the policy and guidelines setting management to be consistent with the Company's plan, and monitor and control the operation of executive to follow the operational plan. For the management authority in other business the Company was not proficient, the Company's representative would held the position of director rather than took the role in management directly.

In the past, The Company has the policy to expand its operation to other related businesses with the strategy of Forwarding Vertical Integration in parallel with the expansion of main business to be more growing. Business Expansion to related

businesses is also considered as another channel of income, for example, newly constructed serviced apartment for rent or investment in potential real estate with good location, ready-to-use and prompt income making such as management of lease rights with building, hotel, serviced apartment, etc.



Summary of Business Characteristics



Business Profile

The Company mainly performed construction business for state and private sector such as residence, office, hospital, hotel, shopping mall, factory, and public utility structure. The Company's construction was classified into three types as follows.

1. Main Contractor: The Company proposed the work on behalf of the Company as the contractor by proposing quotation or negotiating with the project owner directly. In case of the large-scale project or the project required the specialization, the Company would hire the proficient sub-contractor to partial operate. The Company would select the sub-contractor from the past performance and reliability without prejudice.

2. Sub-Contractor: The Company was hired from other contractor who got a job from the project owner directly. The Company would consider working with the famous contractor who had stable financial status.

3. Joint Venture: The Company might join the business of the person or group of persons by making investment with money, assets, labor, technology, or others under the agreement or consortium agreement for joint business. The business operation happened when the Company got a large-scale project that the labors and technology were required. Joint venture ended after the completion of the project.

Revenue Structure from Construction Business

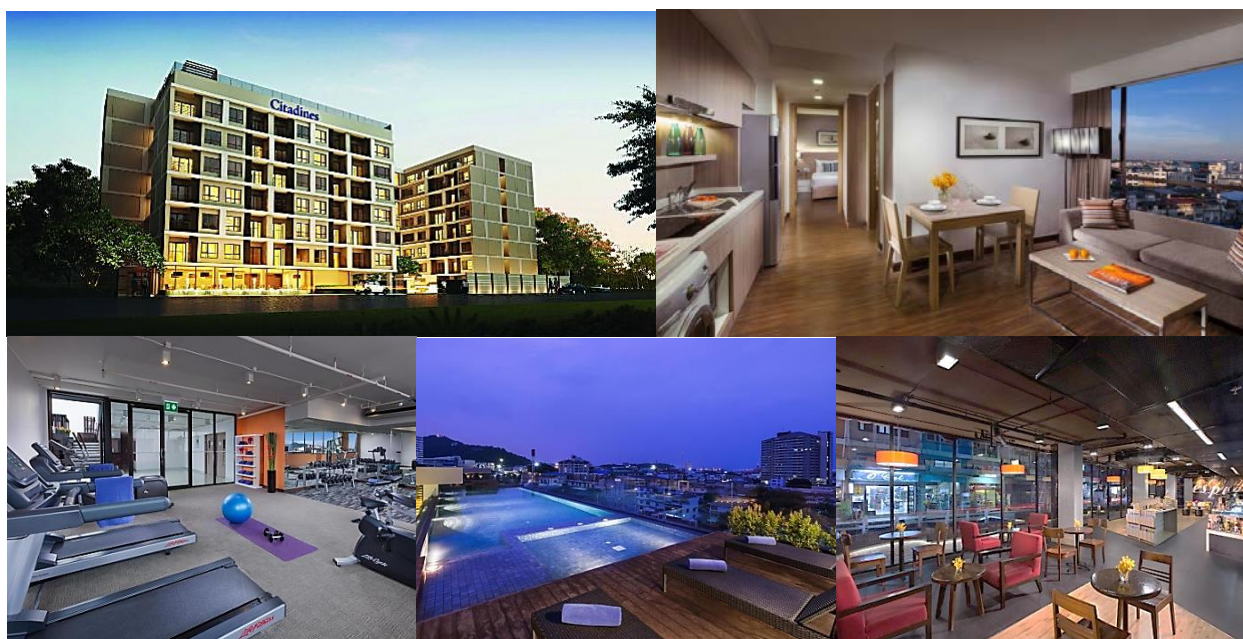
Unit: Billion Baht

Construction Type	2018		2017		2016	
	Value	%	Value		Value	%
Residential	4,759.59	70.10	6,141.40	70.79	5,759.46	76.74
Commercial	714.99	10.53	492.00	5.67	362.20	4.83
Retail	582.01	8.57	443.72	5.12	333.87	4.45
Leisure	354.76	5.23	880.45	10.15	700.85	9.34
Institution	210.42	3.10	-	-	-	-
Industrial	167.58	2.47	-	-	319.33	4.25
Infrastructure	-	-	717.76	8.27	29.22	0.39
Total	6,789.35	100.00	8,675.33	100.00	7,504.54	100.00

Apart from the construction business, the Company's revenue was from service apartment business, the secondary business generating the increasing stable revenue. The operations were performed via subsidiaries as follows:

1. Serviced apartment business which is considered as the Company's secondary business generates the steady and higher income ratio. It is operated through the Company and its subsidiaries based on the ownership categories as follows:

1.1 Project Developer: it is operated by S C R Asset Management Co., Ltd., presently, there are 3 projects under operation, one project which has been operated is:



-Citadines Grand Central Sriracha Project, it is located at 99/9 Thetsaban 1 Road, Sri Racha Sub-District, Chon Buri Province having been operated since March, 2015. The 8-story hotel with 136 rooms in 9,492m² area. It is the short-term and long-term room rent service that most customers are foreigners, particularly Japanese who work in the industrial estate in Chonburi and Rayong province. With the convenient location in the well-known province for visiting, tourists will be conveniently traveling to other provinces. The guests would experience the premium service at Ascott International hotel group with facilities such as free Wi-Fi in every rooms and public area, 24-hours-service reception, smoking room, car parks and shuttle

bus service between hotel and airport, etc. There are full entertainment facilities such as Fitness room, Sauna and outdoor swimming pool etc.

In 2018, the average ratio of room occupancy was 83% and 81% in 2017.



- Somerset Habourview Sriracha Project: it is located at 88 Surasak Sanguan Road, Sri Racha District, Chonburi Province. It is located not too far from the first project. The 19-story service apartment with one underground floor and 177 rooms occupied 19,422m² areas for short-term and long-term rent service. Most customers are foreigners, particularly Japanese who work in the industrial estate in Chonburi and Rayong province. The convenient location in the well-known province for visiting, tourists will be conveniently traveling to other provinces. The guests would experience the premium service at Ascott International hotel group with facilities such as free Wi-Fi in every rooms and public area, 24-hours-service reception, smoking room, car parks and shuttle bus service between hotel and airport, etc. including full entertainment facilities such as Fitness room, Sauna and outdoor swimming pool etc.

In the year 2018, there was progress in the structural work which was completed in late March. Architectural work completed in October and will be operational in early January 2019.



- The Zone Prachinburi Project it is located at Maha Phot District, Prachin Buri Province

This is close by the large industrial estates: 304 Industrial Park and Rojana Industrial Park, Prachinburi. This project consists of two residence buildings with 306 rooms with the area of the shop for rent is about 2,000 square meters with a total area of 20,578 square meters to support the economic expansion and satisfy the customers who have higher purchasing power in the industrial estate region and surrounding areas in the future. The project has already passed the Environmental Impact Assessment (EIA) process But still delay the construction work.

Project Developer: it is operated by PT 3 Land Co., Ltd., presently, there are 1 project under operation is:



-The X2 VIBE PATONG CENTER Project is located at Patong Sub-district, Krathu District, Phuket Province, which is located on Pracha Uthit Road 100 years, Sai 3, is about 300 meters from Jungceylon Shopping Mall. It is an 8-storey hotel project with 323 rooms, total area 22,144 square meters. Their policy to provide short-term residential rental which most customers are foreigners especially Australian, Chinese and European people who like to travel to the southern islands of Thailand. The convenient location of the hotel which is about 500 meters from Patong Beach, allowing tourists to easily walk to the beach and also near Soi Bangla Patong's famous nightlife.

The hotel has all the facilities provided, such as free Wi-Fi in all rooms and public areas. 24-hour front desk, non-smoking rooms, bedroom, balcony, parking and shuttle service to the airport, etc. And also for recreation activities such as fitness room, sauna, Public Park, restaurant and outdoor swimming pool etc.

Expected to begin the EIA process and start construction in the fourth quarter of 2019. The structural work will be completed by the end of March. The architectural work will be completed in October 2020 and once the building permit has been received. Will be able to operate fully in the beginning of 202

Project Developer: it is operated by JT 10 Co., Ltd., presently, there are 1 project under operation is:

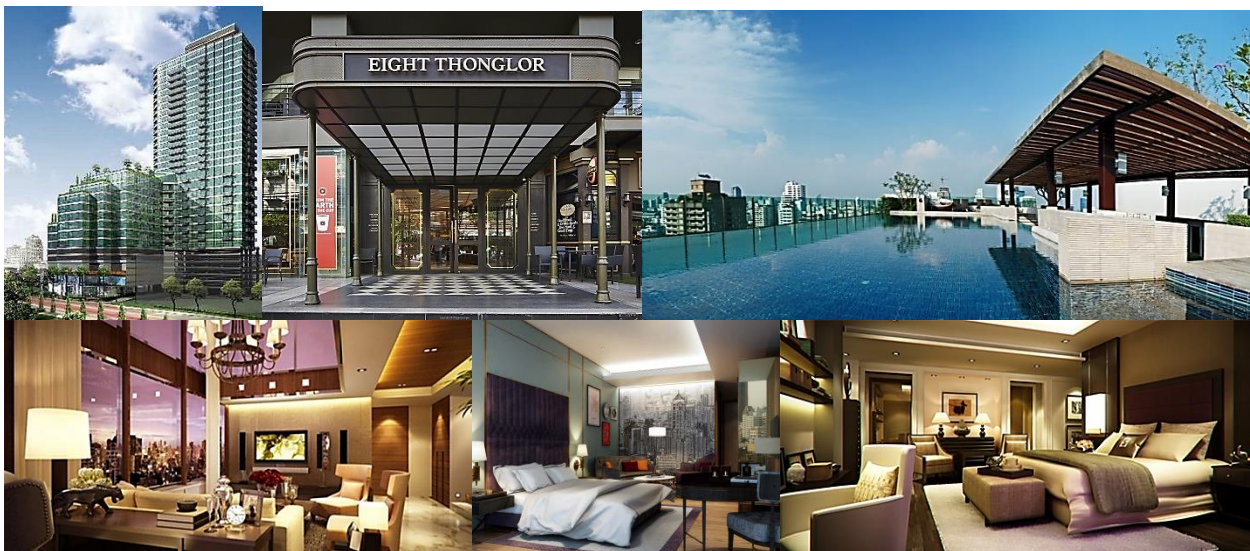


-This project is located at Banglamung, Na Chom Thian Sub-district Chonburi province which is located in Soi Na Chom Thian 10, is a 6-storey hotel project with approximately 120 rooms, a total area of 15,000 square meters, with a policy to provide short-term residential rental. Most customers are Thai people who like to travel, Chinese and European families who want to relax by the beach not far from Bangkok. The hotel is located right on the beach in Pattaya - Na Jomtien and peaceful. The customers who use the hotel can relax with the atmosphere by the sea and shady with pine trees over a hundred years old.

There are facilities provided by the hotel such as free Wi-Fi in all rooms and public areas, 24-hour front desk, non-smoking rooms, bedroom on the balcony, sea view bedroom, parking and airport transfer service, etc. and there is also a part of the recreational facilities provided, such as fitness room, sauna, public park, restaurant and swimming pool Outdoor water etc.

It is expected that the EIA will begin construction in the fourth quarter of 2019. The structural work will be completed by the end of March. The architectural work will be completed in October 2020 and once the building permit has been received. It will be able to operate fully in the beginning of 2021.

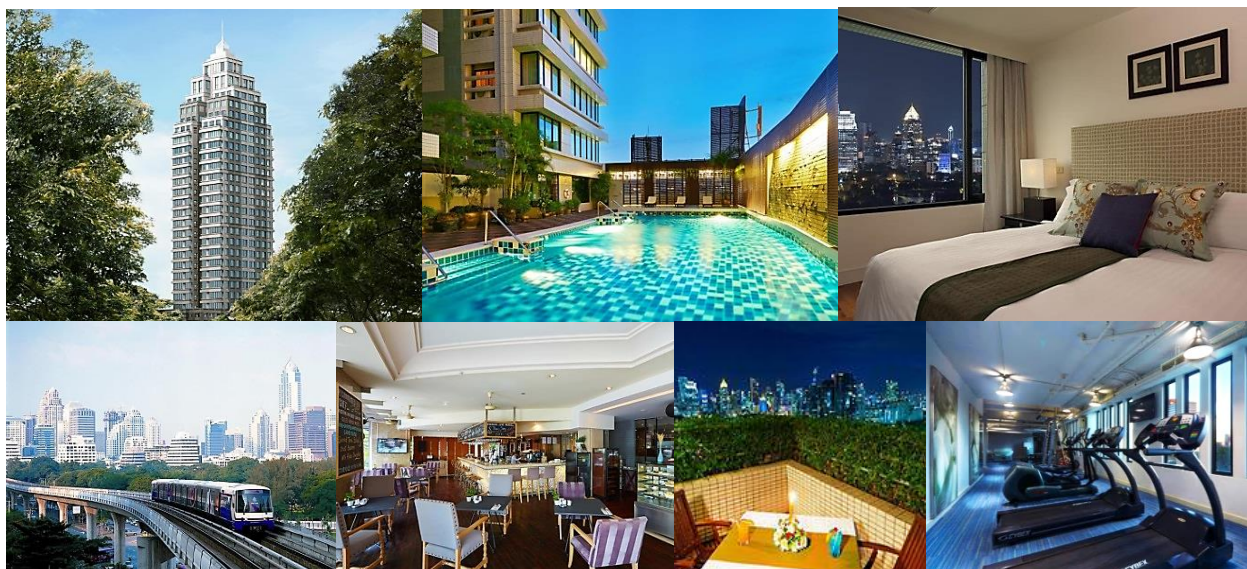
1.2 Freehold: it is operated by C S M Capital Partners Co., Ltd. as the owner of condominium rooms at the Eight Thonglor Residence Project from 26th April, 2016.



-Eight Thonglor Residence Project: It is located in the best location in Soi Sukhumvit 55 (Thonglor), Klongton Nua, Wattana, Bangkok. It is the 15-story building with 47 shops area and 148 residential rooms in 23,626m² area equipped with elevator, parking, 24-hour security, CCTV, swimming pool, sauna room, park, and BBQ area. Guests simplify the life with the sky train station, which is only 5-minute walk, hi-end restaurant, convenient store, department store, hospital, international school, and university, museum, and nightlife entertainment.

In the past year, 105 rooms were renovated and a total of 300 square meters of common space, which was completed at the end of the year. They will adjust the marketing plan Promotional promotions to increase rental prices in the serviced apartment segment. The average occupancy rate in 2018 was 60.25% and 73.68% in 2017, which was a result of some room renovations. The average rental rate in 2018 was at 93% and 91% in 2017.

1.3 Leasehold: it is operated by Natural Ville Serviced Apartment and Management Co., Ltd. (N Ville) It engages in the business of personnel management for hotel business, serviced apartment and other properties in order to manage the lease right of land and The Duchess Hotel and Residences building (Formerly known as Natural Ville Residence.) with the lease rights period for 19 years, 7 months and 17 days or from 15th October, 2013 until 31st May, 2033.



-The Duchess Hotel and Residences Project: (former Natural Ville Residence) is located in Soi Lung Suan and has been operated since October 2013. It is the 4-star 29-story hotel with 165 rooms occupied 21,507m² areas. It is known for the large and convenient city-view room equipped with room facilities in the private atmosphere in the center of business region. With this reason, it is suitable for short-term and long-term stay. Furthermore, the hotel provides other services for business people such as small conference room and secretary service, as well as the outdoor swimming pool, sauna room, fitness, restaurant, free Wi-Fi in all rooms and common area, the 55m² area for activity and event, tour/ticket desk, free concierge service and newspaper in the lobby, airport taxi (24 hrs.) with expense, and free parking on site. With the convenient location, guests will be easily going to other sites such as shops, restaurants, shopping center, and entertainment places. Various transportations are available including BTS, the closet station is Ploen-Chit Station which only take 10-minute walk.

In 2018, the average ratio of room occupancy was 79.18% and 82.24% in 2017.

Products or Services

The Company is experienced and expert in engineering and construction works. Considering the past revenue structure, the construction works can be classified by the characteristic as follows.

1. The construction works of basic public utility project are the construction works relating to basic public utilities and all construction works are under the responsibility of the government agencies realizing the significance of country development, the company focused on carrying out the construction works to meet the objective of each type of work; the construction of man-hole and cable tube, water waste treatment project, reinforced concrete wall acting as barrier against floodwater. The company planned to participate in the auction of basic public utility project by probably considering the cooperation with the potential,

domestic and international alliances. This is to support the development of basic structure that the government sector must undertake according to National Economic and Social Development.

2. The construction works of institution are the construction works relating to building, laying systems. The company's construction works of institution are as follows: school, hospital, embassy, district office, air traffic control center.

3. The construction works of residential are the inclusive construction works of buildings starting from foundation establishment, structure, architecture, sanitary work, electric work, communication system, air conditioning, elevator system. The company's works are as follows: residential condominium project, luxury home project, Subsidized Ready-made House (Baan Eur-arthorn) Project, etc.

4. The construction works of office and commercial building are the construction works of every kind of office buildings starting from general building to high-rise building including all system service pursuant to the specified standard. The company's works for office and commercial building are as follows: recreation center building, office building, commercial building, product exhibition building, etc.

5. The construction works of hotel or resort are the inclusive construction works of every category of hotels or resorts including related system works. The company's construction works of hotel or resort are as follows: luxury hotels, resorts, villa, etc.

6. The construction works of department store, supermarket or shopping mall are the projects that apply technology and construction technic by providing service from construction work until the work is completely done such as shopping center, department store, supermarket or shopping mall, etc.

7. The construction works of industrial factory are the construction of every kind of plants including standard system works required in the industrial plant and responding the use in industrial plant. The Company's construction works of industrial plants are industrial estate, industrial plants, etc.

Marketing and Competition

The company set policy and other strategies to enhance competitiveness as follows.

Product strategy: The Company non-stop determined to develop construction by implementing technology and construction techniques, as well as developing construction workers to become skillful in order to produce the quality works to meet the required standard and agreed plan.

Price strategy: The Company proposed the quotation in the bidder to the project owner at the appropriate cost. Currently, the project owner did not consider only the cost but also the past performance and reputation of the company before making decision.

Time strategy: The Company performed construction with standard as the requirement from the project owner and delivered the work at the agreed time.

Customers

Most of the Company's customers were from private sectors who were the well-known project developers with stable financial status. In 2018, the Company was trusted to sign the construction contract as below lists.

Unit: Baht

No.	Project Name	Project Owner	Construction Value as contract*
1	CP Tower North Park	CP land PCL.	784,000,000.00
2	Centric Ratchayothin	SC Asset Corporation PCL.	340,000,000.00
3	Supalai Premier Charoen Nakhon	Supalai PCL.	373,000,000.00
4	Noble Around Sukhumvit 33	Continental City Co., Ltd.	415,750,000.00
5	Thai Roong Ruang Sugar Factory	Thai Roong Ruang Industries Co., Ltd.	567,000,000.00
6	Nue Noble Changwattana	Continental City Co., Ltd.	697,000,000.00
7	The Unicorn	HHT Construction Co., Ltd	1,765,500,000.00
8	Life Sukhumvit 62	AP ME 5 Co., Ltd.	494,000,000.00
9	Life Asoke Hype	AP ME 3 Co., Ltd.	1,480,000,000.00
10	Samitivej Chonburi Hospital	Samitivej Chonburi Co., Ltd	361,500,000.00
11	ORB International School	HHT Construction Co., Ltd.	979,441,178.75
12	Vimut International Hospital (Sub-Structure)	Vimut International Hospital Co., Ltd.	214,000,000.00
Total 12 Projects			8,471,191,178.75

Note * these prices included vat 7%. and has not yet included the value added-reduction work During the project

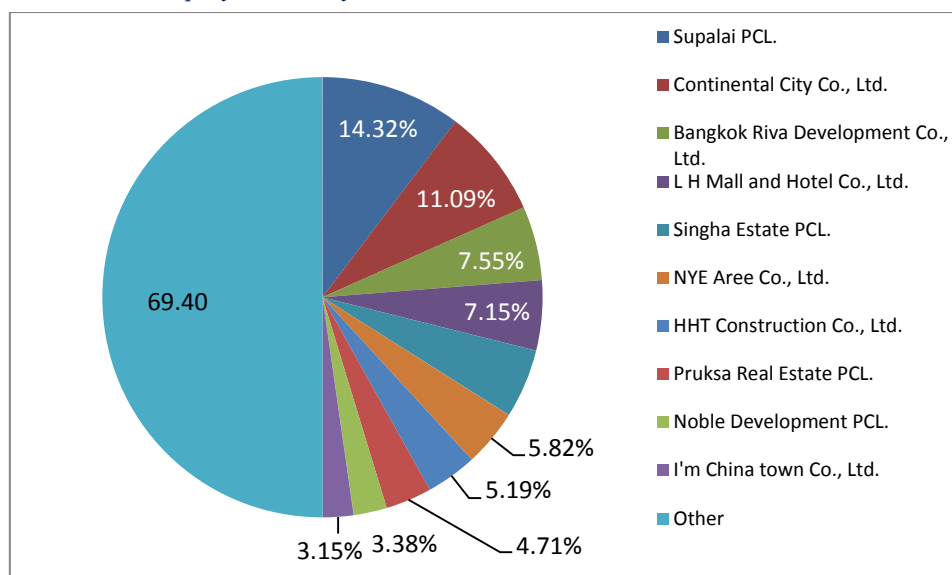
In 2018, the Company signed the construction contract for 12 projects, which the total cost was 8,471,191,178.75 baht.

However, not only the private sector who was the Company's customers but also the state agency such as Baan Eua Arthorn Project, Maintenance Building at Suvarnabhumi Airport, and flood protection on the bank of Chao Phraya River.

Target Customers

The business operation in 2018 would still focus on the private sector. The Company would select the company that registering with SET. It was evidenced that the Company gain the trust from the leading project developers such as Supalai Public Company Limited, Singha Estate Public Company Limited, Pruksa Real Estate Public Company Limited. Apart from selecting the public company limited, the Company dealt with the company limited by considering the reputation and financial status.

The top-ten customers of the Company in the last year (as of 31 December 2018) were below.



Distribution and Distribution Chanel

The Company has Estimate & Technical Engineering Department who is responsible for searching information for bidding from state and private sector via media and bidding. As the Company has good relationship with the current customers, as well as the Company's quality of work in the past that satisfied the customers, the Company is invited to participate the bidding regularly. Occasionally, the current customers who are satisfied with the Company's work recommend the Company to the new customer.

Number of suppliers

At present, the company has a number of suppliers and service providers (Sub-contractor) that is registered as a partner of the company in a lot. In the year 2018, the company has ordered raw materials that are necessary for construction, whether cement, steel, sanitary ware etc. by procurement of the company will not be concentrated in any particular individual in order to reduce the risk in the operation of the company. In the year 2018, the top 10 places in which the company ordered raw materials accounted for 59.77 percent of all raw material orders. And hiring the top 10 services, accounting for 57.53 percent of all service hires which is consistent with the policy of the company that will not rely on suppliers and subcontractors Only one individual, including the company, will have to check the price and quality, new vendors and service providers to increase the competitiveness continuously.

Competition in Construction Business

Construction cost for the first half of the year (million baht)

	Value	Growth (YoY)
Private construction	282,170	4.69%
Government construction	357,007	1.89%
Total construction	639,177	3.11%

Source: NESDB 2561

Construction situation of 2018

In the first half of 2018, operations in many government construction projects faced some limitations, such as financing sources. Environmental impact study Public opinion surveys, legislative procedures for ease of implementation of construction projects including the procurement process that is in accordance with Government Procurement and Procurement Act 2017. And the Ministry of Finance regulation on purchasing Employment and package management of public sector 2017 that takes time to select the contractor through a tender. Therefore, in the beginning of the year 2018, the construction of the government project expanded in a limited framework. However, due to the clarity of the government investment project of the first half of the year As a result, in the second half of the year and in 2019, the construction investment in the government project is likely to increase at an accelerated rate compared to the beginning of the year. Through Mega projects, which are in the tender process and are expected to start construction in 2019 with a total investment of over 1.03 trillion baht, including from other projects other than infrastructure development strategies, such as the Thai Sustainable Popularity Project according to the policy. State to raise the quality of life of people in the area consisting of 14,362 road traffic within the village project, 8,960 community projects and renovation of the waterworks, 6,103 villages, projects and investment plans of the Ministry of Transport to accelerate the construction Road network in the year 2019, number 48 routes with a limit of 48,000 million baht. In addition, the draft budget bill for the fiscal year 2019 on August 30, this approved the budget of more than 3 Trillion baht. The Ministry of Transport received a budget allocation of 183,732.5 million baht, an increase of 8.9 percent from the previous year, which is the highest proportion of money received in the group. The Ministry has received a budget of more than 50,000 million baht, reflecting the money that will be entered into the system from the investment structure. The basis of Thailand in the fourth quarter of 2018, continued in 2019.

For this reason, Kasikorn Research Center Considering that the government construction project in the second half of 2018 continued in 2019, there will be a high growth rate from large projects. SME entrepreneurs should be benefited from subcontracting (Sub-Contractor) from a large private group that is the winner of the tender. In the small government construction project will be accelerated from sustainable Thai policy which focuses on improving the quality of life of people in areas that cover road development within the village Small central building Village waterworks repair In which the project is not worth much, therefore, is an opportunity for SME entrepreneurs to enter the construction work themselves, especially local entrepreneurs or nearby.

Construction situation of 2018

Government Investment Project Year 2019 (million baht)

Project	Value	Benefit Area (Province)
High-speed train Bangkok - Nakhon Ratchasima	179,412	Bangkok – Saraburi – Nakhon Ratchasima
High speed train connecting 3 airports	240,000	Bangkok – EEC Area
Green line train Samutprakarn - Bang Pu	13,000	Bangkok – Samut Prakarn
Orange Line Train (West) during the Cultural Center - Bangkhunnon	140,000	Bangkok
U-Tapao International Airport	200,000	Chonburi - Rayong
Highway 101 and 102 Kamphaeng Phet - Sukhothai - Uttaradit	5,920	Kamphaeng Phet - Sukhothai - Uttaradit
Highway 4 Ranong – Phangnga – Krabi	1,400	Ranong – Phangnga – Krabi

Highway 201 Loei - Chiangkarn	800	Loei
Highway 317 Chantaburi – Sa Kaeo	2,570	Chantaburi – Sa Kaeo
Highway 212 Nakhon Phanom- Nong Khai	1,050	Nakhon Phanom- Bueng Kan -Nong Khai
EEC Road Project	18,490	EEC Area
Light Rail Phuket	24,000	Phuket
Phase 2 train	419,806	Covering main rail systems throughout the country
Khon Kaen Port	2,000	Khon Kaen

Source: compiled by Kasikorn Research Center

Overall, the private construction business during the rest of 2018 and 2019 is expected to remain positive. But the adjustment rate may be in the framework that is close to the first half of 2018 from the housing market that still has supply Sales in many areas and the recovery of purchasing power of low-medium income groups that are not clear, with the growth of residential construction concentrated in areas where people are buying such as Bangkok and its vicinity, as well as other major provinces of the region In most secondary provinces, housing construction will spread out from the supply. Of a lot of land that is still available, but the construction cost per project is not high in the private construction part of Commerce and the industry has received positive factors from government policies that support the role of secondary cities And large investments in specific areas such as the EEC area. For this reason, Kasikorn Research Center sees that the rest of the following years until 2019, the construction activities of the private sector will continue to expand from the beginning of the year. The details are as follows:

The issuance of construction permits for residential types throughout the country			
	Jan – May 2017	Jan – May 2018	Growth
Construction permit area (sq.m)			
Slove	654,053	880,787	34.67%
High	1,856,897	1,959,070	5.50%
Amount (Unit)			
Slove	86,847	90,362	4.05%
High	147	184	25.17%

Source: REIC (2018)

Housing construction in the overall picture, it was found that the first 5 months of the year 2018, the construction in the overall picture increased. In all areas of the country, considering the request for construction permits that increase both horizontally and vertically including increasing Both in terms of number of licenses and construction permission request areas. In the horizontal area most locations are in the secondary province area. Of each region that still has a lot of construction area, such as Nonthaburi Province in the metropolitan area Karnchanaburi in the western region or in the southern regions such as Surat Thani, Satun, Phang Nga, Phatthalung etc. In the construction part, the high-rise residential areas are mostly concentrated in the main provinces where the urban areas are dense and the land prices are quite high, such as Bangkok, Pathum Thani, Chiang Mai and Phuket etc. Commercial construction expected in the second half of the year 2018 to 2019, private construction. For commercial purposes, it is expected to start to increase as the project expansion of department store operator large size with continuous investment expansion plans and entering the region as increasing, such as Ayutthaya, Phuket, Samut Prakarn,

including construction that comes from renovation Policy for the refurbishment of the group. Large department stores had continuous improvement projects respectively in each area including the opportunity of construction for higher commerce to respond to the lifestyle of people in the city by bringing together concepts of residents and commercial groups under the concept. Mixed use project with 10 high-value projects that gradually start construction in Bangkok with a total investment capital of more than 4.56 billion baht and tend to expand to other potential urban areas such as Chachoengsao, Chonburi, Phuket etc.

Source: compiled by Kasikorn Research Center

Competition Potential and Market Share

In the past year, the public utility system project of government sector had some new projects for bidding. Some projects were started such as Metropolitan Rapid Transit Orange Line: Cultural Center-Min Buri. The bidding for MRT affected the construction investment from the private sector which the residence construction would grow along the MRT line. And from the fact that the company has adopted technology and innovation Used in operations Including the development of the labor force of the company to have knowledge More ability Resulting in increased competitiveness of the company Which can be seen from the fact that the company has signed more value-added construction contracts Project size and construction area are increasing.

Challenges of construction contractors

In the second half of 2018, until the year 2019, construction is expected to accelerate from government projects and private projects that are expected to continue from the beginning of the year. This is an opportunity for SME entrepreneurs to construct. However, there are many other factors that are challenging to SME entrepreneurs as follows:

Construction material prices are likely to rise. Thai construction in the year 2018 was driven by both government constructions. The private sector affect the demand for construction materials affecting the expected price increase Considering from the construction material price index that increased from 2016 at 103.2 to 105.2 in 2017 and 107.7 in 2018 and when considering in the monthly index in 2018, it was found that the trend of construction material prices has increased direction. In particular, many government projects affect the demand for steel products. As a result, steel prices began to adjust clearly during last June and tend to increase continuously in the second half of the year. Cement prices are expected from the demand trend in both the public and private sectors, which will encourage the direction of the price to increase continuously, but from the supply of cement in a strong country, resulting in moving the cement price will be in a narrow frame.

The competition of large business groups From advances in construction technology such as Materials used in the construction of robots Including the use of three-dimensional printers that are continuously developed As a result, the major contractors that accept the work may increase the proportion of construction themselves. Make the role of SME as a subcontractor (Sub-Contractor) decreased, which may result in the receipt of jobs that are less proportionate, not worthwhile to get into the next problem of the number of labor and labor skills.

- Problems in the number of workers from the regulations on the proof of nationality of foreign workers resulting in labor that has not been proven nationality, has a limitation of work in Thailand and has a tendency to go out of the system together with the expected construction direction resulting in a shortage of labor in the construction sector Including the basic problems of hiring foreign workers that are often daily employment. Therefore may change jobs at any time As a result, the number of labor issues is an issue that the SME entrepreneurs must consider.

- Most of the workers in the Thai construction sector are foreign workers without skills including the current construction technology. That is constantly evolving resulting in an imbalance between labor skills and elaboration in the use of high-tech construction materials that require specific installation standards, such as walls successfully, the delivery of work that may have a quality problem that the operator. SME contractor must be responsible including negative effects on reputation and reliability. This problem may not be limited to labor groups, but may include entrepreneurs who are not well equipped to use these materials well enough. In each project, the SME contractor accepts work from the government project or that private project. There are also factors that need to be considered in some different dimensions as follows; Government project the issues that should be considered are the time frame of the project that may be delayed than assessed. Because it has to go through many steps, such as procedure for making a report to study the cabinet project to approve the issuance of contract conditions which may cause the project to start later than scheduled including the case of returning the area / adjusting the area to prepare for construction, sometimes the subject of ownership that must be expropriated, which is an obstacle to the construction in accordance with the set time frame. However, in terms of construction material prices in the government project, entrepreneurs can control the risk of cost management better than accepting private jobs from the K factor. As a result, the cost of carrying construction materials is controlled at a percentage. 4 Private construction projects, issues to consider are The situation in the second half of 2018 until 2019, which may have some factors that affect private construction that may not grow as expected such as political factors after the election in the first quarter of 2019 (according to the roadmap) .This may affect consumer and investor confidence, including the actual business operation of projects that request investment promotion That may not meet the target or delays in the actual investment of projects that request for promotion that may be a factor in slowing down the construction of various construction projects to wait for clarity Either in residential projects or Commercial investment.

Source: Kasikorn Research Center

Number of competitors

In 2018, the company continued to participate in bidding for construction work regularly to accumulate more backlog. And even though the construction business is highly competitive because there are both old and new contractors coming to compete in the market share but the company still receives trust from old and new customers as well. As of December 31, 2018, the company had a total of 11,800 million baht remaining on hand, which could generate future revenue for the company. When looking at the income side, the company is the 8th largest when compared to the listed companies in the Stock Exchange of Thailand under the group name "Construction services" with a total of 20 companies.

Table showing revenue of contractor who registered with SET on consolidated financial statement 2018

No.	Company Name	Revenue: Million Baht	percentage
1	Italian-Thai Development PCL.	61,894.09	31.03
2	CH. Karnchang PCL.	31,175.57	15.63
3	Sino-Thai Engineering & Construction PCL.	28,000.91	14.04
4	Unique Engineering and Construction PCL.	12,983.32	6.51
5	Naowarat Pattanakarn PCL.	10,444.45	5.24
6	TTCL PCL.	9,055.45	4.54

7	Power Line Engineering PCL.	7,977.51	4.00
8	Syntec Construction PCL.	7,428.31	3.72
9	Christiani & Nielsen (Thai) PCL.	7,135.91	3.58
10	Pre-Built PCL.	3,921.37	1.97
11	Sahakol Equipment PCL.	3,624.10	1.82
12	Thai Polycons PCL	3,427.99	1.72
13	SEAFCO PCL.	2,789.72	1.40
14	EMC PCL.	2,424.11	1.22
15	TRC Construction PCL.	2,306.49	1.16
16	PYLON PCL.	1,445.13	0.72
17	STP & I PCL.	1,344.45	0.67
18	BJC Heavy Industries PCL.	943.90	0.47
19	Sriracha Construction PCL	819.58	0.41
20	PAE PCL.	351.80	0.18
Total		199,494.16	100.00

Source: Stock Exchange of Thailand

Products and Services Supply

Characteristics of product procurement

The construction of the Company started from the contact with media for construction work, including the direct contact with customers. Before proposing quotation, the divisions in Company studied construction drawing and possibility of work. Construction division would draft the construction plan and provided technical data. Cost control division provided information on construction cost, sub-contractor, and conditions required by the project owner that affected the construction cost. Then, the appraisal and bidding division appraised the cost from work volume and checked the cost per unit based on market price. Summary report on construction cost, conditions and plan should be proposed to the Company's management committee to verify and revise as appropriated before sending to the customer. In case of negotiation, the Company's management committee would attend the meeting and consider the approval.

Process during operation

After winning the bidding and signing the contract with the project owner, the next step was to start the construction as following step.

1. Appoint the Project Manager to be responsible for the construction operations.
2. Plan the construction process:
 - 2.1 Project Manager:
 - Prepare detailed construction plan by checking the actual requirements of project owner, following the requirements in the contract and applying all requirements to plan working;
 - Prepare manpower plan by estimating number of workers and craftsmen for each type of works;

- Prepare machinery plan to use in the construction work in each phase.

2.2 Cost Control Section:

- Prepare detailed budget by consulting with Project Manager;
- Prepare Cost Control System for the project including the use of material quantity;
- Prepare the Project's financial plan.

Conducting construction works by:

1. Management of equipment, machines and materials for construction equipment

In construction work, it is necessary to use equipment and machines in the operation; the Company has established the warehouse to store machines, construction material and equipment in order to take care of the effective use of tools and machines.

2. Engineering Work

Engineering Department will take care and be responsible in engineering works including engineering design, planning and controlling.

3. Quality Control Work

The Company has a Department responsible in quality control for construction in order to ensure that the Company's construction has good quality as standard and follows requirements in design and contract.

During conducting construction works, heads of all Departments will closely work and coordinate in order to achieve the project's objectives relating work quality, work progress ratio and budget.

Report and record

All related Departments must make reports relating the details of works and submit to higher superior as ranking.

Following up and Inspection

Heads of each Department will accompany with the Managing Director to inspect the work quality and budget in order to improve or re-work as suitable and consult with other Departments to achieve the project's main objective.

During conducting construction, if any process fails on inspection, it will be reworked and re-inspected. If the work is delayed and impossible to deliver work as schedule in the contract and/or delayed than the plan, the Project Manager will analyze causes of delaying and further improve the plan.

Final Inspection before delivery

The Project Manager and team will jointly inspect the completeness and rework the defects which will be delivered to the project owner and also prepare important documents for the project owner.



Environmental Impacts

The Company had the policy to perform construction business considering the impacts on environment and surrounding communities. The Company complied with law and other relevant regulations strictly, as well as developed the operation process by implementing technology and innovation to enhance work efficiency and minimize environmental impacts and effects on the community. Furthermore, the Company had the measure to decrease the possible impacts, such as dust, noise pollution, and vibration on society, surrounding communities, and environment (Operation details to minimize the environmental impacts disclosed in the Sustainable Development Report 2018: Environmental Operating).

Current works

As at December 31, 2018, the Company has a construction project signed by a contract for construction work and is under construction in total of 26 projects, representing a contract value of approximately 22,738 million baht, recognized income 12,381 million baht and remaining 10,357 million baht.



Construction business is the competitive service business. Sometimes the economy slows down possibly causing the lower volume of new construction projects and the higher competition. However, the Company has controlled such risks by choosing to bid for the tasks matching the Company's expertise and competitiveness.

1.2 Risk from non-variety of construction works

From the Company's previous operations, it can be seen that the Company received a lot of work from the private sector, especially residential projects. There were some other types of construction works such as office building hotel etc. However, the Company has controlled such risks by regularly participating in construction auctions for the works of the private sector to accumulate workload in hand and to increase the works. The Company has been selected to work with leading real estate developers.

Moreover, the Company has diversified the business from the construction business by expanding the operations to other related businesses in order to increase revenue recognition and revenue security to the Company by establishing the subsidiary which is SC asset management Co. Ltd. and CSM Capital Partners Co., Ltd., to run business of project management and development. There are 3 projects which have already been launched and recognized as follows:

1. Citadines Grand Central Sriracha Project
2. Eight Thonglor Residence Project
3. The Duchess Hotel and Residence Project (former Natural Ville Residence)

2. Operation Risk

2.1 Risk of Lack of qualified personnel

The construction process requires knowledgeable and expertise personnel being responsible as the project manager or project engineer to control and manage each construction project successfully. In the current situation, there are many old and new companies in the construction industry resulting in the risk of shortages. Therefore, the Company is committed to continuously improving the human resources and capabilities in order to be prepared for the project manager or project engineer. The Company also has the policy to pay remuneration and welfares that is appropriate and competitive with other companies in the same business to motivate the employees with knowledge and competence to retain to work with the Company further.



2.2 Risk from labor shortage:

Labor is the main factor for construction work. Over the past few years, the shortage of construction labor remains a major problem as in the past; there were government projects that were large-scale infrastructure projects using many construction labors. The

Company may have the shortage of labors resulting in the delay in delivering the construction work to the customers as stated in the contract. In mitigating such risk, the Company has implemented the following actions:

- The Company employs workers directly. At the end of 2018, there were totally 4,382 workers. The Company has to pay the appropriate wages to each worker, ensure the welfares including the welfares of workers paying attention to the residences to be secure with environment and good hygiene to motivate and create the environment for workers to work with the Company further.
- The labor dependence from subcontractors: Apart from having own labors, the Company has to depend on labor force from the subcontractors partly. The Company will select the subcontractors who do not use child labor, illegal migrant workers. When the qualified subcontractor is selected, such subcontractor will be registered as trading partner with the Company. The Company will not rely on only one subcontractor in order to prevent the risk from hiring only one subcontractor.

3. Financial Risk

3.1 Risk of rising wages

Risk of rising wages: The labor cost is the key cost for the construction business. The government policy of wage increase which will be effective from 1st April, 2018, onwards, will affect the cost of the Company inevitably. However, the Company has many measures to reduce the impacts of increasing wages such as the use of new technologies, machines, and tools to replace labors, enhancing the management system to make the workforce more efficient, including controlling the construction materials etc.

3.2 Risk of price of construction materials tends to increase

The construction materials are considered the major construction cost. The change in construction material prices affects the construction cost unavoidably. Over the past few months, the construction material prices are likely to increase, as they are used in the construction of public sector project such as cement which is the main construction material. In order to minimize such risk, the Company has closely monitored the movement of construction material prices. If the price of construction materials tends to increase, the Company will order from the distributor in a very large amount per time causing the Company to have bargaining prices in buying things at fixed price. Alternatively, the Company may make a memorandum of understanding for the purchase of construction materials in advance with the supplier at a fixed price in order to control the cost of construction materials as well.

3.3 Risk of money cannot be collected

The construction business operation is risky for not being able to collect money from the customers or the money cannot be collected at the specified time as the money must be collected in line with the progress of the construction. Such risk may affect the liquidity and working capital of the Company. As the Company is aware of such risks, the policy is set on strictly selecting the customers based on their financial position, turnovers, reputation and management's profiles before accepting a job.

4. Compliance Risk

4.1 Risks of changes on the rules and regulations related to the construction of buildings

The construction business operation involves many laws including professional expertise stipulated by laws whether the laws of professional architects and engineers, labor law, environmental laws. Regarding these laws and regulations, the Company must comply with them completely. If this is not done or had not done properly, it can cause damage to the Company. Thus, the Company has the policy to minimize such risk by setting the business operation policy to strictly conform to the regulations of relevant agencies as well as setting the agency to be responsible for monitoring and auditing the operations to keep up with changes all the time.

5. Social and/or Environment Risk

5.1 Risks from construction which may affect neighboring communities and environmental:

The Company is aware of being a part of social and environmental responsibility. This is the policy that the Company has continuously focused on. The Company is concerned with the care of neighboring communities and the environment surrounding the construction site to be affected by the construction as least as possible. The Company has the risk assessment and the guidelines for prevention. The actions are taken to reduce the impact on neighboring communities and the environment including the control of pollution caused by the construction to be in accordance with the standards set by the law such as noise dust, waste water, etc.

Apart from the supervision on the impact of the constructions, the Company also has the policy of building relationships with neighboring communities surrounding the construction site by coordinating with the community leaders to survey on the community areas to inquire about environmental issues, possible impacts of construction, social and environmental concerns of the community which need support. The Company will coordinate with the community to build a good relationship.



6. Emergency Risk

6.1 Small dust pollution not more than 2.5 microns (PM2.5)

PM 2.5 dust situation in Thailand has been high for many years. Based on data from the Pollution Control Stations of the Department of Pollution Control, 19 stations nationwide, Greenpeace conducts an average analysis of small dust concentrations up to 2.5 microns (PM2.5) during January to June 2017. Found that PM 2.5 concentrations in urban areas were at a poor level and is likely to increase continuously until exceeding the standard in many areas.

In the year 2018, Thailand has more campaigning on this issue. There are a lot of dust started to be very thick since January which is quite early than the previous year. Usually PM 2.5 dust will increase during the transition season from winter to summer around mid-February with fog (steam) occurring causing the air to close. The sunlight didn't reach the ground. Dust is lacking in pushing to rise higher until accumulating in the air, clearing the ground clearly.

PM 2.5 dust is a very small dust that cannot be seen by the naked eye, which is smaller than 2.5 microns (micrometer) or smaller than 3% of the hair diameter. In large cities, there are major causes of engine burns and from construction. PM 2.5 dust is clearly harmful to health Because the size is very small Making it easier to enter the respiratory system into the lungs and create problems with blood vessels And will increase the risk of heart disease and respiratory diseases Because it can penetrate through the lungs into the capillaries that nourish every part of the body Including the brain and heart Cause cancer, heart disease, brain disease, etc.

The large area has a dust value exceeding the total standard value, which is more than 50 micrograms / cubic meter. In Bangkok, there are road cleaning operations. Use a high-pressure water spray, spray water mist, and dust in the air. To help alleviate immediate problems, Governor of Bangkok has urged every district office to explore the area. If there is a construction of a building or the construction of a train in the area, it will coordinate and give advice to construction operators to comply with the dust protection standards as prescribed by Bangkok. They increase the strictness of law enforcement, adjusting violators under the Cleanliness and Order Regulation Act BE 2535.

As situation mentioned above inevitably affecting the company because the construction business of the company mostly are high-rise buildings and are located in Bangkok. The company therefore urged employees to help clean the floor, spray water, dust on construction sites. Including installing a dust sheet around the building (Mat Sheet) as a safety device for construction. That helps to protect objects and equipment from falling out of the construction area Which may cause harm to workers and those traveling in the vicinity It can also prevent dust from spreading throughout the area. And also helps reduce wind pressure in the work area.

The company cooperated with Bangkok to solve the Pm 2.5 dust problem by installing a springer to alleviate the dust density in the air. Water spraying on all wheels that leave the job site In order to clear the debris from the soil, reduce the problem of dirt and reduce dust spread on the road in another way.



Shareholders

1. Name list of the first 10 shareholders holding the highest number of shares and Director, Executive and spouses Group as of 31 December, 2018 are as follows

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
	Phahusutr Group		
1	Mr. Jiramote Phahusutr ¹	188,982,560	11.81
2	Miss Nichaya Phahusutr ²	176,031,760	11.00
3	Mr. Sukhum Phahusutr ³	107,766,600	6.74
	Miss Anisha Attakulchai ⁴	1,000,000**	0.06
	Total	473,780,920	29.61
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LTD.	79,759,997	4.99
5	Mr. Chawalit Phunpermsuwan	63,770,000	3.99
6	Thai NVDR Co., Ltd.	51,758,668	3.24
7	Mr. Preecha Angkhumsab	47,538,400	2.98
8	LGT BANK (SINGAPORE) LTD.	42,701,300	2.67
9	Mr. Nattaphat Rungsun	41,284,300	2.58
10	N&J ASSET MANAGEMENT CO.,LTD.	27,660,000	1.73
	Total	354,472,665	22.15
	Director, Executive ⁵ and Spouses Group		
	Mr. Nayot Pisanthanakun	1,200,000	0.08
	Mr. Yothin Treerattanaphan	417,300	0.03
	Mr. Anuwat Chatmongkongchart	245,000	0.02
	Mr. Phaiboon Chetchotiros	110,000	0.00
	Mr. Veerapong Tungbenjakul	50,000	0.00
	Total	2,022,300	0.13
	Other shareholders	769,724,115	48.11
	Total Paid-up Capital	1,600,000,000	100.00

Remarks:

¹ Mr. Jiramote Phahusutr holds the position of Managing Director and Director is authorized as following the certification letter of Ministry of Commerce.

² Miss Nichaya Phahusutr holds the position of Vice Managing Director and is elder sister of Mr. Jiramote Phahusutr

³ Mr. Sukhum Phahusutr holds the position of Vice Managing Director and is father of Mr. Jiramote Phahusutr.

⁴ Miss Anisha Attakulchai is the spouse of Mr. Jiramote Phahusutr.

⁵ Executive means the first four executives next to the Managing Director and every person who holds his or her position equal to the fourth one including the positions in financial or accounting functional line which is in the equivalent level.

2. The Company none have the major shareholders who through their behavior can significantly influence the policy, management and operation of the Company (Shareholding Agreement).
3. The Board of Directors does not hold together more than 25% of the issued shares of the Company. (Mr. Jiramote Phahusutr, Director, holding 188,982,560 shares, or 11.81 %.
4. The right to vote of the shareholders presented detailed in the Company's Articles on <http://www.synteccon.com/2005/TH/investor/news> and attachment 7 of the "Notice of the General Meeting of Shareholders for the year 2018"
5. Name list of shareholders in subsidiaries and associates

SCR Asset Management Co., Ltd.

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	4,080,000	68.00
2	Mrs. Chanida Assadathorn	960,000	16.00
3	Mr. Chosak Vongkusolkig	960,000	16.00
Total		6,000,000	100.00

Natural Ville Serviced Apartment and Management Co., Ltd

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	19,997	99.985
2	Mr. Somsak Hematanon	2	0.010
3	Mr. Boonkiet Keeratchaiwat	1	0.005
Total		20,000	100.00

C S M Capital Partners Co., Ltd.

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	6,600,000	60.00
2	Mankongsangthong Holding Co., Ltd.	2,750,000	25.00
3	Mrs. Chanida Assadathorn	825,000	7.50
4	Mr.Sorasith Wannapraserth	275,000	2.50
5	Mr.Jeerasak Wannapraserth	275,000	2.50
6	Mr.Nattakorn Wannapraserth	275,000	2.50
Total		11,000,000	100.00

Natural Hotel Sukhumvit Co., Ltd.

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	U City Public Company Limited	1,073,630	71.5752
2	Syntec Construction Public Company Limited.	375,000	25.0000
3	Mrs. Sawang Munkongcharoen	51,366	3.4244
4	Mr. Anant Swaengtong	1	0.0001
5	Mr. Arnupab Kongna	1	0.0001
6	Miss Banjawan Klinchan	1	0.0001
7	Mr. Krit Korndechakul	1	0.0001
Total		1,500,000	100.0000

PT Three Land Co., Ltd.

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	6,998	69.98
2	Mr. Somsak Hematanon	1	0.01
3	Miss Banjawan Klinchan	1	0.01
4	Mrs. Sawang Munkongcharoen	3,000	30.00
Total		10,000	100.00

JT Ten Co., Ltd

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	849,800	84.98
2	Mr. Chairat Saengtong	150,000	15.00
3	Mr. Somsak Hematanon	100	0.01
4	Miss Banjawan Klinchan	100	0.01
Total		1,000,000	100.00

6. Shareholding changes of the Director and Executive¹ and spouses during the year

Name – Surname	No. of shares			
	Balance at the end of 2017	Acquired	Sold	Balance at the end of 2018
1. Mr. Somchai Sirilertpanich	-	-	-	-
Spouse and underage children	-	-	-	-
2. Mr. Chaiwat Atsawintarangkul	-	-	-	-
Spouse and underage children	-	-	-	-
3. Miss Benjawan Sinkuknakorn	-	-	-	-
Spouse and underage children	-	-	-	-

4. Dr. Arichai Ractham	-	-	-	-
Spouse and underage children	-	-	-	-
5. Mr.Tavee Kullertprasert	-	-	-	-
Spouse and underage children	-	-	-	-
6. Mr. Angsana Munkongcharoen	-	-	-	-
Spouse and underage children	-	-	-	-
7. Mr. Paisarn Tangyuenyong	-	-	-	-
Spouse and underage children	-	-	-	-
8. Mr. Jiramote Phahusutr	184,645,760	4,336,800		188,982,560
Spouse and underage children	19,057,900		18,057,900	1,000,000
9. Mr. Sukhum Phahusutr	77,720,300	30,046,300	-	107,766,600
Spouse and underage children	-	-	-	-
10. Mr. Nayot Pisanthanakun	1,050,000	150,000	-	1,200,000
Spouse and underage children	-	-	-	-
11. Miss Nichaya Phahusutr	175,446,260	585,500	-	176,031,760
Spouse and underage children	-	-	-	-
12. Miss Nuchanat Sirisupamit	-	-	-	-
Spouse and underage children	-	-	-	-
13. Mr.Phaiboon Chetchotiros	60,000	50,000	-	110,000
Spouse and underage children	-	-	-	-
Mr. Suwicha Savetsila	-	-	-	-
Spouse and underage children	-	-	-	-
15. Mr. Veerapong Tungbenjakoun	50,000	-	-	50,000
Spouse and underage children	-	-	-	-
16. Mr. Tawatchai Tirapairojana	-	-	-	-
Spouse and underage children	-	-	-	-
17. Mr. Chinnatat Na Ranong	-	-	-	-
Spouse and underage children	-	-	-	-
18. Mr. Anuwat Chutmongkolchart	-	-	-	245,000
Spouse and underage children	-	-	-	-
19. Mr.Yothin Treerattanaphan	317,300	100,000	-	417,300
Spouse and underage children	-	-	-	-
20.Mrs. Chongchid Vitheekol	-	-	-	-
Spouse and underage children	-	-	-	-
21. Mr. Kitti Phiriyawirut	-	-	-	-
Spouse and underage children	-	-	-	-

Remarks:¹ Executive means the first four executives next to the Managing Director and every person who holds his or her position equal to the fourth one including the positions in financial or accounting functional line which is in the equivalent level.

7. Issuing other securities

- Bills

- None –

8. Stock repurchase program for financial management

The Board of Directors' Meeting No. 12/2561 on December 3, 2018, approved the share repurchase program for financial management. There is a maximum limit of 200,000,000 baht, not exceeding 60,000,000 shares or 3.75 percent of the paid-up capital. The project has a project period from 17 December 2018 to 16 June 2019.

Table of Reporting Share Repurchases for Financial Management as of December 31, 2018

No.	Date	Highest	Lowest	Amount	Total Value	%shares repurchased
		purchase price	purchase price			
		(Baht)	(Baht)	(Shares)	(Baht)	No. of paid-up shares
1	19/12/2561	2.78	2.78	41,800	116,204	0.002
2	20/12/2562	2.80	2.80	200,000	560,000	0.012
3	26/12/2562	2.76	2.68	1,500,000	4,088,000	0.093
		Total		1,741,800	4,764,204	0.107

Dividend Policy

Syntec Construction Public Co., Ltd.'s policy on payment of annual dividends is that dividends will allocated to the shareholders at the total amount not exceeding 40% of net profits after tax and after legal reserve when the Company has gained adequate profit amount without accumulated loss. The payment of dividends shall not affect the Company's investment plan, operation requirements and other appropriate factors in the future taking into account the best interest of the shareholders and all relevant stakeholders and the approval from the Board and the shareholders' meeting. However, the Company may consider to occasionally pay shareholders the interim dividend if the profit amount is deemed to be sufficiently paid and the Company's Board of Directors have to report the next shareholders' meeting for acknowledgement.

History of the Dividend Payment

Details of the Dividend Payment	2018	2017	2016	2015
1. Net profit as Company Financial Statement (Million Baht)	666	1,050	896	660
2. Number of Shares (Million Baht)	1,600	1,600	1,600	1,600
3. Annual Dividend (Baht / Shares)		0.17	0.15	0.11
3.1 First Half Year Dividend (Baht / Shares)	0.04	0.04	0.04	0.03
3.2 Second Half Year Dividend (Baht / Shares)	Wait consideration*	0.13	0.11	0.08
4. Total Paid Dividend (Million Baht)	Wait consideration	272	240	176
5. Proportion of Dividend per Net Profits (%)	Wait consideration	26	27	27

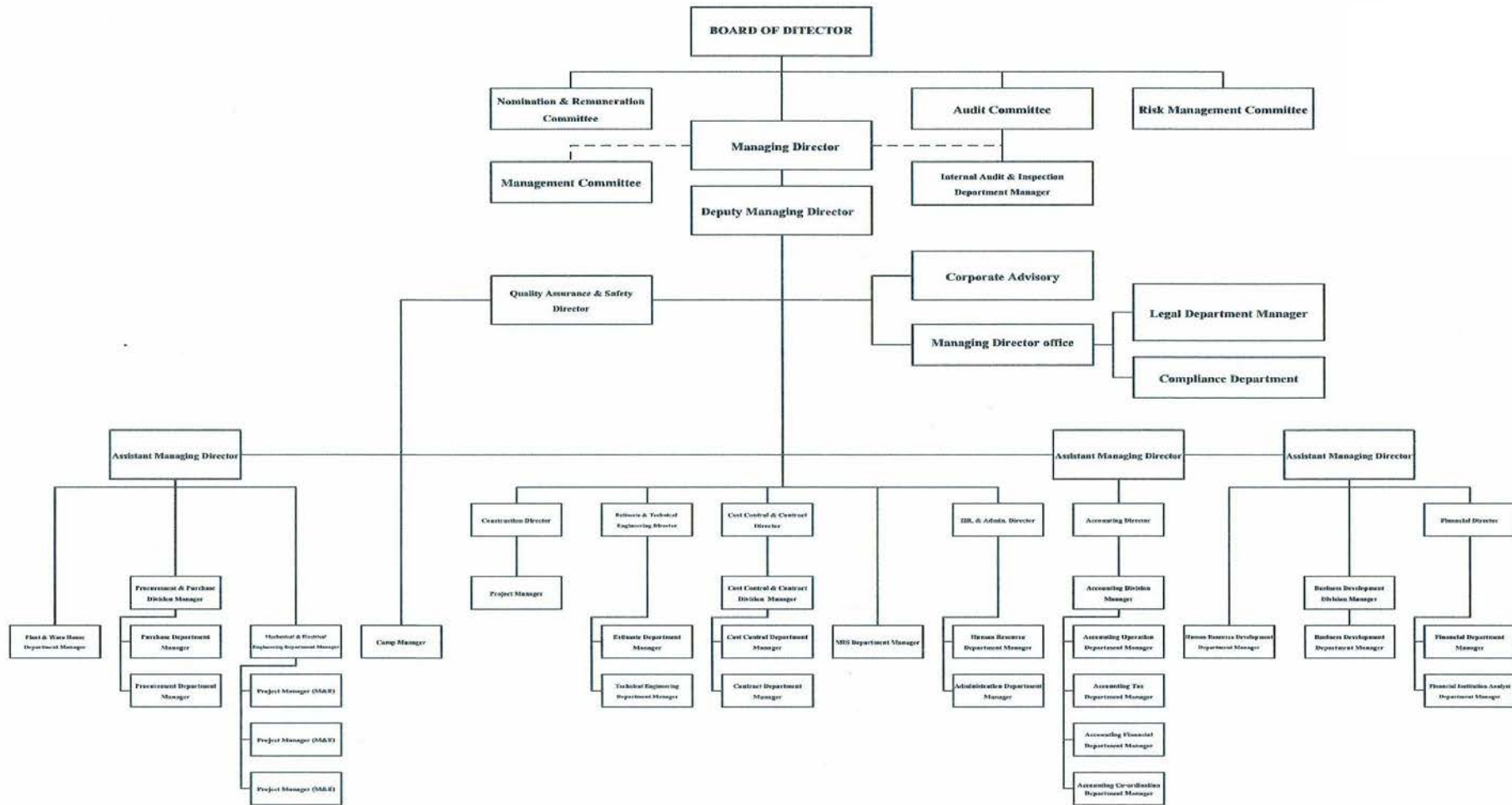
Remarks * The dividend payment for the second half of 2018 must be approved by the Annual General Meeting of Shareholders in 2019 before being able to pay.



Management Structure

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Organizational Chart, As of 31st December, 2018



1. Board of Directors

Currently, there are 8 directors as of 31 December, 2018

Director Name	Position	Type of Director	Starting Year
Mr. Somchai Sirilertpanich	Vice Chairman/ Chief Executive Officer	Executive Director	23 Dec 2004
Mr. Chaiwat Atsawintarangkul	Director	Independent Director	30 Dec 2003
Miss Benjawan Sinkuknakorn	Director	Independent Director	14 Nov 2003
Dr. Arichai Ractham	Director	Independent Director	15 May 2007
Mr. Tavee Kullertprasert	Director	Independent Director	29 April 2004
Mrs. Angsana Munkongcharoen	Director	Executive Director	29 April 2004
Mr. Jiramote Phahusutr	Director / Managing Director	Executive Director	29 April 2013
Mr. Paisarn Tangyuenyong	Director	Independent Director	30 June 2016

According to the Company's regulations, names and number of authorized Managing Directors are Mr. Somchai Sirilertpanich, Mrs. Angsana Munkongcharoen, and Mr. Jiramote Phahusutr. Two of these three members jointly affix the signatures and corporate seal following the registration certificate of Ministry of Commerce.

Definition of the Independent Directors

1. The Board of Directors' Structure consists of individuals possessing qualifications including skills, experiences, and specific competencies beneficial to the Company (Board Skill Matrix)
2. The proper and adequate proportion of the Board of Directors and executives should not less than 5 people and not exceed 12 people without sex discrimination. Currently, there are 8 directors, 2 of whom are all women.
3. The Independent director should having more than one-third of all directors. Currently, there are 5 persons, 62.5% and having more than half of the total directors' numbers
4. Executive Directors 3 persons, 37.5% of all directors.

Independent Directors

The Company's management structure consists of the Board of Directors, The current Board consists of independent directors 5 person's independent directors not acting as executives being independent from the management and controlling shareholders without business relationship with the Company in the nature that will limit the freedom of expression of opinions freely. They must be qualified as stipulated by the Notification of Capital Market Supervisory Board at least one third of the total number of directors of the Company but not less

than three persons. The Board of Directors has approved the definition and qualifications of independent directors as follows:

1. not hold shares in excess of one percent of the total number of voting shares of the Company, subsidiary, associated company, major shareholder, or any person having controlling power over the Company, whilst the number of shares held by any related person of such an independent director must also be counted;
2. not be and have not been a director participating in management role of the Company, or an employee or an officer of the Company, or an advisor of the Company which receives regular salary from the Company, and not be and have not been a person having controlling power over the Company or the holding Company, subsidiary, or associated company, or a subsidiary of another company in the same level of the Company, unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the governing official agency, provided always that such restriction or prohibition shall not apply to an independent director who has been a governmental officer or an advisor of a government authority, which is the major shareholder of the Company or the person having controlling power over the Company;
3. not be a person having relationship either through blood or lineage or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child of any management person or major shareholder of the Company, or of any person having power to control the Company or the Company's subsidiary, or of the person being nominated to be a management person of or a person having power to control the Company or the Company's subsidiary;
4. not have or has been in business relation with the Company, holding company, subsidiary, associated company, major shareholder or any person having power to control the Company, in the manner that may obstruct the independent exercise of discretion including in not being or has been a significant shareholder or authorized person of the person with business relation with the Company, holding company, subsidiary, associated company, major shareholder or any person having power to control the Company, except relieved from aforesaid characteristics at not less than two years prior to the date on which the application for being an independent director is filed with the governing official agency.
5. not being or has been auditor of the Company, holding company, subsidiary, associated company, major shareholder or any person having power to control the Company and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the Company, holding company, subsidiary, associated company, major shareholder or any person having power to control the Company, except relieved from such characteristic at not less than two years prior to

the date on which the application for being an independent director is filed with the governing official agency.

6. not being or has been professional provider which includes legal consulting or financial consulting with service fee over two Million Baht a year from the Company, holding company, subsidiary, associated company, major shareholder or any person having power to control the Company, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic at not less than two years prior to the date on which the application for being an independent director is filed with the governing official agency.

Appointment and removal of directors

The Board of Directors has assigned the Nomination and Remuneration Committee to propose the appointment of directors to the shareholder's meeting in accordance with the rules and procedures prescribed in the Company's regulations with the main contents as follows.

1. The Company's Board of Directors appointed by the shareholder's meeting must consist of at least 5 directors and at least 3 independent directors. No less than half of the total number of directors must reside in the Kingdom and at least one director must have knowledge in accounting and finance. The directors must be qualified as required by laws and regulations.

2. The shareholder's meeting is supposed to appoint the directors in accordance with the following rules and procedures:

(1) Each shareholder shall exercise all of the votes

(2) Each shareholder shall exercise all of the votes (1) to elect one or several persons as director.

However, it is not possible to split the votes for any one.

(3) The candidates receiving the highest number in ranking will be elected in the number of directors to be elected or will be elected at that time. In the case where the persons elected in descending order are equal to or more than the number of directors shall be available at that time, the Chairman of the meeting shall have the casting vote.

3. At the Annual General Meeting of Shareholders every time, one third of the directors at that time shall retire. If the number of directors cannot be divided into three parts, take out the closest amount to one third. In the first and second years after the registration of the Company, the directors who are to be retired shall draw lots. For the remaining years, the directors who are in the longest position shall retire. Those who have been vacated may be re-elected.

4. Any director who resigns shall submit a resignation letter to the Company. Such resignation will be effective from the date the Company receives the letter.

5. The shareholder's meeting may elect a director to retire before the expiration of his term by not less than three-fourth votes of the total number of shareholders attending the meeting and having the right to vote.

Policy and criteria of nomination and appointment of directors (as well as new directors)

The Company always considers hiring personnel with knowledge, proper qualification and experience in management and good corporate governance to be a competent person who will support the Company's development to achieve the target. The nomination criteria and method for selection of the individual who takes the post as the Company's director and the Company's independent director (as well as new director) includes all guidelines as follows

1. The Company promoted the right of shareholders and equitable treatment toward all shareholders by giving the opportunities to minor shareholders or minority of shareholders to be able to nominate the candidate for holding the director position in advance or (Director Pool)
2. The person who will be selected must possess the qualifications according to the Company's criteria and the established guidelines. The Recruitment and Consideration of the Nomination and Remuneration Committee will scrutinize and propose the list of names to the Company's Board of Directors for scrutiny and screening of such proposed candidates prior to further proposal to the Meeting of Shareholders for discussion and election.

2.1 Knowledge, competence and comprehension on role and duty of the director according to the criteria of governing official agencies such as the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, etc.

2.2 Knowledge, competence and comprehension on role and duty of the director according to the criteria (Board Skill Matrix)

2.3 Knowledge and comprehension in work system and standard of accounting, financing and managerial works.

2.4 Decision skills under accurate and sufficient reason and information

2.5 Maturity, stability, and independence in decision

2.6 Professionalism, virtue and responsibility

2.7 Apart from other necessary skills, the shortage of the current Committee's skills such as wisdom and expertise in the Company's business and relevant law, etc. has been considered.

4. In case of the former directors who will be re-elected for another term, it will be determined by the performance of the position providing useful feedback and dedicated time to the company.

5. In case of the appointment of an independent director, it will consider from the qualification of the person who will be appointed as the independent directors to be qualified in accordance with the Notification of the Capital Market Supervisory Board.

Extent of Roles and Responsibility

The Board of Directors is responsible for all the Company's activities and has authorization in carrying out any process within the extent of Law and regulations, roles and responsibilities of the Board of Directors and Management are clearly separated, the followings are the Board of Directors' duties:

1. Managing business for the utmost benefits for shareholders under 4 principles as follows:
 - 1.1 Performing duty with responsibility and carefulness;
 - 1.2 Performing duty with honesty for the Company's and shareholders' benefits;
 - 1.3 Following laws, objectives, regulations and the Board of Directors' and the Shareholder meeting's resolutions;
 - 1.4 Disclosing information to shareholders with accuracy, completeness, transparency and on-time
2. Involving in the determination of Vision, Mission, Strategies and other Targets which are reviewed and approved every budgetary year in order to be compliance with the Company's operation directions.
3. Following up the Company to apply strategies.
4. Initiating and involving the preparation and approval of corporate governance policy and business code of conduct manual for directors, executives and employees.
5. Promoting the practice of business code of conduct including always following up the practice through the examination from the Risk Management Committee, then summarizing the evaluation result to use as the standard for business code of conduct.
6. Supporting employees to follow the corporate governance and establishing proper internal control system and internal audit in order to minimize risks from corruption and misuse of power and to protect the offence.
7. Determining risk management policy by establishing the Risk Management Committee to supervise the Company's risk management and set up the frame of risk management to be suitable to the Company's business, major risk management guideline, pre-warning and risk prevention measure as well as to review and create risk management tools to support and promote the business operation to achieve the target and report of the Board of Directors in Annual Report
8. Determining a proper policy relating the conflict of interest, related transactions or interrelated transactions under the fair operation, such transactions are required to be considered and approved by the Company's Board of Directors only.
9. Making Report on the Company Board of Director's Responsibility on the Financial Report by showing together with the Auditors Report in the Annual Report.
10. Considering the development plan for top executives and successor plan for Managing Director, Supervising the annual performance evaluation of top executives and proper compensation system for top

executives to be in compliance with the Company's business performance in order to motivate in short term and long term.

11. Participating the Board of Directors' Meeting and the Shareholder Meeting, except the unavoidable case preventing the directors for doing so, that director must inform the Chairman or the Company' Secretary in advance prior the meeting.

The Board of Directors selects one director as Chairman. In the case where the Board deems it appropriate, one or more directors may be elected as vice chairpersons. And in the delegation of authority and responsibility of the Board, it will not be in the form of having power to delegate or delegate power to the Board or the authorized persons of the Board of Directors can approve the transactions that he or she may have conflicts with (as defined in the Notification of the Securities and Exchange Commission). There may be conflicts of interest with the Company or the subsidiaries except for the approval following the policy and the criteria for the shareholder's meeting or the Board of Directors.

Extent of Roles and Responsibility

1. Being responsible for leading the Board in overseeing the management of the Management Committee to achieve the objectives set out in the plan.

2. Being the Chairman of the Board of Directors' meeting and the shareholder's meeting of the Company.

3. Being the person having the casting vote. In the case that the Board of Directors has the same number of votes.

The meeting and quorum

The Company shall hold the meeting at least once every three months. In case of urgent agenda, the meeting can be additionally arranged as necessary. The Company had scheduled the Company's Board of Directors Meeting in advance and the meeting must be held at least once every month (however, the meeting shall be held at least once every quarter) with the agenda of the meeting clearly defined; that there will be the monitoring of operational performance on a regular basis. Board Meetings shall be convened upon written notices sent to all Directors 7 days prior to the date of the meeting, specifying the date and place of the meeting and attaching the meeting agenda and related materials to ensure that the directors shall have enough time to study the data prior to the meeting and at the meeting there will be proper recording in writing of the Minutes of the Meeting which must be completed within 14 days after the meeting day; the filing away of the minutes of the meetings that were duly ratified for inspection by the Board of Directors and relevant persons. All members of the Board can request to examine the Minutes approved by the Board of Directors together with relevant documents from the Company's secretary at all time.

A quorum occurs when there are more than 50% of directors present at the board meeting. Board of Directors meetings shall be presided over by the Chair of the Board. In case the Chair is prevented from so doing, Vice Chairman shall act in the Chair's place; however, in case the Vice Chairman is also prevented from so doing, any director shall act in the Chair's place in accordance with an order previously determined by the Board of Directors.

Resolutions of the Board of Directors shall be adopted by a majority of the Directors present at each Board of Directors meeting where a majority of the Directors who may participate in the resolution is present.

Each Director has only 1 vote, a Director who has a special interest with regard to a resolution of the Board of Directors shall not exercise any voting rights with respect to that resolution. If the score of voting is the same, the Chairman of the meeting will make another vote to have a final result. To vote at the meeting, the Directors that will vote must not be at least 2 out of 3 of all directors.

Orientation of New Directors

New directors will receive introduction document on the business engagement nature, the Company's business important information and other policies including important beneficial for the position of the Company's directors.

Training to increase the knowledge and understanding of the directors

The Company encourages the directors to study and provide additional training to increase the knowledge and understanding of the directors' roles and responsibilities for efficient management and in accordance with the good corporate governance principles. In the year 2017, 3 directors attended the training courses or participated in seminars to increase their knowledge of the operation, namely,

Name - Surname	Training Courses/ Seminar of the institution	institution
Mr. Chaiwat Atsawintarakul	<ul style="list-style-type: none">- Incubation of seedlings, quality accounting office in Nonthaburi Province- Summary of changes and important issues of TFRS (Revised 2018) for members and general public, Batch 2/61- All issues of TFRS in 2018, Batch 2/61- Risk Management (Advance) Batch 2/61- Board Nomination and Compensation Program (BNCP) Batch 3/2017-Seminar on knowledge related to business or professional topics Better Governance, Better Business: Thailand's Progress Report	- FAP [*]

Miss Benjawan Sinkuknakorn	<ul style="list-style-type: none"> - In-depth cooperative accounting audit planning - Insights into paper making - Incubation of seedlings, quality accounting office in Nonthaburi Province - Accounting for financial instruments, Class 2/61 - IT Audit for Non IT Auditor Batch 2/61 -Seminar on knowledge related to business or professional topics Better Governance, Better Business: Thailand's Progress Report - In-depth cooperative accounting audit planning - Insights into paper making 	- FAP*
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Remark: FAP*: Federation of Accounting Professions

At present, the members of the Board of Directors are trained on the Director Accreditation Program (DAP) and Director Certification Program (DCP) course provided by the IOD with the details and profile of training course as appearing on the topic of the Board of Directors.

Sub-committees

The Board of Directors appointed directors having proper knowledge, competence and experience to be the members of sub-Committees in order to support the consideration of all important matters and advise opinions to the Board of Directors, all sub-Committees are consisted The Audit Committee, The Risk Management Committee, The Nomination and Remuneration Committee

The Audit Committee

The Board of Directors appointed the Audit Committee consisting of independent directors for at least one third of all members or at least 3 independent directors, each member will be in the position for 3 years and possible to be re-elected if the term is completed. As of 31 December, 2018, the Audit Committee consists of 3 independent directors as follows:

Director Name	Position	Type of Director
Mr. Chaiwat Atsawintarakul	Chairman of the Audit Committee	Independent director
Miss Benjawan Sinkuknakorn	Member of the Audit Committee	Independent director
Dr. Arichai Ractham	Member of the Audit Committee	Independent director

Mr. Pornanan Vongniphon is assigned as the Secretary of the Audit Committee.

Duties and Responsibilities

1. Auditing the Company's financial report to be adequate and accurate.
2. Ensuring that the Company has implemented proper and effective internal control system and internal audit and consider independency of internal audit unit including approving on promotion and transfer, termination of employment of the head of internal audit unit or another unit responsible for internal audit.
3. Controlling the Company to respect the law on stock and stock exchange, regulation of the Stock Exchange of Thailand or other laws relating to the Company's business.
4. Considering, selecting and nominating person with independency to be the Company's auditor and proposing his/her remuneration including attending the meeting with the auditor without the management for at least once a year.
5. Considering particulars that may have connection or conflict of interest to ensure that such shall be in compliance with the applicable laws and regulations of the SET.
6. Preparing report of the Audit Committee by publishing it in the Annual Report of the Company and it is required to be signed by the Chairman of the Audit Committee and to have at least the following information:
 - 6.1 Opinion regarding accuracy, adequacy and reliability of financial report of the Company
 - 6.2 Comment on adequacy of the internal control system
 - 6.3 Opinion of compliance with the laws related to securities and security exchange, regulations of the SET or laws related to business of the Company
 - 6.4 Opinion towards appropriateness of the auditor
 - 6.5 Comment on particulars that may have conflict of interest
 - 6.6 Number of meeting of the Audit Committee and attendance of each member
 - (A) View or observation for the overall picture where the Audit Committee has gained under the performance in accordance with its Charter
 - (B) Other particulars deemed that it should be reported to the shareholders or general investor under the scope of duties and responsibilities assigned by the Board of Directors
 - 6.7 Considering budget and workforce of internal audit unit
 - 6.8 Considering internal control system, plan and approaches for auditing and assessment of auditing on performance of the Company from different aspects by generally accepted method and standard
 - 6.9 Supervising, auditing and commenting on performance of internal auditing unit and cooperating with the Auditor
 - 6.10 Considering hiring or inviting specific expert to come to give advice and comment as the Audit Committee deems appropriate

7. Performing any other act required by laws or assigned by the Board of Directors where the Audit Committee has the authority to call for, direct the management or head of section or any employee involving in the concerned matter to give a comment, to attend the meeting or to submit relevant document deemed as necessary.

The Nomination and Remuneration Committee

The Board of Directors appointed the Nomination and Remuneration Committee consisting of at least 3 independent directors, the Chairman and the majority of members should be independent directors, each member will be in the position for 3 years and possible to be re-elected if the term is completed. As of 31 December, 2018, the Nomination and Remuneration Committee consists of 5 members as follows:

Name	Position	Director Type
Mr. Chaiwat Atsawintarakul	Chairman of the Nomination and Remuneration Committee	Independent director
Mr. Somchai Sirilertpanich	Member of the Nomination and Remuneration Committee	Executive director
Mrs. Angsana Munkongcharoen	Member of the Nomination and Remuneration Committee	Executive director
Miss Benjawan Sinkuknakorn	Member of the Nomination and Remuneration Committee	Independent director
Dr. Arichai Ractham	Member of the Nomination and Remuneration Committee	Independent director

Miss Rattapawee Lapnan as Secretary of the Nomination and Remuneration Committee.

Duties and Responsibilities

- Nomination works:

1. Considering policy and criteria for recruitment and nomination of directors, managing director, member of the committee and top executives from director of department or above to submit to the Board of Directors for consideration.

2. Defining qualifications of the director in accordance with structure, size and composition of the Company.

3. Recruiting and nominating appropriate person as required by policy and criteria to be a director, managing director, member of the committee and top executive from director of department or above

4. Carefully checking that person nominated for those positions has qualifications as required by rules and regulations of the Company, of the supervising authorities and by provisions of relevant laws.

5. Approaching, coordinating, contacting qualified person subject to the requirements to ensure that such person is willing to take the position if approved by the Board of Directors and/or the shareholder's meeting

6. Nominating person (s) for the consideration of the Board of Directors and specifying such nomination in the notice for the Annual General Meeting of Shareholders for their consideration.

7. Carrying out business as assigned by the Board of Directors.

- Remuneration works:

1. Considering policy and criteria and method for designating remuneration of director, managing director, member of the committee and top executive from director of department or above to submit to the Board of Directors;

2. Reviewing appropriateness of such policy and criteria to adequately respond to current situation;

3. Setting out the guideline for evaluation the performance of director, Managing Director, member of the committee and top executive from director of department or above in order to adjust annual remuneration;

4. Considering data on remuneration for director by comparing to similar companies in the same business summarized by the SET and/or other relevant data;

5. Monitoring appropriate remuneration for director, Managing Director, member of the committee and top executive from director of department or above corresponding to their duties and responsibilities;

6. Proposing remuneration for managing director and top executive from director of department or above to the Nomination and Remuneration Committee and proposing such for director to shareholders;

7. Preparing report on remuneration for director and top executive from director of department or above and disclosing it in the Company's Annual Report;

8. Carrying out business as assigned by the Board of Director.

The Risk Management Committee

The Risk Management Committee consists of at least 3 members; at least 1 independent director and 2 executives, each member will be in the position for 3 years and possible to be re-elected if the term is completed. As of 31 December, 2018. the Risk Management Committee consists of 3 members as follows:

Name	Position	Director Type
Dr. Arichai Ractham	Chairman of the Risk Management Committee	Independent director
Mr. Paiboon Chetchotiros	Member of the Risk Management Committee	Executive
Mr. Yotin Treratanapan	Member of the Risk Management Committee	Executive

Miss Rattapawee Lapnan is Secretary of the Risk Management Committee.

Duties and Responsibilities

1. Define risk management policy and framework to be proper for the Company's business operation and in line with the criteria or requirement of governing government agencies;
2. Support, promote and mutually develop risk management as well as push forward for collaboration in risk management in all levels of the organization;
3. Govern, follow up, express the opinion and report corporate risk management as required by program;
4. Review risk management policy and management to be correspondent with business operation and varying economic situation;
5. Consider employing or consulting with the experts in specific fields and express the opinions as deemed as appropriate by Risk Management Committee;
6. Report the crucial result of Risk Management Committee's Meeting to the Board of Directors for acknowledgement and consideration. Particularly, the case that is significant and affect the organization shall be reported as soon as possible;
7. Take any other actions as required by laws or assigned by the Board of Directors. In compliance with scope, authority and responsibility, Risk Management Committee has authority to call and direct the management, relevant chief of work unit or employee of the Company to express their opinions, attend the meeting or submit the documents as deemed as relevant and essential.

Table showing No. of the Board of Directors', all Committees' Meetings in 2018

รายชื่อ กรรมการ	Table showing No. of the Board of Directors', all Committees' Meetings in 2018											
	AGM Meeting		Board of Directors		The Audit Committee		The Risk Management Committee		The Nomination and Remuneration Committee		The Management Committee	
		%		%		%		%		%		%
Mr. Somchai Sirilertpanich	1/1	100	12/12	100					3/3	100	43/41	95
Mr. Chaiwat Atsawintarakul	1/1	100	12/12	100	6/6	100			3/3	100		
Miss Benjawan Sinkuknakorn	1/1	100	12/11	91	6/6	100			3/3	100		
Dr. Arichai Ractham	1/1	100	12/12	100	6/6	100	4/4	100	3/3	100		
Mr. Tavee Kullertprasert	1/1	100	12/12	100								
Mrs. Angsana Munkongcharoen	1/1	100	12/12	100					3/3	100	43/38	88
Mr. Paisarn Tangyuenyong	1/1	100	12/12	100								
Mr. Jiramote Phahusutr	1/1	100	12/12	100							43/30	63
Mr. Nayot Pisantanakul											43/17	39

Mr. Yot Luksanakoset										43/42	98
Mr. Somchai Sirilertpanich							4/4	100		43/37	86
Mr. Chaiwat Atsawintarangkul							4/4	100		43/37	86

The Management Committee

The Board of Directors consists of no less than 5 qualified directors and executives to manage the Company's business as assigned by the Board of Directors and the obligation of the Management Committee are as follows.

1. Set policies, goals, strategies, action plans, and annual budget to be proposed to the Board of Directors for the approval.
2. Control the business operation of the company in accordance with the policy, goals, strategies, plans, operations and annual budget approved by the Board of Directors to be performed effectively.
3. Responsible for the Company's operations in accordance with the Company's laws, objectives, rules, shareholders meeting resolution, resolution of the Board of Directors meeting as well as related regulations.
4. Study for the feasibility of new projects, and has the power to approve the auction and to work on projects as it deems appropriate.
5. Determine the organizational structure and effective management, covering the selection, training, commissioning and dismissal, including salary, benefits, bonuses, other benefits, and the cost and facilities of the company's employees.
6. Consider matters to be proposed to the Board of Directors for acceptance or approval.
7. Perform other duties assigned by the Board of Directors.

Performance Evaluation of the Board of Director, all Committees and Managing Director

The Company requires evaluating the performance of the Board and subcommittees at least once a year by evaluating the performance of both the entire Board and the individual. The purpose of this evaluation is to enhance the efficiency of the Board and subcommittees. The results are also used to improve the performance of the Board and subcommittees. In every December, the Company Secretary sends a performance evaluation form to evaluate the annual performance. After the completion of each committee evaluation, the evaluation form will be sent back to the Company secretary to gather and summarize the results of the assessment proposed to the Board of Directors and each Sub-committee for acknowledgement further.

○ Evaluation criteria of the Board of Directors and sub-committee (both in group and in an individual).

- The score from 85-100 percent means Very Good-Excellent
- The score from 75-85 percent means good
- The score from 65-75 percent means quite good
- The score from 50 – 65 percent means fair

- The score less than 50 percent means must be improved

○ The performance evaluation topic of Board of Directors and sub-committees.

Performance Evaluation Form for Board of Directors and sub-committees has the main topics which are:

1. Structure and Qualification of Directors
2. The Board of Directors' Meeting
3. Role/Duty/Responsibility of Directors
4. Summary of overall opinion

○ Evaluation results of the Board of Directors and subcommittees (in group and in an individual)

1. Board of Directors the result of the evaluation in 2018 in group was 93.75 percent, and in an individual was 94.32 percent, counted as very good-excellent.

2. Nomination and Remuneration Committee The result of the evaluation in 2018 in group was 94.74 percent, and in an individual was 94.09 percent, counted as very good-excellent.

3. Audit Committee The result of the evaluation in 2018 in group was 94.17 percent, and in an individual was 95.45 percent, counted as very good-excellent.

4. Risk Management Committee The result of the evaluation in 2018 in group was 92.59 percent, and in an individual was 94.70 percent, counted as very good-excellent.

Performance evaluation of top executives (Chief Executive Officer)

The Company provides performance appraisals to senior executives at the end of each year. The Nomination and Remuneration Committee will evaluate the performance of the Company based on the business performance of the Company and the implementation following the policies assigned by the Board of Directors. The results of Nomination and Remuneration Committee will be used to determine the remuneration of the Chief Executive Officer further.

Remuneration for directors

Remuneration for directors will take into account the suitability of obligations, responsibilities on the assigned duties which must be consistent with the performance and business size. It can be comparable to those listed on the Stock Exchange of Thailand in industries and businesses of similar size. The remuneration of such directors is sufficient to motivate the directors who are capable of performing their duties with the Company.

For the year 2018, the directors' remuneration approved by the Annual General Meeting of Shareholders was as follows:

- The Board of Directors' meeting fee: 18,000 Baht/person/time,
- Compensation for the Audit Committee: 350,000 Baht/person/year
- Other compensations

None of other compensations for directors

Table of the Compensation and Meeting Fee for the Board of Directors and all sub-Committees for 2018

Name	2018 Compensation and Meeting Fee (Baht)				
	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Management Committee	Total
Mr. Somchai Sirilertpanich	226,000	-	-	-	226,000
Mr. Chaiwat Atsawintarangkul	226,000	350,000	-	-	576,000
Miss Benjawan Sinkuknakorn	208,000	350,000	-	-	558,000
Dr. Arichai Ractham	226,000	350,000	-	-	576,000
Mr. Tavee Kullertprasert	226,000	-	-	-	226,000
Mrs. Angsana Munkongcharoen	226,000	-	-	-	226,000
Mr. Jiramote Phahusutr	226,000	-	-	-	226,000
Mr. Paisarn Tangyuenyong	226,000	-	-	-	226,000
Total	1,790,000	1,050,000	-	-	2,840,000

Holding a position of director in other companies

The Company's directors (including Managing Director) are limited by the Board of Directors' policy about the number of registered companies where directors hold a position of director at the same time, the objective is to enable the Company to obtain the utmost benefit from the performance of directors and their time for effective performance, the policy is regulated as follows: Directors are limited to hold a position of director in other companies not exceeding 5 companies and required to be approved by the Board's meeting before entering that position, The Board of Directors must approve for the director position holding in other companies by that director needs to propose through the Nomination and Remuneration Committee.

2. Executives

The Board of Directors clearly separates roles and responsibilities between the Board of Directors and management. The roles and responsibilities of the management in the daily Company's management are determined in accordance with the policies, plans, targets, regulations and rules of the Company including the resolution of the Board of Directors' meeting by reporting the progress on the major operations to the Board of Directors' meeting at least once a month. Presently, as of 31st December, 2018, there are 16 executives* as follows:

Name - Surname	Position
Mr. Somchai Sirilertpanich	Chief Executive Officer
Mr. Jiramote Phahusutr	Managing Director
Mr. Sukhum Phahusutr	Deputy Managing Director
Miss Nichaya Phahusutr	Deputy Managing Director
Mr. Nayot Pisantanakul	Deputy Managing Director
Miss Nuchanart Sirisupamit	Director, Financial Department
Mrs. Chongchid Vitheekol	Director, Accounting Department
Mrs. Angsana Munkongcharoen	Director, Human Resources and Administration Department
Mr. Suwicha Savetsila	Director, Construction 1 Department
Mr. Veerapong Tungbenjakun	Director, Construction 2 Department
Mr. Tawatchai Tirapairojana	Director, Construction 3 Department
Mr. Chinnatat Na Ranong	Director, Construction 4 Department
Mr. Anuwat Chutmongkolchart	Director, Price Estimation, Bidding and Engineering Technic Department
Mr. Yotin Treratanapan	Director, Contract and Cost Control Department
Mr. Paiboon Chetchotiros	Director, Quality Assurance and Work Safety Department
Mr. Kittiphiriyawirut	Director, Business Development, and Human Resources

Remarks: * Based on the definition of "Executive" of the Securities and Exchange Commission Office.

Recruiting Company Leaders and Top Executives

For the appointment of high level executives from the position of the department director up, the Company will call for the Recruitment and Consideration of the Nomination and Remuneration Committee to screen and nominate the names of suitable candidates to the Board for consideration. As for the appointment of other executives, the screening will be conducted by the Company's Management Committee.

The Company's nomination of executives for every division of the Company such as Engineering Division and Internal Administration Division is based on considering eligible persons who are sophisticated and experienced in administration to contribute to the Company as much as possible and to be able to achieve the goal planned. The nomination is made via job announcement in media. Short-listed candidates who have direct experiences will be considered and invited for an interview by the division who will later report the supplementary information to the Company's executives before another interview and approval for employment.

Succession

The preparation and review of Succession Plan is the important duty in the good corporate governance principle of the Board of Directors who shall govern, take care and push to actually practice in order to minimize the shortage problem of personnel in important positions, especially top executive position.

Succession plan preparation will be considered as following process:

○ Succession plan preparation will be considered as following process:

1. Analyze the Company's business situation in respect of strategy, policy, direction, expansion plan or business retardation plan in order to assess the number and qualification workforce required at present and in the future, are ready to work in line with the Company's strategy for short-term and long-term periods and emergency case;

2. Establish employee recruitment and training development in advance prior to the early retirement or leave of employees, the development plan must be prepared by taking into account of the retirement age of employee or early retirement;

3. Determine competence, knowledge, skill, personality and attitude of employees in that position;

4. Select and evaluate performance and potentiality of employee who will be the successor, after selecting intended employee, that employee must be informed in advance in order to prepare him/herself for learning works and responsibilities in higher level.

5. The selection of successor needs to always determine the substitute candidates of 2nd and 3rd ranks, the substitute candidates need not to be qualified as equally as the 1st candidate but should have similar qualification and the Company should not inform that substitute candidates to know in advance in order to prevent the possible conflicts.

6. Develop and Evaluate the progress and performance of selected successor whether her or she can achieve the expectation or not. If not, the Company will be able to change new candidate on time.

7. There are many styles of successor's potentiality development such as creation of learning culture inside the organization, Job rotation, On-the-job Training or Off-the-job Training and Coaching by current executives to transfer experiences to new generation executives.

○ **The Succession Plan covers following position:**

1. President/Managing Director Level:

When the position of President or Managing Director Levels vacant or unable to perform duty, the Company will assign executive in similar level or Vice M.D. to act such position until the recruitment and selection of person with qualification as the Company requires had been proceeded. The Nomination and Remuneration Committee will consider and propose candidate to the Board of Directors for consideration and approval of appointment for successor.

2. Executive Level:

When the position of Executive Level is vacant or unable to perform duty, the Company will propose the selected successor to the Board of Directors; the Succession Plan for Executive Level will be preceded as follows:

2.1 Determine the personnel preparation plan, prepare the recruitment and training development for employees in advance prior to the retirement or early leave of employees.

2.2 Establish the qualification including knowledge, skill, personality and attitude proper to that position and prepare individual development plan.

2.3 Select, evaluate performance and assess potentiality of employees for proper consideration.

2.4 Specify the successor after evaluation and analysis of employees' qualification and that employee should be informed in advance in order to prepare him/her for succession and work study.

Remuneration for executives

In the consideration of the remuneration for top executives, the Nomination and Remuneration Committee will consider the proper remuneration in order to motive and maintain the quality personnel to long-term work with the Company based on the performance evaluation of top executives. Such evaluation result will be treated as confidential information, criteria for consideration is consisted of the policy assigned by the Board of Directors, responsibilities, as well as working efforts, the Nomination and Remuneration Committee will propose to the Board of Directors for approval after making consideration.

In 2018, the Company had paid of remuneration consisting of salary, bonus, welfare, living expenses, and social security fund to Top 4 executives and chief financial officer totally 64,157,696 Baht.

3. Company Secretary

In accordance with the Securities and Exchange Act, Section 89/15 and 89/16 and to help the Board of Directors and the Company comply with relevant laws and regulations Including encouraging supervision The business is in accordance with good corporate governance standards. At present, the Board of Directors has appointed Ms. Ratthapaveerapnan as the official company secretary. From 24 July 2017 with the following qualifications

Position

- Company Secretary (From 24 July 2017)
- Senior Compliance Officer
- Investor Relations



Ms. Rattapawee Lapnan

Educational

- Master of Management Science, Sukhothai Thammathirat Open University
- Bachelor of General Management, Rajamangala Chakrapongphuwana

Work Experience Company secretary

- Company secretary of Ausiris Future Co.,Ltd. (3 years)
- Executive Secretary, Thonburi Panich Leasing Co.,Ltd (5 years)

Training

- Fundamentals for Corporate Secretaries : TLCA
- Advances for Corporate Secretaries : TLCA
- CSR for Corporate Sustainability : SET
- Company Secretary Program (CSP) : IOD
- Company Reporting Program (CRP) : IOD
- Board Reporting Program (BRP) : IOD
- Effective Minutes Taking (EMT) : IOD
- Corporate Social Initiatives for Sustainable Development : SET
- Supply Chain and Stakeholder Engagement: SET
- Strategic CSR Management: SET
- CSR Evaluation and Data Management: SET
- Sustainability Risk and Materiality Analysis : SET
- Sustainability Reporting: SET

○ The Company Secretary has the following roles and responsibilities:

1. Held meetings for the Board of Directors and Annual General Meeting to achieve the requirements of laws, relevant regulations and good practices.
2. Provide basic advice to the Board of Directors concerning compliance with the laws, rules, and regulations of governing authorities and practice of good corporate governance;
3. Maintain the report of interest of directors or executives and deliver copy of report of interest according to Section 89/14 for the Audit Committee's consideration within 7 days after the receipt of that report.
4. Be responsible for disclosing Company information in line with governing authorities and public to be accurate and complete according to the law;
5. Contact and coordinate with the governing authorities such as the Securities and Exchange Commission

4. Chief Financial Officer

In order to ensure the quality of financial reporting and supervision are consistent with the guidelines of the Securities and Exchange Commission The Stock Exchange of Thailand therefore sets the qualifications of the highest responsible person in the Accounting and Finance Division (CFO) and the supervisor of accounting. As well, the Board of Directors has appointed Ms. Nuchanart Sirisupamit as the Chief Account Officer and finance and accountant officially from 16 March 2018.



Ms. Nuchanart Sirisupamit

Position

- Chief Financial Officer

Educational

- Master of Banking, Siam University
- Bachelor of Business Administration, Ramkhamhaeng University
- Bachelor's Degree in Accounting, Krirk University

Work Experience Accounting

- Accounting Department Manager, Syntec Construction Plc. (4 years)
- Accounting Section Manager, Syntec Construction Plc. (10 years)

Training

- Safety Committee Occupational health and working environment by the Safety and Health Promotion Association (Thailand)
- Enhancing administrative efficiency by using 7 Plus Habits principles by Thammasart University
- Development of thinking systems to create work efficiency with the Mind Map by Thammasart University
- Five Force and Core Competence Analysis by Thammasart University
- Pre-CFO & Fundamental CFO courses, prepare accountants to CFO by Dharmniti



Mr. Somchai Sirilertpanich

Aged: 57 years old

Position: Acting Chairman, Vice Chairman,
Director of Nomination and
Remuneration Committee, Chairman of the Managing
Committee, Managing Director and the Authorized
Signatory.

Totally 14 years (commencement date of being the
board of director 23 December 2004)

Educational:

Qualification · MBA Operation Management University
of Scranton Pennsylvania, USA

Shareholdings proportion (on December 31, 2018)

· No for both direct and indirect

Family Relationship between Executives

· No-

Board of Directors Profile

Training- Directors Accreditation Program (1/2003)
The Thai Institute of Directors Association

5-Year- Backtracked Job Experience

· 2544 – 2554 : Narai Phand Co., Ltd

Other current Positions

Other registered companies

- No –

Other companies and organizations: Total 6

- Director - Siam Syntech Planner Co., Ltd.
- Director SCR Asset Management Co., Ltd.
- Director Natural Ville Service Apartment and
Management Co., Ltd.
- Director CSM Capital Partners Co., Ltd.
- Director PT 3 Land Co., Ltd.
- Director JT 10 Co., Ltd.



Mr. Chaiwat Atsawintarakul

Aged: 67 years old

Position: -Independent Director,

- Chairman of The Audit Committee
- Chairman of the Nomination and Remuneration Committee

Totally 15 years (commencement date of being the board of director 30 October 2003)

Educational:

- Master of Education (Curriculum and Teaching Methodology), Beijing Languages and Cultural University
- Master of Science in Business Administration, Thammasat University
- Barrister-at-Law, The Barrister Association Ramkhamhaeng University
- B.B.A (Accounting) Ramkhamhaeng University

Shareholdings proportion (on December 31, 2018) ·

No for both direct and indirect

Family Relationship between Executives:

- No

Training:

- Directors Accreditation Program (Batch 24/2004)
- Directors Certification Program (Batch 81/2006)
- Audit Committee Program (Batch 12/2006)
- The Audit Committee's Role in Compliance and Ethical Culture Oversight

The Thai Institute of Directors Association

5-Year- Backtracked Job Experience

- 2543 – 2558 : Bright Lilly Co., Ltd. (Thailand)

Other registered companies

Other companies and organizations : Total 3

- Chairman of the Audit Committee Krungthai Car Rent & Lease PCL. - Audit Committee Eastern Printing PLC.
- Audit Committee U City PLC.
- Chairman of the Audit Committee Natural Park PLC.

Other companies and organizations: Total 7

- Director MJL Intertrade Co., Ltd.
- Director -Prospect Consulting Co., Ltd.
- Director - Resort Holding Co., Ltd.
- Director - Chiangmai Hot Spring Co., Ltd.
- Director - Andaman Long Beach Resort Co., Ltd.
- Director - Boathouse Hua Hin Co., Ltd.
- Director - Bright Lilly Co., Ltd.



Miss Benjawan Sinkuknakorn

Aged: 61 years old

Position

- Audit Committee and Director of the
Nomination and Remuneration Committee
Totally 15 years (commencement date of being the
board of director 14 November 2003)

Educational

- Literature Chinese Language (Economics and Trade),
Beijing Language and Culture University
- MBA, BBA, LL.B., Thammasat University
- B.Acc. Thammasat University
- Master of Laws, Thammasat University
Thai Barrister at law, Institute of Legal Education Thai
Bar Association

Shareholdings proportion (on December 31, 2018)

· No for both direct and indirect

Family Relationship between Executives

- No –

Training

- Directors Accreditation Program (Batch 24/2004)
- Directors Certification Program (Batch 79/2006)
- Audit Committee Program (Batch 12/2006)
- The Audit Committee's Role in Compliance and
Ethical Culture Oversight
- The Thai Institute of Directors Association

5-Year- Backtracked Job Experience

- 2015 – Present: Wealth Magik Mutual Fund
Brokerage Co., Ltd.
- 2009 – Present: Multibax PCL.
- 1997 – Present: Prospect Consulting Co., Ltd.

Other current Positions

Other registered companies: Total 1

Independent Director and Director of the Audit
Committee, Multibax PCL.

Other companies and organizations: Total 2

- Director of the Audit Committee/Managing Director
Prospect Consulting Co., Ltd.
- Director Wealth Magik Mutual Fund



Dr. Arichai Ractham

Aged: 52 years old

Position - Independent Director, Director of the Audit Committee, Director of the Nomination and Remuneration Committee and Chairman of the Risk Management Committee
Totally 11 years (commencement date of being the board of director 15 May 2007)

Educational

-PH.D in Financial Economics- Peter Drucker Graduate School of Management, Claremont Graduate School, CA-USA.

-Master of Finance and Economics, Claremont Graduate School, CA-USA.

-Master of Science in International Finance, University of Idaho, USA.

Shareholdings proportion (on December 31, 2018)

· No for both direct and indirect

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Family Relationship between Executives

- No –

Training

· Directors Accreditation Program (Batch 35/2004)
· Directors Certification Program (Batch 61/2005)
· Audit Committee Program (Batch 15/2006)
· The Audit Committee's Role in Compliance and Ethical Culture Oversight
The Thai Institute of Directors Association

5-Year- Backtracked Job Experience

· 2010 – 2017: M-LINK Asia Corporation PCL.
· 2006– 2012: Office of FDA Food and Drug Administration, Ministry of Health

Other current Positions

Other registered companies: Total 1

- Risk Management Advisor Crown Seal PCL

Other companies and organizations: Total 1

· Kasetsart University, Chulalongkorn University, College of Management Mahidol University (CMMU)



Mr. Tawee Kullertprasert

Aged: 46 years old

Position: Independent Director

Totally: 14 years (commencement date of being the board of director 29 April, 2004)

Educational

· Master Degree of Financial, Golden Gate University

- Bachelor of Laws (LL.B), 1st class honors, Chulalongkorn University

- Bachelor Degree of Financial, Thai Chamber of Commerce University

Shareholdings proportion (on December 31, 2018)

· No for both direct and indirect

Family Relationship between Executives:

- No –

Training:

· Directors Accreditation Program (Batch 35/2005)

· Directors Certification Program (Batch 79/2006)

· Audit Committee Program (Batch 12/2006)

· TLCA Leadership Development Program (Batch 3/2015)

· TLCA Executive Development Program Certificate, Batch 4, Thai Listed Companies Association

· Senior Executive Program Certificate, Batch 20, Sasin Graduate Institute of Business Administration of Chulalongkorn University

5-Year- Backtracked Job Experience

· 2552 – 2554 : Office of Small and Medium Enterprises Promotion (OSMEP)

Other current Positions

Other registered companies:

- No –

Other companies and organizations: Total 7

- Director ACME 1975 Co., Ltd.

- Director Dark Horse Development Co., Ltd.

- Director Knight Club Capital Asset Management Co., Ltd.

- Director Practicum Engineering Co., Ltd.

- Director - Steeler Steel Works Co., Ltd.

- Director Practicum Engineering Co., Ltd.

- Director Siam Syntech Planner Co., Ltd.



5-Year- Backtracked Job Experience

- 2011 – 2015: Natural Park PLC.
- 2004–2010: Park Cuisine Co., Ltd.
- 2004 – 2010: Natural Hotel Panwa Co. Ltd.,
- 2004 – 2010: Natural Hotel Sukhumvit Co., Ltd.
- 2004– 2010: Natural Real Estate Co., Ltd.
- 2004 – 2010: Kempin Siam Co., Ltd.
- 2004– 2010: Natural Park Ville Co., Ltd.

Other current Positions

Other registered companies:

- No –

Other companies and organizations

- No –

Mr. Paisarn Tangyuenyong

Aged: 54 years old

Position: Independent Director

Totally 2 year (commencement date of being the board of director 30 June, 2016)

Educational: - Master Degree of Mechanical Engineering, University of Wisconsin-Madison, USA.
- Bachelor Degree of Mechanical Engineering, University of Wisconsin-Madison, USA

Shareholdings proportion (on December 31, 2018)

· No for both direct and indirect

Family Relationship between Executives

- No –

Training

· Directors Accreditation Program (Batch 28/2004)

The Thai Institute of Directors Association



Mr. Jiramote Phahusutr

Aged: 36 years old

Position: - Director,

- The Authorized Signatory,

- Managing Director

Totally 5 years (commencement date of being the board of director 29 April, 2013)

Educational: Bachelor and Master Degree, Imperial College of Science, Technology and Medicine, London, UK

· High School Education, Sherborne School for boys, Sherborne, UK

Shareholdings proportion (on December 31, 2018)

· 11.81% (188,982,560 shares)

Family Relationship between Executives:

Son of Mr. Sukum Phahusutr (Deputy Managing Director)

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Training

· Directors Accreditation Program (Batch 105/2013) The Thai Institute of Directors Association

5-Year- Backtracked Job Experience

· 2008 – 2009: Pacific Star International (Thailand) Bangkok

Other current Positions

Other registered companies:

- No –

Other companies and organizations: Total 7

- Director - CSM Capital Partners Co., Ltd.
- Director - SCR Asset Management Co., Ltd.
- Director Natural Ville Service Apartment and Management Co., Ltd.
- Director N & J Building Co., Ltd.
- Director N & J Asset Management Co., Ltd.
- Director PT 3 Land Co., Ltd.
- Director JT 10 Co., Ltd.



Mrs. Angsana Munkongcharoen

Aged 68 years old

Position Director of the Nomination
and Remuneration Committee, the Authorized
Signatory, Company

Totally 14 years (commencement date of being the
board of director: 29 April, 2004)

Educational:

- The Oxford and County Secretarial College

Shareholdings proportion (on December 31, 2018)

- No for both direct and indirect

Family Relationship between Executives

- No –

Training

- Directors Accreditation Program (Batch 2/2003) The
Thai Institute of Directors Association

5-Year- Backtracked Job Experience

- 2013 – 2014: Syntec Asset Management Co., Ltd.
- 2005 – 2011: Naraiphand Co., Ltd.

Other current Positions

Other registered companies:

- No –

Other companies and organizations: Total 2

- Director Natural Ville Service Apartment and
Management Co., Ltd.
- Director Natural Hotel Sukhumvit Co., Ltd.

Corporate Governance

Syntec Construction Public Company Limited ("Company") emphasizes the principle of good corporate governance in accordance with the rules of the Securities and Exchange Commission (SEC). The Board of Directors has set up the Corporate Governance Policy as well as annually reviewed them to ensure that they are consistent with the situation, operational plan and short-term and long-term strategies of the Company

Since the Company emphasizes and aims to continuously comply with the principle of good corporate governance, as a result, in 2018, the Company was awarded and rated of its good corporate governance by the external governing organizations as follows:

1. The evaluation under the quality assessment of the 2018 Annual General Meeting of Shareholders: The Company was rated of fully 100 scores by the Thai Investors Association.

2. The evaluation under the Corporate Governance of Thai Listed Companies for 2018: The Company was ranked in the level of "Excellence" or 5-star rating by the Thai Institute of Directors.

3. Certificate of ESG100 Company 2018 Award: The company was listed in the top 100 outstanding securities in sustainable business operation with the emphasis on environment, society and good governance for the second consecutive year.

4. The Company was awarded of the Certificate approving the membership in the Collective Action Against Corruption or 'CAC' Project and the Company emphasizes its management with transparency and accountability as well as anti-corruption.

5. The Company was selected to be listed on the Thailand Sustainability Investment: THSI 2017 or "Thailand Sustainability Investment", reflecting that the Company recognizes and prioritizes its business operation with responsibility to environment and society as well as management and administration under the principle of Good Corporate Governance along with the satisfactory economic return.

6. The company was awarded of the certificate Sustainability Report Award 2018 which the company has disclosed information about the operation strategy, supervision, management direction and the economic, social and environmental performance that reflects both positive and negative by aiming for sustainable development.

The Company's Good Corporate Governance is divided into 5 parts as following details:

Section 1. Rights of the Shareholders

The Company's Board of Directors has realized the rights of shareholders. Over and above the Rights to attend shareholders meeting and voting to approved importance Matters provisions of the laws, the fundamental rights of the shareholders are the right to receive share of profits/dividends equally, To communicate with each other, Rights to Proposing Agenda AGM, Rights to to propose Director Nominee, Rights to submit any

questions regarding of the AGM, Rights to attend shareholders meeting and voting to approved importance Matters, Rights to attend shareholders meeting and voting to approved importance Matters, Right to comments, questioning in shareholders meeting, Right to appoint or remove Directors and set remuneration fees, Right to appoint or remove Directors and Right to appoint or remove and set remuneration fees.

The Company has not intercepted or obstructed the chance of shareholders to communicate with each other besides; it is the responsibility of the board of directors to respect and treat all shareholders equally, especially for the minor shareholders, foreign shareholders, and institutional shareholders.

Moreover, the Company has the policy aiming at facilitate and encourage every shareholder including institutional shareholders attend the shareholder meeting which is in accordance with the laws and shareholder meeting standard, as in the year 2018 shareholders possess:

1.1 Right of ownership of shares on buying, selling or transfer shares independently

Thailand Securities Depository Co., Ltd. (TSD) is a Securities Registrar of The company (Company's registrar) to facilitate the ability of shareholders.

1.2 Rights to attend shareholders meeting

- **The Shareholder Meetings**

The Annual General Meeting of Shareholders is scheduled to be held once a year within a maximum of 4 months from the end of the fiscal year. The schedule of the AGM 2018 meeting has been revealed to the shareholders in advance. The date is 26 March, 2018 for the shareholders they will be able to fix the time to attend the meeting on the scheduled date. At the meeting, the Company is ready to make convenience to the attendants and it has the policy not to arrange the meeting on official holidays and bank holidays, meeting time at 8.30 – 16.00 hrs.

In year 2018, the meeting was held on 27 April 2018 meeting time between 09.00 – 12.00 hrs. The company has held Shareholders Meeting at Bu-Nga Room, 3rd floor, Golden Tulip Sofferin, 92 Soi Saeng Cham, Rama 9 Road, Huai Kwang Sub-district, Huai Kwang District, Bangkok. The shareholder is able to attend the meeting easily as the venue is at the city center, near public transport as BTS, MRT. and informed of venue travelling with reference map attached the Invitation Letter.

The Company also coordinates with institutional shareholders to send Proxy to the company in advance to examine the accuracy before the meeting date, by taking into account of facilitating shareholders.

- **Notification of the Shareholder Meetings**

The Company sent Notice to Call the Annual General Meeting of Shareholders with the supporting data for meeting according to agenda such as information was delivered by post to shareholders prior the meeting date for 21 days, both Thai and English versions. This is to assure shareholders acknowledge the topics for consideration in the meeting. Furthermore, the objectives and reasons of the board's opinion towards each agenda

are indicated clearly. For election of directors, the Company will list profiles of each nominated director to inform shareholders. Regarding the appointment of the auditor, name, independency, duration of works, and salary are indicated clearly as same as the submission for approval of dividend, the Company will inform the policy of dividend, rate of paid dividend, and reasons and information for shareholders.

Additionally, in the shareholder meeting, the Company will acknowledge a name of an independent director in Invitation to the General Meeting of Shareholders for those who are unable to attend the meeting so they can send proxy letter to the independent director or give power of attorney letter to the other person who the shareholder agrees with.

- Invitation to attend the AGM of Shareholders for the year

Thailand Securities Depository Co., Ltd. (TSD) is the Company registrar was delivered by post to shareholders with the attachment of invitation letter, proxy form B and C , Annual Report in both Thai and English versions was delivered by post to shareholders on 5 April, 2018 prior the meeting date for 21 days through (TSD) offers securities registration service. This is to open the chance for shareholders to review details of each agenda and prepare the letter of power of attorney in the case of inability of attendance. The stamps for power of attorney letter are available in front of the meeting room without charges.

The company 's Disclose of invitation letter to annual general meeting of shareholders in both Thai and English on company's website www.synteccon.com for 30 days advance before date of shareholders meeting started which is the same information Moreover, includes advertise in newspaper for 3 consecutive days (17 – 19 April, 2018)

- Shareholders' Meeting

Shareholders' Meeting, The Company will facilitate shareholders in every way, for example, check the document ,positioning staffs to guide the attendants an appropriate catering.

The Meeting was held on 27 April 2018. There appear to be 8 directors, of the total number of directors' company. There were 489 shareholders attending the meeting both by themselves and by proxies whose shares were collectively amounted to 720,995,376 shares from the total sold shares of 1,600,000,000 or 45.0622% details of which are provided below:

- 27 Shareholders attended the meeting by themselves whose shares were collectively amounted to 9,631,602 shares or 0.6020%.

- 462 Shareholders were represented by their proxy holders whose shares were collectively amounted to 711,363,774 shares or 44.4602%. All of which could form quorum of the meeting pursuant to the Company's Articles of Association also stipulates the quorum of the shareholders' meeting as required by laws in Article 34 stating that in any meeting of shareholders, there shall be totally not less than 25 shareholders and proxies (if any) or not less than a half of the whole number of the shareholders and the calculated shares shall not be less than one third of the total sold shares. The company are able to have 2 auditors is Mr. Narong Lakthan and Ms. Maliwan

Phahuwatthanakorn of auditors from NPS Siam Audit Limited. In order to ensure correct, clear and Corporate Governance Code of registered companies in the shareholder meeting, the company are able to have representative is Mr. Supreedee Natiwiwat from Bunchong & Vidhya Law Office Co., Ltd to propose the shareholders' representative who is the third independent person to inspect and verify vote counting in order to establish confidence and the representative from Thai Investors Association is Ms. Jitt Sawitkul will attend this meeting on the meeting day.

- In the shareholder meeting,

For the convenience of the shareholders and proxy, the Company had arranged for a barcode system to be used to register with register staff and count the votes, In addition, the Company encourages shareholders to show the ballot in order to confirm the vote for every agenda. The Ballot is provided for each agenda separately so that the shareholders will be able to vote as agreement.

Before the meeting started, Company secretary as representative of the meeting has announced amount and percentage of shareholders attended the meeting together with voting procedures, counting vote of shareholders to vote each agenda under law and regulation of company

1. A shareholder has one vote for each share. The proxy is entitled to one share equal to one vote.
2. Each shareholder may cast his or her vote to approve, disapprove, or abstain from voting. Split votes in other ways are disallowed.
3. Except that it is related to any legal measure, the election of directors will open for individual vote in order to open the chance for shareholders to select the desirable person and the election will be transparent. It is regulated that the shareholders who demonstrate the agreement, the staffs will collect the ballot after the meeting.
4. The Company shall collect ballots only in the case that the shareholders make a disapprove vote or an abstain vote and the Company shall deduct such votes from the total votes in each agenda to obtain the votes of approval.
5. The counting of votes for each agenda item will be counted from the vote of the shareholders attending the meeting to vote on that agenda item. There may be shareholders and the number of votes on each agenda is not equal. There may be some shareholders leaving the meeting room or coming in.
6. A resolution of the meeting will be decided by the majority votes of the shareholders who present and vote at the meeting except those stipulated in this governing rules or applicable laws. The results of the ballot counting will be announced after the end of each agenda item.

The elected directors must receive the votes more than half from the total eligible votes in the meeting in order to determine the number of approval votes. The Company allows for shareholders who come late are able to vote the agenda that is during the consideration or incomplete resolution, and allocate time appropriately of each agenda thus give opportunity for shareholders to ask question and comment fully in each agenda All attendants can inquire about problems and suspects and also share opinions during the end of the meeting; whereas the inquiry will be recorded so that the absent shareholders will be acknowledged.

- Disclosure of resolutions

Disclosure resolution of shareholders' meeting together with voting results in both Thai and English version thorough news system from The Stock Exchange of Thailand and company's website. After approval

- The report of Annual General Meeting of Shareholders

The Company Secretary has recorded the report of Annual General Meeting of Shareholders correctly and completely includes name list of Directors who attended the meeting together, significant statements, questions or answers or brief opinion of each agenda adhere to facts, number of votes of each agenda (Agreed, Disagreed and Abstained) which mentioned report has submitted to The Stock Exchange of Thailand and related agencies within 14 days counting from date of Annual General Meeting of Shareholders and also disclosed in the company website both Thai and English version for chance of shareholders to have more channel to get the information with delivery to Ministry of Commerce within time specified by Law. Thus, in case shareholders could not attend the meeting then The Company has processed the pictures published on the website of the company to the shareholders' meeting to get detailed information.

1.3 Right to set remuneration of directors fees

The Company has followed the policy specified the policy on rules of presentation and consideration for remuneration of directors to shareholders and appoints nomination and remuneration committee to consider pattern and regulation of remuneration payment by considering the size of business, economic situation, and operating result, including comparing the rivals in the same industry with rationality and also proposing all types of remunerations for directors which are meeting allowances gratuity The Company has proposed the shareholders to consider the approval of the annual general meeting which is according to The Public Limited Companies Act 90 It is specified that "to pay the remuneration to directors must be according to the resolution of the shareholder meeting with the votes not fewer than 2 out of three of the total votes."

Regarding the table displaying the remuneration of directors, it is evident that the allowance of the meeting of the board in the year 2018. The details are as follows:

Table of Directors' Remuneration

remuneration	2018	2017	2016	2015	2014
1. Board of Directors					
- Meeting allowance (Baht / person / time)	18,000	16,000	14,000	11,000	10,500
2. Audit Committee					
- Gratuities (Baht / person / year)	350,000	300,000	250,000	220,000	210,000

Regarding the table displaying the remuneration of directors, it is evident that the allowance of the meeting of the board in the year 2018 increased, as in the year 2017 Amounting 2,000 THB or an increase of 12.50 At the same time, the remuneration of Audit Committee also increases from the year 2017 Amounting 50,000 or increased 16.67 % the purpose to return the opinions and suggestions beneficial to the Company's operation.

1.4 The right to appoint an auditor And set auditor fees.

The company has set the agenda.

Appointment of auditors and set auditor fees. Proposed to shareholders to approve At the Annual General Meeting of Shareholders, Details about the name of the auditor, Affiliated companies , independence, Period of the Company's auditor And the fees of the auditor.

At the Annual General Meeting of Shareholders for the year 2018. The meeting considered and approved the appointment of Mr. Narong Lakthan Certified Public Accountant Registration No. 4700 Miss Maliwan Pahuatanakorn Certified Public Accountant (Thailand) No. 4701 And Mr. Chaikrit Vorakijaporn Certified Public Accountant (Thailand) No. 7326, the auditors from NPS Siam Audit Co., Ltd To be the Company's auditor for the year 2018. The remuneration is 4,315,000 baht. Other Service Fees - None –

Table of Audit Fee

Compensation type	2018	2017	2016
1. Audit Fee for the Company	3,465,000	3,300,000	3,000,000
2. Audit Fee for subsidiaries			
- Siam Syntec- Vijitaphan-Krung Thon Joint Venture	-	50,000	50,000
- C S M Capital Partners Co., Ltd.	420,000	400,000	300,000
- S C R Asset Management Co., Ltd	380,000	350,000	300,000
- Natural Ville Serviced Apartment and Management Co., Ltd.	50,000	50,000	50,000
3. Other Service Fee	-	-	-
Other Service Fee	4,315,000	4,150,000	3,700,000

It is evident that the remuneration of the year 2018 was increased from 2017 for 165,000 Bath or 3.98% is in accordance with the marketing price.

Section 2. Rights of Shareholders and Equitable Treatments of Shareholders

The Company has not intercepted or obstructed the chance of shareholders to communicate with each other; this is to assure shareholders in the investment and acknowledge the topics for consideration in the meeting.

Besides, it is the responsibility of the board of directors to respect and treat all shareholders equally, especially for the minor shareholders, foreign shareholders, and institutional shareholders, to provide shareholders with confidence in investment.

2.1 The right to propose the agenda in advance, Nomination to appoint a director.

And submit questions in advance about the company.

The Company promoted the right of shareholders and equitable treatment toward all shareholders by giving the opportunities to minor shareholders or minority of shareholders to be able to nominate the candidate for holding the director position in advance before the Company's Annual General Meeting of Shareholders. The Company also gave the opportunity for such shareholders to enable to propose the meeting agenda in advance before the Company's Annual General Meeting of Shareholders 2018. The Company's detail, requirement and criteria were publicized in letter to the shareholders through the Stock Exchange of Thailand's system and the Company's website (www.synteccon.com) on 1 October 2017 to 31 January, 2018 (totally 123 days of right exercise)., however, the shareholders did not exercise such right.

2.2 Proxy

- In case the shareholders could not attend the meeting, the Company allows shareholders to appoint independent directors or mutual person to attend the meeting on their behalf to support the voting rights of the shareholders by using the proxy forms B,C which sent by the company together with the notice of Meeting. The Company sent Notice to Call the Annual General Meeting of Shareholders with the supporting data for meeting according to agenda such as information was delivered by post to shareholders prior the meeting date for 21 days, both Thai and English versions

Section 3. Role of Stakeholders

The Company respects the right of stakeholders and the board of directors specified the policy in relation with the roles of stakeholders in Good Governance to affirm that they will be taken care and receive the right as the laws enforced. Furthermore, there must be no action violate the stakeholders. The policy and conducts towards each group of stakeholders as flowing

3.1 Shareholders

The Company also determines to build stability in finance in order to increase the value of shares to the highest.

3.2 Employee,

The company realizes that employees are the main factor to the success; therefore, they must receive appropriate and fair return which conforms to the operation of the Company. Besides, in short term and long term could be competitive in the same industry, including the performance evaluation in accordance with balanced scorecard. KPI is the performance indicator of every employee. The Company has the policy to develop personnel to obtain knowledge and high skills. We provide welfares, provident funds, medical welfare, and activity to enhance the good relations among employees.

3.3 Customers

The Company aims at building business with the objective to present products and services to customers responding to the customers' demands and respect the contract. We will disclose information of products and services accurately honestly and also reserve information and confidentiality of customers without revealing or use for misconduct or personal benefits or other benefits.

3.4 Competitor

The Company aimed at operating constructional business with morality and ethics by supporting and promoting fair and free trading competition without monopoly or commercial competition policy for obtaining the information of the rivals illegally and against the morality.

3.5 Partners

The Company has the policy to treat the trading partners equally and open the opportunity for them to present products and services without taking side. There is no obstruction to any partner to join the competition. To cooperate with the trading partners, the Company does not block any trading partner to join the competition; whereas, the business operation with the partners is based on fair and appropriate benefits to both sides.

3.6 Creditor

The Company will strictly follow the conditions and regulations of the contract and financial engagement, specifically the conditions of guarantee. Moreover, the financial report will be submitted to the debtors in compliance with the contract without errors and in the case of incapability of following any condition, the Company will inform the debtor in advance in order to negotiate the solution.

3.7 Treatment for the government

The Company will respect the laws and regulations of the state sector without flexibility and also supports the state's policy for the benefits of the nation without any violation acts against the laws of labors, employment, and commercial competition and Environmental

3.8 Community and society

The Company gives priority to the community. In consequence, it has the policy and conduct which is ethical and responsible to the society. There will be none action damages the community, the society, and the public interest. Besides, it supports the activities for community development social and cultural continuity

3.9 Environmental

The Company is operated under the regulations and laws in Environmental Rules and regulations cover air quality, sound level, vibration, and drainage, including conservation supports it also supports environmental conservation and effectively energy and resource usage campaign.

Section 4. Disclosure of Information and Transparency

The Company has the policy that reveals Information to investors and shareholders equally and the Company will disclose the financial information and non-financial information which is complete, accurate, and transparent

4.1 Shareholder Structure

The Company has clearly disclosed its shareholder structure with details Shareholder Structure Major Shareholders and Minority Shareholders they are the most recent information, resulting that the investors realize lists of shareholders of the company

4.2 Reporting of director holdings and direct and indirect management.

Director and executive with Spouse and underage children shall report the Company's securities trading/holding within 3 working days after the trading or transferring date to the Securities and Exchange Committee according to Section 59 of the Security and Exchange Act B.E. 2535 and gather to always report to the company secretary is kept as evidence.

4.3 Reporting of Conflict of Interest

The Company requires directors and executives to report the Company to their stakeholders. Or of the person who is involved. Under Section 89/14 of the Securities and Exchange Act, BE 2535 as amended. Securities and Exchange Act B.E.2535. (No.) in 2008 to provide the Company with operational information. According to the terms of the transaction, this is a potentially conflicting item of Benefit. This may lead to the transfer of benefits to the Company and its subsidiaries. During the year 2017, there are no directors, management and related persons who may have conflicts of interest. This may cause conflict of interest.

4.4 Disclosing Information and Maintaining Confidentiality

The Company has the policy to disclose the data for the use of internal data and reserve the confidentiality in letters for directors and everyone to follow strictly. The directors must not use internal data of the company and trading partners for their own benefits or other's benefits. And they must continue these following conducts:

- Report on executive's securities holding and reports on the change of executive's securities holding under Section 59 of the Securities and Exchange Act B.E. 2535, within 3 business days starting from the date of acquiring, transferring or receiving to Office of Directors. – They are refrained from the Company's stock trading

for one month prior to the publishing of financial statement and should wait over 48 hours before starting the trading. If any director commits the wrongdoing, the Company will give them verbal warning and make probation according to the rules.

- Report to the board of directors about the stock trading at least one day prior to the trading date and report any changes in securities holding reports to the Securities and Exchange Committee (SEC) and send a copy of the report to the company.

The Company will regard internal data and business operation data as the confidential data or the main data. If anyone reveals, the action will cause the great impact to the Company. As a result, that person must keep internal data confidential, except that they have been permitted to disclose or when the laws enforce to disclose.

4.5 Related party transaction

The Company specifies the policy of connected transactions and continuous transactions. The director must strictly follow the rules of conduct and consideration and approval process including data disclosure which is in compliance with criteria and announcement from the board of directors according to Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions 2003.

In addition, the directors must hold on the Company's benefit rather than avoiding for personal benefit which might causes damages to duty or correct and efficient performance. Under the laws and morality, the Company completely discloses the data about connected transactions in the Annual Reports (Form 56-2) and Annual Registration Statement (Form 56-1). Apart from this, the directors are forbidden to operate any business or take a part in the business that becomes the rival of the Company as indicated in Business Code of Conduct. However, if there is any connected transactions or conflict in benefits requires approval and agreement from the board of the Company before preceding the operation. Information about name, relationships with related persons, value of transactions, and reason of necessity must be demonstrated on the annual report in accordance with SET. Moreover, Audit Committee must attend the meeting to consider the continuous transactions with fairness, rationality, and concern on the highest benefit of the Company.

In 2018, the Company had not violated any connected transactions and /or neglected SET rules. Furthermore, the Company's structure is not a business group which has the connected transactions that might conflict the benefits.

4.6 Communication channel

For disclosure of financial and non-financial information, the Company has used many channels to reveal it. The Company has already revealed the financial statement and description of thoroughly. It is distributed through various channels. Include Notification system of the Stock Exchange of Thailand Company website with both Thai and English information. One-on-One (Company Visit) and an analyst meeting (Analyst Meeting)

In the year 2018 the Company has disclosed its financial statements (Management Discussion and Analysis) to Office The Securities and Exchange Commission Thailand (The Securities and Exchange Commission, Thailand and The Securities Exchange of Thailand in every quarter without delay history and revision.

4.7 Investor Relations

The company has designated Investor Relations unit (Investor Relations) to contact and communicate with investors or shareholders, including institutional investors and minor shareholders and disseminates the corporate information, such as financial and general information, to shareholders, securities analysts, via different channels, such as report submitted to the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the company's website

In 2018, the investor relation always arranged the activities for shareholders and those who are interested to receive the information as follows:

1. Arrange the Analyst Meeting to declare the operating result and business plan ,

In the year 2018, two activities were organized on 22 March, 2018 and 22 August, 2018

2. Open the opportunity for the investment analyst make a company visit and/or Conference Call with the executives to inquire about policy, strategy, and business plan while general information is complete, accurate, and up-to-date. It benefits to make the investment decision. In 2018: Company Visit total 12 times.

The Shareholders, investors, securities analysts and interested persons to access information of the Company, Investors are welcome to contact Investor Relations Department of the Company at: Investor Relations Department E-mail: ir@synteccon.com Tel: 0-2381-6333# 5941

Section 5. Responsibilities of Board of Directors

The board of directors specified the policy in regards to the role, duty, and responsibility of the board in Corporate Governance Code. (Detail As : “management structure”)

Corporate Governance Code and Business Code of Conduct

Apart from Corporate Governance Code for registration as the registered company in the year 2012, the Company also gives importance to these following operations:

1. Anti-Corruption Policy

In Present the Company's intention to participate in the network of Thailand's Private Sector Collective Action against Corruption (CAC) on November 24, 2014. After being a member, the Company has developed a plan to develop and improve its assessment system for anti-corruption risk, in order to confirm the determination to concretely protest against the corruption, the Board of Directors

declared to include such policy in the Business Code of Conduct, 2nd revision which was announced and effective from September 21, 2016 onward. There are three policies related to anti-corruption and anti-dishonesty: (1) Policy of receiving, giving gifts, presents, receptions and other benefits; (2) Policy of donation for charity and sponsorship; and (3) Policy of political assistance. In addition, the Company also notified its trading partners of such policy and requested them to sign for acknowledgement accordingly.

The Company has implemented a policy to not involve in the corruption and all forms of corruptions, both directly and indirectly, as a result, on March 9, 2017, the CAC Board approved the Company to become a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) for 3-year validity from the date of approval.

Anti – Corruption Policy

1. Risk assessment of corruption, the Company must indicate the risk and analyze impacts and opportunity and consider Internal Control and appropriate measures to reduce the risk of corruption in order to remain at the acceptable level.

2. The policy and code of conduct must be revised and improved so that the employees understand the policy and the method against corruption. The revision and improvement of policy and regulations must occur regularly.

3. The Company must communicate with the employees to be aware of importance and participation in risk management against corruption, including conveying the trading partner and business related persons to realize the policy in order to demonstrate transparency and determination of anti-corruption.

4. Every unit must specify steps of work and appropriate Internal Control by revising and improving.

5. Personnel's and business related person's history must be examined before the employment, including the contractor and the distributor; whereas the operation must be consented in accordance with related laws.

Additionally, the Company determines and fully devotes to follow the processes which conform to the policy of anti-corruption, which is in accordance with the international standard.

2. Whistle Blowing Policy

The Company has provided a channel for stakeholders and all parties affected for report the corruption, suspects of violation or non-compliance with laws, regulations from the operation of the company or an employee's performance to send inquiries all feedback. The Contact Complaint is following;

Function in charge	Whistle-blowing or Complaint Channels		
	Email	Telephone	E-mail
The Audit Committee	auditcommittee@synteccon.com	0-2381-6333 Ext. 5940	555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Khlong Ton Nue Sub-district, Wattana District, Bangkok 10110
Legal Department	legal@synteccon.com	0-2381-6333 Ext.5922	
Corporate Secretary	rattapaweel@synteccon.com	0-2381-6333 Ext. 5941	
Compliance Unit	compliance@synteccon.com	0-2711-7423	
HR. and Admin.	hrd@synteccon.com	0-2381-6333 Ext. 5151	
Internal Audit	internalaudit@synteccon.com	0-2381-6333Ext. 5940	

The process of receiving the tips or the claims

1. The process of receiving the tips or the claims The Company will respond within 7 days and will assign the internal audit or the appropriate unit to gather the facts for consideration. For the case of misconduct, the internal audit or the assigned unit will submit the case to Audit Committee and the board of directors for acknowledgement and give a command or specify the operating pathway and appointment of Investigation Committee.

2. After the investigation, Investigation Committee will suggest the pathway to Audit Committee and the board of directors to review the solution and penalty.

3. After the end of the investigation, the Company will inform the whistle blower or the petitioner to realize the result within 7 business days.

Whistleblower or Complainant Protection Measure

1. The Company will not expose any information identifying the whistleblower, person requesting suggestion, complainant or person cooperating in fact examination.

2. The Company will keep all relevant information as confidential and will disclose as necessary by taking into account of the safety and damage of the whistleblower, person requesting suggestion, complainant or person cooperating in fact examination.

3. In case the whistleblower, person requesting suggestion, complainant or person cooperating in fact examination feel unsecured or may be suffered or damaged, he/she can request the Company to determine proper protection measure or the Company may determine it without any request if the Company considers that the suffer or damage or danger may be happened.

4. Person who is suffered or damaged will be relieved by the proper and faire process.

5. The Company will not take any action unfair to the whistleblower, person requesting suggestion or complainant such as change of position, job description, working place, the suspension from working,

intimidation, working disturbance, dismissal or any actions unfairly treating to the whistleblower, person requesting suggestion, complainant or person cooperating in fact examination.

6. The Company has none of measures to punish the Company's employee who makes whistleblowing, complains although such action may cause damage to the Company.

3. Treatment of inside information usage

The Company requires that its executive report any change to his/her securities holdings to the Office of the Security and Exchange Commission pursuant to Section 59 of the Security and Exchange Act B.E. 2535 and that inside information shall be limited to only executive or insider on the need-to-know basis and such inside information is not allowed to be disclosed to the third person. Insider trading is absolutely not allowed by using such information.

Therefore, the Company has prescribed guidelines for its director, executive and staff in this matter as follows:

1. Directors, executives and employees do not use and always avoid using acquired inside information and the Company's business partner information for one's own or other person's benefit or providing inside information to outsiders. Directors, executives and employees must keep secret and inside information for the responsible part to not be leaked to other people including the Company's personnel who are not involved.

2. Limiting the access to inside information not yet disclosed to the public and allow only relevant persons to acknowledge.

3. The disclosure of the Company's information will be preceded by the person responsible of information disclosure; the unauthorized person is not allowed to disclose information.

4. All directors, executives and employees are responsible in protecting inside information and do not seek for benefits from obtained inside information although he/she had been terminated of the status of the Company's employee.

5. Director and executive shall report the Company's securities trading/holding within 3 working days after the trading or transferring date to the Securities and Exchange Committee according to Section 59 of the Security and Exchange Act B.E. 2535 and gather to always report to the Board of Directors as well as disclose in the Annual Report.

6. Director and executive should refrain from the Company's securities trading during one month before disclosure of financial statement to the public and should wait for at least 48 hours after such information has been publicly disclosed before starting.

7. Anyone disclosing unauthorized inside information and information not yet disclosed to the public, causing the damage to the Company, will be responsible in legally punishment.

In 2018, none of violation was found from directors, top executives and employees relating the use of inside information.

4. Respect for human rights

The Company respects and follows human right principle by concerning on the importance of human pride, rights, freedom and individual equality and take non-discrimination due to the differences of body, race, nationality, religion, gender, language, age, education background and other social status. Additionally, the Company concerns on the importance of labors by treating staff and employees in compliance with labor law, rules, regulations and obligations relating labor as well as does not force labor, use or support child labor

5. Undertaking with fairness

The Company has the policy to do the operation under just competition Commitment to compliance with Trade Competition Act, B.E. 2542 (1999).and it aims at doing the business with honesty and respects the laws and related regulations strictly, with responsibility social and environmental responsibilities

- Business Competitors: Comply with the rules of fair competition and treat business competitors fairly for mutually fair returns. Also, refrain from dishonestly or improperly seeking confidential information of business competitors and refrain from defaming business competitors through slander.
- Creditors: Stringently observe contracts, agreements, and conditions given to creditors and consistently report the Company's financial status with integrity, accuracy, and promptly to creditors. If conditions cannot be observed, negotiate with business partners well in advance to jointly find remedies and prevent damage.

Corporate Social Responsibility and environment

In the Company's business operation, apart from adhering to the good corporate governance principles, the Company is also committed to sustainable growth along with its responsibilities. The Company adheres on the principles of corporate social responsibility following the guidelines of the Stock Exchange of Thailand by operating following the 8 principles as follows:

1. Business Conduct with Fairness

The Company is committed to operate the business with honesty, compliance with the laws and regulations of relevant agencies strictly. The Company also had the policies to be implemented under fair competition by not performing any act to deprive the competitors, promoting free trade, and not discriminating against or exploiting others for free and fair competition.

2. Human Right Esteem

The Company respects the observance of the laws and respects the human rights principles along with respecting human dignity, rights, liberty and equality. There is no discrimination or exclusion due to differences and diversity of persons including Race, religion, language, skin color The political comments and other social status apart from the respect for the right

The Company also emphasizes small children of workers who live in worker camps. The Company recognized the safety of small children including the right of children to be taken care of and educated, then established the "Small Child Development Center"; such project not only provides the opportunity for small children to be cared of and educated only but also improves labor productivity since workers do not have to take care of their child during working.

As the company opened a small child care center at the camp for permanent workers at Kamphaeng Phet 7 Road, the first place on 1 June 2017 and has been established for almost 2 years Has organized activities for me on various important days in order for children to learn to socialize Coexistence Unity among the group With the following picture.



Mother's Day Activities



Loy Krathong's Day Activities



Merry X mas and New Year 2018

3. Workforce Handle with Fairness

The Company is well aware that human resources are the most important resources in the business as the implementation requires skills, dedication and motivation in order to achieve the goal and reward the Company. The Company has given importance to the Company's personnel by taking care of welfares and setting appropriate and fair remuneration. The Company also promotes the development of potential including providing useful training and promoting the progress of employees. Moreover, the Company also pays attention to safety and occupational health of the employees.



Training for developing the potential of personnel



Training for construction site personnel



The activities of human relations

4. Consumer Responsibility

The Company will treat the customers fairly in terms of products and services by performing the construction operation correctly following the engineering principles in accordance with the form agreed in the contract and deliver the product at the time set by the customer as well as allowing the customers to complain about the incompleteness of the products and services including revealing the information about products and services accurately and completely to the consumers.

The Company will comply with the terms and conditions as agreed with the customers. If the Company cannot comply with the agreement, the Company will notify the customers immediately to find the solution together.

5. Preserve and Take Good Care of Environment

The Company foresees the importance of the environment to human life. The Company's work process will take into account the impact of construction that may affect the environment. Therefore, the Company has set guidelines for the operation to minimize impact on the environment or not affected (*Details are in Corporate Sustainability Report : Topics “ Environmental Performance ”*)

Besides, the Company also supports the reduction of energy consumption and also promotes the use of resources to reduce the amount of waste and use the available resources fruitfully.

6. Social and Community Development Cooperation

Apart from operating the constructions with regard to the potential impact on the environment, the Company also participates in promoting and developing community by supporting various social activities or taking the labor force machines of the Company to involve in the improvement and social contribution.

Relationship management with neighboring communities

In addition to taking care of the effects of construction, the Company also has a policy to build good relationships with neighboring communities by starting the project will arrange staff to explore the surrounding area of the construction project to inquire about opinions and concerns about environmental issues and the potential impacts from construction. In order to gather various comments to set as guidelines for prevention and correction of various impacts in the future, it is including supporting social and environmental activities that the community needs in order to build a good relationship between each other.



Give a new's year basket to neighbors

Last year 2017, the company participated in the development of neighboring communities, The Politan Breeze, Phase 2 and The Politanuk Project by going into the construction of Wat Noi Nok. This year 2018, the construction is completed as scheduled according to the picture below. In the beginning, this area was just an open space for parking and some tents were built to welcome Buddhists who attended religious ceremonies within the temple that it is narrow and small. The company therefore saw that a large, strong, and spacious pavilion could be built to accommodate more people who came to make merit.

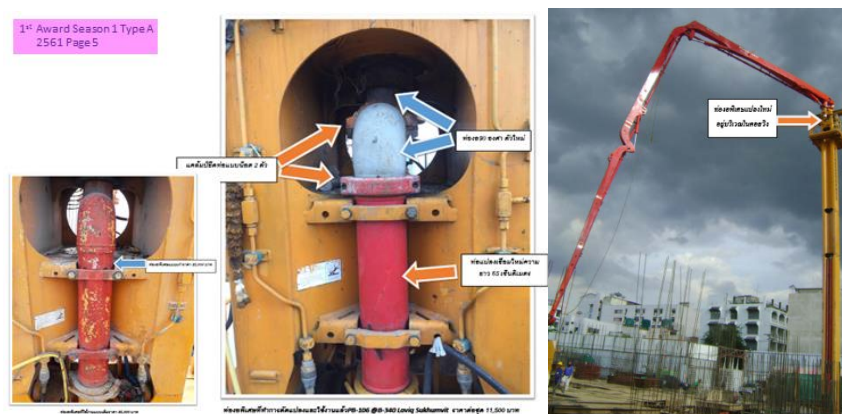


7. Gain and Disseminate Innovation Acquired from Responsibility Operation to Environment and Stakeholders

The Company focuses on the corporate innovation creation and the use of technology to develop various works to respond working with effectiveness, the Company has an idea to promote the establishment of forum for employees to present and create working-related innovative works for building the potentiality of the organization to compete in the construction business to be continuously sustainable.

In 2018, the Company organized the contest project titled 'SYNTEC Innovation Awards 2018', which was held to allow employees to show their creative ideas and innovations related to and beneficial to the Company's operation,

innovations can be created in the form of process, technology or inventions without limitation and can be used to effectively improve the potentiality of working.



“Special Pipe Modified connect to Swing” is an innovative Placing boom, Putzmeister model MXR31-3Multi, due to the original PB-104, PB-105 and PB-106. The price is quite high, so the team has modified it to use. The work is instead of the old style specials that are expensive and can be used more easily and cheaper.

In addition to innovating to be used in operations within the organization to reduce costs and time in operation, the company also invented new innovations to make the company's operations change in a better way. Benefit to all stakeholders

CSR after process which the Company has continuously implemented and in 2017, the Company involved in the development of community and society through following projects:

1. ‘My School’

In 2018, the Company delivered school building and teaching equipment including sports equipment to Huang Nam Sai School, Koo Yai Mee Sub-district, Sanam Chaikhet District, Chachoengsao Province. The Company will continue to run ‘My School’ Project because we perceived that education is the heart of social and national development. My school project from the past to the present for a period of 10 years. The company provides better educational opportunities. And support education for students in remote areas including doing activities to build schools for more than 10 schools. There are hundreds of thousands of students receiving benefits. Get better educational opportunities from my school project. The company will continue to run the school project. Because he perceived that education is the key to the development of Thai children to become adults of the nation in the future.



2. Supporting the practice of running

At present, people care more about health care and turning to exercise, especially running. This can be done at any age, allowing the company to support activities for people who live close to the job site: CP Tower, North Park . The company arranges drinking water service points for the runners that can drink for relieve fatigue and refreshing during exercise. Running makes healthy and reduce the risk of various ailments.



3. Do good by heart.

Voluntary activities "We do good by heart" at Phra Khanong District (Project 2) was set up on Thursday August 2, 2018, at Khlong Bang Chak (Phra Khanong). The activity opening points were at Bangchak School. The company sent 10 workers to participate in various canal cleaning activities, together with many parties, including the cleanliness department. Community Development Department, Civil Department, Environment Department, the 29th Infantry Regiment Together to help collect garbage To reduce water spoilage in the canal As well as eliminating the breeding of Aedes mosquitoes To reduce the epidemic of dengue fever in Bangkok.



4. Community service

Due to the construction of the project on Sukhumvit Road, the name of the project, Life Sukhumvit 62, which is located the downtown area with heavy traffic. Therefore chose to create a community service project named "Construction of the traffic police fort" To raise to the traffic police officers in the area has been used to facilitate traffic to the general road users.



○ “Career Opportunity with Syntec Construction” Project

The company has continuously developed such projects. The Company has consistently organized such project to offer career opportunity among the newly graduates from vocational schools and higher education institutions in the field of construction and related fields in provincial areas to have a good job in the future. The company aims to reward society by expanding opportunities for people in remote areas. Have access to good work, stability, income and also being a part in passing on the right knowledge in order to cooperate with the community and society in creating effective personnel. Enter the country's employment system. It also helps to solve the labor shortage of the company. And reduce the unemployment rate of the country in the long run as well as well

In the year 2018, the company organized a preliminary knowledge project for 6th year students by traveling to Surin Technical College. Department of Electrical Power and the Department of Motor Mechanics to find close students who are interested in joining the company Fill out the job application, submit documents and have an initial interview. In order to select the people who are able to match the positions that the company wants the most.



Summarizing the project "Career Opportunity with Syntec Construction" for the past 6 years

Position	Annual						Total	Resign	Balance
	2013	2014	2015	2016	2017	2018			
Foreman	14	20	14	18	26	17	109	46	63
Draftsman	-	2	14	4	5	19	43	12	31
Surveyor	1	5	6	1	4	8	25	9	16
Foreman Mechanical	2	-	1	-	1	-	4	4	0
Foreman Electrical	1	-	3	3	8	1	16	9	7
Draftsman Mechanical	-	-	-	2	-	-	2	1	1
Draftsman Electrical	-	-	1	4	1	1	7	4	3
Mechanical	-	-	-	5	2	3	10	3	7
Electrician	3	-	-	1	5	1	10	2	8
Total	21	27	39	38	52	50	226	90	136

From the summary table found that since the company has started the project for 6 years, there are students interested in joining the recruitment. And passed the interview until he became a company employee in a total of 226 persons and in some parts resigned to study or do personal business causing a total of 136 employees of the company from the project.

Supporting social development together with other agencies

In 2018, the Company supported the social development projects with other organizations covering 3 aspects: (1) Education and Youth Development was 2,026,050 Baht; (2) Society and Environment was 162,000 Baht; and (3) Religious and Culture was 280,000 Baht, the total supporting amount was 2,468,050 Baht.

Internal Control and Risk Management

The Company emphasizes on the internal control and risk management system, The Board of Directors has well realized the significance of the Internal Control; therefore, it has designated the Audit Committee to evaluate the adequacy of the internal control system and internal audit for the accurate financial reports, to consider the Company's and the auditor's auditing works and enable the internal control system to be adequate and suitable for business operation. Besides, the review system by internal audit division is established to evaluate and improve the effectiveness of control system, risk management and systematic governance. The Audit Committee will approve the appointment, transfer and dismissal of the Chief Internal Auditor and the performance appraisal of the Internal Audit Department.

In 2018, the Company has adopted the Internal Control System Sufficiency Evaluation Form of the Securities and Exchange Commission (SEC.), consisting of 5 elements: Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities.

The Board had considered the Internal Control System Sufficiency Evaluation Form and advised that the Company's internal control system is adequate and suitable, none of essential mistakes relating the internal control system was found by the examination, there are 5 elements in the Company's internal control and followings are the summary:

1. Control Environment

The Company has arranged a good internal control activity consisting of financial examination and the operation according to relevant regulations, rules and laws, including reviewing and improving the business ethics of the Company to be in accordance with the good corporate governance policy completely. Besides, the Company also sent invitations to contractors, distributors, and partners of the Company to join signing in the anti-corruption affirmation with the Company.

2. Risk Assessment

The Company's Risk Management Committee is responsible to propose the suggestions of suitable risk management and guideline to the Management, the Board of Directors has concerned on the importance of risk management and arranged the risk management policy to assess 4 types of risks which are strategic risk, operational risk, financial risk and risk of relevant laws and regulations, the assessment on corruption risk is also assessed to organize the suitable and sufficient protection system. Besides, tools for risk management are also reviewed and built to support and promote the business operation to achieve the target.

This also includes reviewing and building the risk management tools to minimize the potential impact on the Company's business.

The Risk Management Committee has regulated all divisions of the Company to prepare the risk of each division (including analysis of events possibly happened and impacts) and risk reduction measures, the following up must be reported every quarter under the supervision and following up of the Risk Management Committee.

3. Control Activities

Key Performance Indicators (KPIs) is applied as the employees' performance evaluation system controlled by the Company while Competency plays a role as a tool systematically and effectively controlling and setting up operational guideline to prevent risk possibly occurred from operations of many divisions, as well, the scope, authority and approved financial amount are also clearly regulated.

Whistleblower Policy is another Company's policy to allow all employees and stakeholders to submit any grievance or clue, all grievance information will be kept as confidential data without leakage to irrelevant people. Moreover, in order to ensure the correct practices and compliance to the Company's regulations that the Company has complied with applicable laws and regulations with the appropriate measures, in case the company has transactions with major shareholders, directors, etc. to prevent the transfer of benefits such as through the process of approval by passing the approval process of the non-stakeholders in the transaction, such transaction must be disclosed in accordance with the regulations of the Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board and disclosure of information of related persons or operations in accordance with the accounting standards.

4. Information & Communication

The Communication system is arranged to proceed to external people or organizations with complete, accurate and on-time news and information including financial data or other information with adequacy for decision making via the Company' website (www.synteccon.com). Performance reports will be effectively delivered to many organizations according to the regulation of the Securities and Exchange Commission and the regulation of the Securities Exchange of Thailand and the Capital Market Supervisory Board as schedule.

As for the internal communication, the necessary news and information are sufficiently provided by the Company in the manner of on-time delivery, all employees will receive news and information through the Company's private email.

5. Monitoring Activities

There is the performance follow up system through the Board of Management's weekly meeting while the Board of Directors will acknowledge whether the performance achieves the target or not in month meeting.

Head of internal audit section and head of Compliance Unit

1) Head of internal audit section is the Company's permanent staff

At the meeting of the Audit Committee Session No. 4 on 15 August, 2011, Mr. Phonanan Vongniphon was appointed to be the header of internal audit section since 15 August 2011. He has over 10 years of experiences in operation control and internal audit in financial institutions and been trained for several courses in relation to internal audit e.g. certificate of professional internal auditor from The Institute of Internal Auditors of Thailand. He is also familiar with the Company's business activities and operations and thus considered suitable for this position.

However, consideration and approval of appointment, removal or transfer of header of internal audit section shall be approved by the Audit Committee. Qualifications of this position are as shown in the form of 2018 Annual Information Form (Form 56-1).

2) Head of the compliance unit

The Company is now recruiting the head of the compliance unit which in 2014 was assigned to a senior compliance officer of the rules and regulations to carry out the duties until, the nomination and appointment of the official further. The properties of the incumbent Chief of the rules and regulations contained in 2018 annual information form (Form 56-1).

Related Transactions

2018 Related Transactions

Interrelated transactions between the Company with subsidiaries and relevant people in 2018 made by new management. (Debt restructuring plan management and present management)

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<p><u>SCR Asset Management Co., Ltd.</u></p> <p>- Subsidiaries</p> <p>- The Company hold the shares in SCR Asset Management Co., Ltd. representing 68 % of the Company's registered capital</p> <p>- Director (Mr. Jiramote Phahusutr and Mr. Somchai Sirilertpanich the Company's directors of SCR Asset Management Co., Ltd.</p>	<p>- Interest Receivable</p> <p>- Administrative Income of Construction Management</p> <p>- Administrative Income of Construction Management</p> <p>- Account receivable</p> <p>- Other Receivables</p> <p>- Retention Receivables</p>	<p>0.25</p> <p>1.20</p> <p>26.33</p> <p>4.04</p> <p>0.11</p> <p>2.48</p>	<p>- During the year 2018, the company provided loans for the construction and real estate development project 2, 4 times, amount 10 million baht, 15 million baht, 15 million baht and 10 million baht respectively. The interest rate of MLR - 2.375 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to the subsidiary) loan period of 2 years and the principal in full amount was paid during 2018.</p> <p>- The Company employs S C R Asset Management Co., Ltd. to manage the construction projects of both Project 2 and Project 3, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.</p> <p>- The Company employs S C R Asset Management Co., Ltd. to manage the construction projects of both Project 2, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade</p>

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<u>JT 10 Co., Ltd.</u> - Subsidiaries - The Company hold the shares in JT 10 Co., Ltd. representing 69.98% of the Company's registered capital - Director (Mr. Jiramote Phahusutr and Mr. Somchai Sirilertpanich the Company's director of JT 10 Co., Ltd.	- Interest Receivable - Other Receivables	0.17 0.17	- During the year 2018, the company provided loans for deposit for the lease of land used in real estate development is 9 million baht with interest rate of MLR-2.375 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to Subsidiary) loan period of 2 years and the principal in full amount was paid during 2018.
<u>CSM Capital Partners Co., Ltd.</u> - Subsidiaries - The Company hold the shares in CSM Capital Partners Co., Ltd. representing 60% of the Company's registered capital - Director (Mr. Jiramote Phahusutr and Mr. Somchai Sirilertpanich the Company's director of CSM Capital Partners Co., Ltd.	- Other Receivables - Service income - Interest Receivable - Short-term loans	4.63 6.27 1.10 25.00	CSM Capital Partners Co., Ltd. - To provide consultancy services, surveys, comparisons of designers and project consultants related to the project and help coordinating and preparing the documents for hiring designers and project consultants, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade. - During the year 2018, the company provided loans for the construction and real estate development project "Eight Thonglor". It is cost of renovation and decoration of the room. The outstanding balance as at 31 December 2018 is 25 million baht with interest rate of MLR-2.375 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to Subsidiary) loan period of 2 years.

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<u>PT 3 Land Co., Ltd.</u> - Subsidiaries - The Company hold the shares in PT 3 Land Co., Ltd. representing 84.98% of the Company's registered capital - Director (Mr. Jiramote Pharusutr and Mr. Somchai Sirilertpanich the Company's director of PT 3 Land Co., Ltd.	- Interest Receivable - Other Receivables - Short-term loans	0.07 0.03 10.00	- During the year 2018, the company provided loans for the construction and real estate development project "X2 Vibe Phuket Patong Center". It is cost of renovation and decoration of the room. The outstanding balance as at 31 December 2018 is 10 million baht with interest rate of MLR-2.375 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to Subsidiary) loan period of 2 years.
<u>Natural Ville Service Apartment and Management Co., Ltd.</u> - Subsidiaries - The Company hold the shares in Natural Ville Service Apartment and Management Co., Ltd. representing 99% of the Company's registered capital - Director (Mr. Jiramote Pharusutr and Mr. Somchai Sirilertpanich the Company's director of Natural Ville Service Apartment and Management Co., Ltd.	- administrative expense - Other Receivables - Other creditors	29.00 17.26 15.56	- The Company employs Natural Ville Service Apartment and Management Co., Ltd. to manage serviced apartment, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<u>N & J Asset Management Co., Ltd.</u> - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in N & J Asset Management Co., Ltd. representing 100% of the Company's registered capital	- Building area renting for office utilization	2.78	- Contracting company office space at 23thFloor SSP Tower total area 614.93 sq.m., monthly rental fee of 215,225 baht (350 baht / sq.m.) with the aim to be used as office building. The transaction is a connected transaction characteristics type of support normal business, the general trading, conditions due to the cheap rents offices in the general trading, conditions due to the cheap rents offices in the same building and a neighboring building. The average rental price elsewhere at 450 baht /sq.m. which is higher than the average rental price of market.
<u>Tate Enterprise Co., Ltd.</u> - Related company - M.D (Mr.Nayot Pisanthanakun) The key executives and persons related to the Company hold the shares in Tate Enterprise Co., Ltd. representing 99.98% of the Company's registered capital	- Buying food and beverages to be used for meetings or banquets agenda - Account Payable	1.45 0.01	- The Company purchased from Tate Enterprise Co., Ltd. products used food and beverages to be used for meetings or banquets agenda. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 day in the same manner as other customers.
<u>Naraiphand Co., Ltd</u> - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in Naraiphand Co., Ltd representing 36.11% of the Company's registered capital	- Purchasing souvenir, gift, token and New Year basket	5.92	- The Company purchased from Naraiphand Co., Ltd. products used as New Year gift and souvenir for other important occasions and festival. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms and with credit term of 30 days in the same manner as other customers.

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<u>N & J Hospitality Co., Ltd.</u> - - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in N & J Hospitality Co., Ltd. representing 100% of the Company's registered capital	- Buying food and beverages to be used for meetings or banquets agenda - Account Payable	2.64 0.27	- The Company purchased from N & J Hospitality Co., Ltd. products used food and beverages to be used for meetings or banquets agenda. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as.
<u>Safe series Co., Ltd.</u> - Related company - (Mr. Nayot Pisanthanakun) The key executives and persons related to the Company hold the shares in Safe series Co., Ltd. ,representing 9.25% of the Company's registered capital	- Service Fee - Account Payable - Other creditors - Retention payable for the guarantee	126.25 8.61 7.55 3.92	- The Company purchases services from Safe Series Co., Ltd. it is a service system that work in the building and it is a part of the cost of building construction, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.
<u>Thonglor Management Co., Ltd.</u> - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in Thonglor Management Co., Ltd. representing 51% of the Company's registered capital	- Administrative fee - Other creditors - Accounts Payable	16.76 1.53 0.26	- C S M Capital Partners Co. Ltd. hires Thonglor Management Co., Ltd. to manage the serviced apartment. Such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<u>Chuaphaibul Steel Co., Ltd.</u> - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in Chuaphaibul Steel Co., Ltd. representing 22.84% of the Company's registered capital.	- purchased Construction material - Accounts Payable	109.29 14.22	- The Company and Subsidiary purchased Construction material from Chuaphaibul Steel Co., Ltd. and it is a part of the cost of building construction., such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.
Rightman Corporation Co.,Ltd. - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in Rightman Corporation Co., Ltd., representing 22% of the Company's registered capital.	- Income from rental fee - account receivable - Other Receivables - Administrative fee - Trade creditor	0.58 0.01 0.61 8.27 1.46	- The Company made the rental contract for office area with monthly rental fee and other monthly service fee with the aim to be used as the Company's office building. such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies - The Company hires Rightman Corporation Co., Ltd. To manage the serviced apartment such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
Rightman Restaurant Co., Ltd - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in Rightman Restaurant Co., Ltd for 40% of the Company's registered capital	- Income from rental fee and service - Other Receivables - Administrative fee - Trade creditor	3.80 0.10 14.72 1.67	-The Company made the rental contract for office area with monthly rental fee and other monthly service fee with the aim to be used as the Company's office building. And to provide food service to such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions, the Company hires Rightman Restaurant Co., Ltd to provide food service to guests using the service, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.
TRR property Co., Ltd - Related company - Director (Mr. Jiramote Phahusutr) The key executives and persons related to the Company hold the shares in Indirect shareholding Thai Roong Ruang Industry Co., Ltd & TRR property Co., Ltd for 45% of the Company's registered capital	- debtors for the guarantee following the construction contract. - deposit for the construction costs - Construction Revenue	7.02 20.67 130.17	-The Company has entered the construction contract of TRR Building by constructing including the structural works, architecture and building systems, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.
Security consultant fee - Mr.Jirasak Tunsakul The key executives and persons related to the Company (Spouse of Ms. Nichaya Phahusutr, which is the sister of Mr. Jiramote Phahusutr, the director of the company)	-Consultation fee for service system, safety service	3.46	The company conducts contract consulting, security systems, marketing, purchase and procurement. The objective of advising on the security system, marketing and procurement for the management of the company such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions. The Company compared the rate of administrative service fee with other companies and found its fee is nearly similar to general trade

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<p>Thai Roong Ruang Industry Co., Ltd</p> <p>- Related company</p> <p>- Director (Mr. Jiramote Phahusutr)</p> <p>The key executives and persons related to the Company hold the shares in Thai Roong Ruang Industry for 20.80% of Company's registered capital</p>	<p>- Unbilled construction work of the construction in progress</p> <p>- debtors for the guarantee following the construction contract.</p> <p>- Other Receivables</p> <p>- deposit for the construction costs</p> <p>- Construction Revenue</p>	<p>1.62</p> <p>6.64</p> <p>32.30</p> <p>36.35</p> <p>167.58</p>	<p>- The Company has been involved in the survey of Sakon Nakhon Sugar Factory project during the year 2017 and is currently in the process of evaluating the project value such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.</p>
<p><u>Fat Brothers Co., Ltd</u></p> <p>- Related company</p> <p>- Director (Mr. Jiramote Phahusutr)</p> <p>Key Executive</p>	<p>- Service income</p> <p>- Trade creditor</p>	<p>0.01</p> <p>0.18</p>	<p>The Company has allowed the related companies to lend to the card machine for use in receiving money from customers before waiting for the receipt of the machine. The charged at a rate of 5 percent of the fee received from swiping the card which the company received a higher price than the market such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions. The Company compared the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.</p>
<p><u>Land Rental</u></p> <p>- Mr.Kamol Wongkusolkrit</p> <p>- Mr.Sukhum Phahusutr</p> <p>- Mr.Jiramote Phahusutr</p> <p>- Ms.Nichaya Phahusutr</p> <p>- Ms.Sujit Mungkongcharoen</p>	<p>- Land Rental</p>	<p>0.33</p> <p>0.03</p> <p>0.03</p> <p>0.03</p> <p>0.03</p>	<p>The company entered into a land lease agreement with related parties for 2 contracts as follows:</p> <p>1st contract -The area was 3 rai 25 square wah. It located at Chieng rak noi, Bangsai, Ayutthaya for the tenant to use the premises to carry out the equipment materials The rental rate of 24,000 baht per month is scheduled for 3 years starting from 1 July 2018 to 31 July 2021.</p> <p>2nd contract - The area was 2 rai 4 square wah. It located at Ladyoa, Bangsue, Bangkok for the tenant to use the premises to construction of worker's house. The rental rate of 110,000 baht per month starting from 1 May 2018 to 31 July 2018.</p>

The Company has paid great attention to execute interrelated transactions for the fullest interest of the Company and related persons. The interrelated transactions were according to general commercial principle considered and approved in the same manner as other general customers. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag.

In addition, the interrelated transactions will be considered with the general trading regulations/conditions of the business under the ethics and regulations of the Stock Exchange of Thailand along with the revelation of relating information. By the Audit Committee of the Company consisting of qualified members having independence according to the regulation of the governing government agencies. The Audit Committee commented that the interrelated transactions were normal commercial transactions having disclosure of information complying with the regulation.

Process of Interrelated Transactions

The Company has focused on interrelated transaction consideration arranging approval process to comply with the regulation and code of the Stock Exchange of Thailand. Besides, the transactions must be approved by the Board of Directors and the Audit Committee, as well. As for the Board of Director meeting having agendas in which a member has a share in, such member must not attend the meeting to allow fair discussion.

Policy or Tendency of Interrelated Transactions in the future

The interrelated transactions execution in the future will be in line with the Company's business plan having policy and process in accordance with the law, code and regulation of the Stock Exchange of Thailand in terms of interrelation, acquisition or distribution of assets of registered companies.

However, as for the interrelated transaction execution, it has been based on reasonability of the transactions and fullest interest of the Company and the related persons.

Management Discussion and Analysis

The operation results as described in the consolidate and separate financial statements of 2018 showed net profit for the amount of 590.84 million baht the same period of 2017 showed net profit for the amount of 985.15 million baht. This indicated that the profit decreased for 394.31 million baht or 40.03 %. The main source of income from construction business has decreased because of result of a return to the business cycle, beginning with the beginning of the construction cycle from the ever-growing years of past years which is consistent with the revenue recognized of the company. In case of company is in the beginning of construction, the progress of construction work at the foundation level or underground work there is less progress than the construction on the ground that can move ahead of construction faster. There were in 2018. There were 29 suspending projects amounting to approximately 22,738 million baht. The total value of balance of work was equal to 10,357 million baht. During 2018, the company still gained trust from its existing and new clients who continually engage the Company as its construction work can meet the schedule and contractual obligation with quality. The Company also develops its personnel and construction technologies on regular basis and as a result, only in 2018. Company has started construction of new project. There are 10 new projects as follows:

- Residential	5 projects	Value	2,087 million baht
- Commercial	4 projects	Value	3,123 million baht
- Retail	1 projects	Value	1,766 million baht
Total	10 projects	Value	6,976 million baht

The revenue from construction was decreased of 1,885.98 million baht or 21.74%. It was 6,789.35 million baht in 2018 while it was 8,765.33 million baht in 2017. The Company having a construction project that started the project and is in the process of laying the foundation of the project in 2018 for 10 projects. The projects that generated main revenue are residential project, commercial project, retail project and leisure project and shopping mall construction project, or 72.02%, 14.18%, 8.57% and 5.23%, respectively.

The revenue from service was increased of 30.51 million or 7.84% in 2018 it was 419.76 million baht in 2017 it was 389.26 million baht. The main increase in revenue was from the increase of CSM Capital Partners Co., Ltd. in the amount of 26.30 million baht or 86.20 % of the total revenue increase. And this property development group is considered a secondary business that generates revenue for the group as well. With the average occupancy rate of the service business of the group of companies equal to 74.46 %.

The ratio of construction cost against construction revenue decreased when compared with that of 2018 at 84.80% of 2017 at 80.82 % or 3.98 % increase partly because of increasing construction cost and labor cost in construction which are the key cost in the steady condition of the economy. However, the Company has planned to control the cost of construction material by analyzing the tendency of construction material price together with the requirement quantity used in production, the analysis is based on the market price and the direction for market price which are used to negotiate with the sellers in large volume of orders and to manage cost for utmost benefit.

The ratio of service per service revenue was decreased when compared with previous year, in 2018, such ratio was 65.77% while in 2017, and it was 66.39% or decreased 0.62% because the company has gradually opened the area from renovating the service floor at CSM Capital Partners Co., Ltd. (subsidiary), but at the same time, the fixed cost remains the same. Such opening of the service area caused the decrease in the proportion of service cost to service income. However, the Company has the good plan to manage the cost of services. The business management group is allowing the company to have the bargaining power for agreeing to enter into various contracts with business partners at the price as planned.

The cost of administration in 2018 amounted to 519.32 million baht while in the same period of the year 2017 amounted to 488.16 million baht, an increase of 31.16 Million Baht, representing an increase of 6.38%. This is an increase in administrative expenses in two parts; administrative expenses in the parent company increasing in the separate financial statements amounting 27.63 million baht. The increase in core expenses is personnel expenses. However, if comparing the ratio of administrative expenses to total revenue increasing in 2018, such proportion was 6.99%. For the year 2017, the proportion was 5.33% or increased by 1.66 %.

Performance from Statements of comprehensive income – Consolidated financial statement

Revenue

Financial Statements for the year 2018 showed a total profit 590.84 million baht. At the same period in 2017, it showed a total profit 985.15million baht, a decrease of 394.31million baht or 40.03% by the reasons of changes are as follows:

- Revenue from construction for the year 2018 was 6,789.35 million baht, 2017 was 8,675.33 million baht, decreasing of 1,885.98 million baht or increasing of 21.74%, followings were the revenues classified by types of construction works:

- Revenue from direct contractor for residential buildings was 4,759.59 million baht, decreasing 1,381.81 million baht or 22.50 % from 2017, and decreasing 999.87 million baht or 17.36 % when comparing to 2016 because the Company joined the bidding of many construction projects from both governmental and private sectors.

- Revenue from the direct contractor for office/commercial buildings was 714.99 million baht, increasing 222.99 million baht or 45.32 % from 2017, due to there were 4 new construction projects started during 2018.

- Revenue from the direct contractor for hotel and resort .There is no additional project but it is a continuous income from the work in 2016 and 2017 was 354.76 million baht or 5.23% from 2017, was 880.45 million baht or 10.15% from 2016. From 2017 due to the start of new projects has already begun operations during 2017 and continuing in 2018.

- Revenue from the direct contractor for retail from 2018 was 582.01 million baht, decreasing 135.75 million baht or 18.91 % from 2017 for 717.76 million baht and increasing 1,891.82% from 2016. It was 33.87 million baht. The Company was successful in the bidding of projects, started to construct in 2017, and handed over in 2018.

- Revenue from the direct contractor for industrial factories from 2018 was 167.58 million baht or 100% from 2017, started to construct during in 2018.

The overall revenue structure is summarized as follows:

Unit: Million Baht

Products Line / Business Group	2018		2017		2016	
	Value	%	Value	%	Value	%
Revenue from direct contractor						
- Residential Buildings	4,759.59	64.07	6,141.40	67.07	5,759.46	71.74
- Office / Commercial Buildings	714.99	9.63	492.00	5.37	362.20	4.51
- Institutions	210.42	2.83	-	-	-	-
- Hotel and Resort	354.76	4.78	880.45	9.62	700.85	8.73
- Infrastructure Projects	-	-	717.76	7.84	29.22	0.36
-Industrial Factories	167.58	2.25	-	-	319.33	3.98
- Department store/Supermarket/Shopping Mall	582.01	7.84	443.72	4.85	333.87	4.16
Total Construction Revenue	6,789.35	91.40	8,675.33	94.74	7,504.93	93.48
Revenue from room rental services	419.76	5.65	389.26	4.25	338.09	4.21
Interest Income	3.61	0.05	6.42	0.07	7.23	0.09
Compensation	-	-	-	-	58.51	0.73
Reversal of allowance for doubtful accounts	-	-	-	-	40.99	0.51
Gain from selling and disposing of assets	141.47	1.90	8.37	0.09	4.07	0.05
Other Revenues	74.11	1.00	77.31	0.84	74.28	0.93
Total Revenue	7,428.30	100.00	9,156.69	100.00	8,028.10	100.00

The company had net income (as consolidated financial statement) in 2018 for 7,428.30 million baht, in 2017, 9,156.69 million baht decreasing for 1,728.39 million baht or 18.88%. The value of main income from being direct contractor mostly came from the construction for 6,789.35 or 91.40% which income from residential, commercial, retail and leisure respectively.

Revenue from room service

The Company had revenues from room service with 419.76 million baht in 2018 and 389.26 million baht in 2017, increasing 30.50 million baht or 7.84%.

It was the result of the buying of condominium ownership at the Eight Thonglor by C S M Capital Partners Co., Ltd. (a subsidiary) during 2018 under the management of “Akya” Brand. It followed the Company’s policy to expand the operation to other relevant businesses in the form of forwarding expansion and to utilize the investment strategy in potential real estate with good location for being ready to function and promptly generate revenue.

C S M Capital Partners Co., Ltd. (a subsidiary) bought the condominium ownership at the Eight Thonglor on 28 April 2016. It is the serviced apartment with full facilities in the center of Bangkok with 148 accommodation rooms and located in

Sukhumvit 55 (Thonglor), Sukhumvit Road, Klongton Subdistrict, Phra Khanong District, Bangkok. In 2018, it generated revenue from room service at 247.17 million baht, increasing 26.30 million baht or 11.91%. The revenue from room service is 58.88% of service revenue in the consolidated financial statement and the average ratio of room occupancy was at 61.21%.

The operation of Project 1 on Citadines Grand Central Sriracha by S C R Asset Management Co., Ltd (a subsidiary) has been officially started in April 2015 as the serviced apartment with full facilities for 136 rooms, it is located in Sriracha District, Chon Buri Province and generated the income of room service at 58.35 million baht, a decrease amount of 1.32 million baht or 2.21% from 2017 which generated 59.67 million baht or 13.90% of service revenue in consolidated financial statement. In 2018, the average ratio of room occupancy was at 83.63%.

The operation of The Duchess Hotel and residential project by Syntec Construction Public Co., Ltd., Branch 1 is the serviced apartment with full facilities in the center of Bangkok with 166 rooms, which is located on Langsuan Road, Lumpini, Pathumwan District, Bangkok and generated the income of room service at 114.25 million baht, decreasing 5.13million baht or 4.30% from 2017 which it generated income amounting 119.38 Million Baht or 27.22 % of service revenue in consolidated financial statement. In 2018, the average ratio of room occupancy was at 78.55%.

PT3 Land Co., Ltd. (a subsidiary) during the year 2018, the company provided loans for the construction and real estate development for 3-4 star business hotel project “X2 Vibe Phuket Patong Center”. There are 326 accommodation rooms with full facilities such as restaurant, fitness room, recreational, souvenir shop and parking area which is in the process of preparing the project. The company has obligations under the contract for design fees for hotel construction projects and other commitments in the amount of 6 contracts with the contract value of 17.64 million baht, which as at 31 December 2018, remaining 10.24 million baht.

JT 10 Co., Ltd. (a subsidiary) during the year 2018, the company provided loans for deposit for the lease of land used in real estate development. This project is located at Banglamung, Na Chom Thian Sub-district Chonburi province which is located in Soi Na Chom Thian 10, is a 6-storey hotel project with approximately 120 rooms. There are facilities provided by the hotel such as free Wi-Fi in all rooms, public areas, 24-hour front desk, non-smoking rooms, bedroom on the balcony, sea view bedroom, parking and airport transfer service, etc. There is also a part of the recreational facilities provided, such as fitness room, sauna, Public Park, restaurant and swimming pool Outdoor water etc. The company has obligations under the contract for design fees for hotel construction projects and other commitments in the amount of 5 contracts with the contracts value of 16.04 million baht, which as at 31 December 2018, remaining 14.21 million baht.

Gain from selling and disposing of assets

Gain on sales and write-off of assets amounted to 141.47 million baht, an increase of 133.10 million baht from 2017, because during the year 2018 the parent company sold the investment property as a land resulting in a profit from increasing sales and disposing of assets.

Interest Income

The Interest generated income for the Company in 2018 at 3.61 million baht while in 2017, it generated at 6.42 million baht, decreasing 2.81 million baht because during 2018, the Company changed the model of investment from investment in short term bill of exchange providing the yield of interest to be the investment in mutual fund providing the yield of a change in the fair value of investment (Details are shown Notes to the Financial Statements 5).

Cost of Construction

Cost of construction per revenue fell by the year 2018 with a rate of 84.80 %, for the year 2017 with a rate of 80.82 % or a increasing rate of 3.98 %. The main costs include the construction materials, labor and wages and outsourcing. Including depreciation of the office buildings and building improvements. Equipment in some fields has been added to the main cost of construction variable to the increasing income. However, the control of material price has been planned as mentioned above and new technology has been utilized to increase the working efficacy such as investment of new tower cranes as well as new working practices have been always created to increase the quality and effectiveness of construction work as well as to decrease and manage the cost of work examination. Moreover, the duration of operations can be managed to be beneficial for the operation and utmost effectiveness and efficiency.

The labor cost is planned to establish the project of sustainable development on workmen, presently skilled workmen are rare to find in labor market. Therefore, the establishment of labor training center is planned to increase the chance of workmen's capability development, especially skilled labors specialized in each level and fields of works. This is the motivation to make employees give more loyalty to the corporate. In 2018, the ratio of labor cost in construction was 22.36 % and in 2017, its ratio was 18.44 %, increasing 3.92%. The increase of wages was planned by the Company in accordance with the labor laws which has been adjusted every year. The Company has the plan to control this cost under the budget as it is the main factor that leads to profit or loss. The Company still attentively emphasizes the quality of living for labors and plans to continually develop the capability and quality of living. (details of labor capability development is in Section 3: Risk factors).

Cost of Room Service

The Company had capital from apartment service in 2018 for 276.10 million baht increasing from 2017 to 258.43 million baht to 17.67 million baht or 6.83 %. Mostly, it was the cost of service in the Eight Thonglor Project which was bought of ownership by C S M Capital Partners Co., Ltd. (a subsidiary) during 2016 as mentioned above.

Administrative expenses

Expenditure for management in 2018 was 519.32 million baht and in 2017, it was 488.16 million baht, increasing for 31.16 million baht or 6.38 %, the increase was separated into two parts which were expense of personnel in parent company was increased 27.63 million baht, the major cost increased such as expenses related to personnel and HRD were increased from the adjustment of salary base and bonus according to the Company's annual business performance. During 2018, the

Company had developed training courses for the development of all employees' potentiality. The external experts were invited to train employees and employees were sent to train with external organizations to increase point of view and attitudes of employees to apply in working for utmost efficacy.

Other expenses

Other expenditures in 2018 were 17.74 million baht, decreasing from the same period of the year 2017 from 34.69 million baht, decreasing 16.95 million baht or 48.86%. As for other expenses such as expense from doubtful accounts, the Company has adopted a policy on allowance for doubtful accounts to the extent that if there is any significant indicator reflecting debt payment ability, financial status and business operation of the debtor, the Company shall set the allowance for doubtful accounts immediately as well as continue debt collection, estimate loss of debt burden from prosecution and estimate loss from burden of joint venture agreement.

Income taxes

Income tax expense in 2018 was 164.91 million baht, decreasing 112.51 million baht or 40.56% from the same period of 2017 which was 277.41 million baht. The income taxes increased due to the increase of net profit of the annual operating result.

Net Profit (Loss)

In 2018, the Company had a net profit of 590.84 million baht, in 2017 of 985.15 million baht, an decrease of 394.31 million baht, representing an decrease of 40.03 % which to compare the ratios of profitability in the form as follows:

Gross Profit Margin (%) Operating Profit Margin (%)	Consolidated FS			Separated FS		
	2018	2017	2016	2018	2017	2016
Net Profit Margin (%)	16.31%	19.80%	17.44%	15.22%	19.24%	17.93%
Gross Profit Margin (%)	10.48%	13.93%	12.75%	11.98%	15.05%	13.74%
Operating Profit Margin (%)	7.95%	10.76%	10.58%	9.32%	11.82%	11.52%

Financial status from the statement of financial position-consolidated financial statements

Total assets

Total asset of the company according to consolidated financial statement increased, for 2018, it was 10,294.82 million baht increasing from the same period in 2017 for 363.87 million baht or 3.66 %, causing from the change of assets items as follows:

The current asset was increased 87.73 million baht or 2.06 % with main reasons from

- The trade receivables increase, the increase in trade receivable of the company is a normal increase in the normal trade of the company. Because the company has been undertaking construction projects that continued from the previous year in terms of number of projects and project size. In addition, the increase in debtors is a result of the progress of the construction project to the completion of the work as specified in the contract at the end of the year. But the due date is in the next year. Therefore causing the accounts receivable to increase as compared to the previous year.
- Most of the increased current receivables is a result of other current receivables in the considerable financial statement due to the increase in revenue department receivable.
- The inventories increase, as a result of the parent company having ordered steel to prepare for the construction project in early January 2019.
- Advance payment to subcontractor's increases as a result of planning for construction cost control which is a deposit of steel for the construction. The Company has an agency to evaluate the price of steel and other construction materials. According to economic conditions, market prices and the trend of the price of such materials appraisal of steel and other materials. It considered in parallel with the construction plan and the amount of products that need to be used in the construction in the next 1 year in order to control the construction cost according to the plan laid out.

Non – Current Assets decreased 276.14 million baht or 4.87% with the main reason from:

- Available-for-sale investments increased by 150.34 million baht or 25.97% increases as a result of the price of investment securities for sale of the holding company. The increase in the price of this stock is in the direction that the stock index of the stock market is declining and the price of this stock has risen.
- Other long-term investments increased 19.39 million baht or increasing 10,382.43%. The result of the investment of a subsidiary company which the management of the company uses cash management methods on hand. To receive the highest return in each period of money derived from business operations in each period.
- Investment properties decreased by 99.92 million baht or 96.79 percent, resulting from the sale of land held by the parent company for speculation to a company.
- Property, plant and equipment increased by 120.02 million baht or 2.97% increase as the increase in assets of 2 subsidiary companies as follows:
 - o SCR Asset Management Co., Ltd., which completed the construction of the Somerset Harbor View Sriracha project and will open in mid-January 2019.
 - o CSM Capital Partners Co., Ltd., which completed the renovation of the service area in late 2018 and gradually opened some service areas during the third quarter of 2018, and will open Providing all services during January 2019.

- Leasehold rights increased by 72.97 million baht or 23.54% increase as a result of the subsidiary, JT 10 Co., Ltd., entered into a lease agreement for the right to construct a new hotel in Pattaya, Chonburi with a contract 30 years lease right.

Total liabilities and shareholders' equity

Total liabilities

The company had total liability in 2018 for 4,230.15 Million baht decreasing from 2017 as the amount of 137.10 Million baht or 3.14 % with following main transactions:

- Other current liabilities decreased by 495.84 million baht or decreasing 58.42%. The decrease was due to the other current creditors at the parent company due to a large amount of accrued project costs from the previous year.
- Creditors under the debt restructuring plan decreased by Baht 25.22 million or equal to 100.00 percent as a result of the write-off of accounts payable under the debt restructuring plan during the year 2018, due to the claim on the said debt expired According to the law.
- Long-term loans due in 1 year decreased 11.41 million baht or 9.45% as a result of subsidiary has paid the debt to the bank according to the due date according to the agreement made with the partner bank.
- Income tax payable decreased by 9.95 million baht or equal to 94.12 percent as a result of lower net profit from operations.
- Provision for other current liabilities decreased 14.95 million baht or 65.07% as a result of due to the guarantee have decreased.

Non-current liabilities decreased by 248.86 million baht or 13.26 % with main reasons from

- Long-term loans decreased 273.56 million baht or 17.04 % as a result Classification from long-term loans To be a loan due in 1 year which is categorized and mentioned in the change of current liabilities above.

Furthermore, the Company maintains Debt to Equity Ratio as of 31 December 2018 equally 0.70: 1 time which was not over the specified standard of 2.5: 1 time.

Shareholders' equity

- Shareholder's equity in 2018 as 6,064.67 Million baht increasing from the same period in 2017 as a mount of 500.96 Million baht or 9.00 %. It was an increase of reserve capital by:
- Profit from the operation increased 356.73 Million baht
- Non-controlling interests decreased by 23.95 million baht as a result of the Company's acquisition of non-controlling interests in the subsidiary during the year 2018.
- Other components of equity increased by 120.74 million baht as a result of higher prices of securities held for sale compared to last year.

Liquidity

Overview of Operations in cash and cash equivalents of the year 2018 of 756.46 Million baht, increasing from the year 2017 was 436.37 Million baht or 73.55%.The increase was from the operation performance during 2018 which the liquidity ratio can be compared in a variety of following formats:

Liquidity Ratio (Unit: times)	Consolidated FS			Separated FS		
	2018	2017	2016	2018	2017	2016
Liquidity Ratio (times)	1.67	1.71	1.27	2.23	1.84	1.34
Quick Liquidity Ratio (times)	1.16	1.21	0.89	1.54	1.30	0.91

Factors or events potentially affecting financial status or operation in the future

Additional details are shown in Chapter 3: Risk Factor, Subject: Financial Risk.

However in the previous year, the Company has focused and continuously developed many work systems such as the Company's effective cost management system to be close to the current economic condition. The Company has the policy to follow and look after various costs as well as arrange tools to follow up costs under the planned budget. Furthermore, there is the policy to expand its operation to other relevant businesses apart from construction business in the form of forwarding expansion in order to increase the revenue channels from other businesses, for example, the business in newly constructed serviced apartment for rent and the strategy to invest in potential real estate for serviced apartment with good location, ready-to-serve and generation of prompt income.

The Responsibility for the Financial Reporting of the Board of Directors

The Board of Directors is responsible for the financial statements of Syntec Construction PCL. and its joint ventures as well as financial information presented in the annual report. The financial statements were prepared in accordance with financial reporting standards pursuant to the Accounting Act B.E.2543 and the applicable requirements of the SEC and SET. Appropriate accounting policies have been applied and observed continually and discretion has been duly exercised on their preparation. Significant information was adequately disclosed in the financial statements on which the auditor has audited and unconditionally made the auditor report.

The Board of Directors is in charge of supervision and maintenance of effective risk management and internal control system to ensure that accounting information is entered correctly, completely, timely and adequately to maintain assets and to significantly prevent dishonest practices or irregularity. In this regard, the Board of Director has appointed the Audit Committee consisting of independent directors who are not the executive member, to be in charge of the audit on the quality of financial reports, internal control system and internal audit to ensure that they are carried out efficiently and effectively. The Audit Committee's comment is also shown in this annual report.

The Board of Directors is of the opinion that the internal control system and the internal audit of the Company are within satisfactory level to be able to establish confidence that the financial statements of Syntec Construction Plc. and its joint ventures for the year ended 31 December 2018 are materially correct in accordance with the generally accepted accounting principles.



Mr. Somchai Sirilertpanich
Chief Executive Officer

**Syntec Construction Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Syntec Construction Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Syntec Construction Public Company Limited and its subsidiaries (the Group), and of Syntec Construction Public Company Limited (the Company), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Syntec Construction Public Company Limited and its subsidiaries and of Syntec Construction Public Company Limited, respectively, as at 31 December 2018, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Recognition of revenue from construction</p> <p>The Company has operated construction business and recognized contract revenues based on the percentage of completion under contract. The percentage of completion is calculated by comparing the construction cost of the work completed up to the present with the estimated total construction cost including the additional and deductible work. The process of determining state of completion each project requires the management and project manager to apply significant judgement in considering carefully to estimate project cost for each project including the trend of changes in construction material price, labour, expenses relating to construction, the probability of construction work delayed, and barriers to construct which may cause the Company's burden. In 2018, the Group and the Company had contract revenues amounted to Baht 6,789 million and Baht 6,816 million (accounting for 91 percent and 95 percent, respectively of total revenues), contract costs amounted to Baht 5,757 million and Baht 5,784 million (accounting for 86 percent and 91 percent, respectively of total expenses), unbilled construction in progress amounted to Baht 730 million and Baht 730 million (net amount was 7 percent and 9 percent, respectively of total assets), and provisions such as the estimated costs of rectification in the period of guarantee work or the expected project losses or penalties of delay etc. totaled to Baht 8 million and Baht 23 million (accounting for 0.19 percent and 1 percent, respectively of total liabilities).</p> <p>Therefore, key audit matter is the recognition of contract revenues by percentage of completion, estimate of total construction cost of each project to assessing percentage of completion of each project, the estimate of expected project losses from construction and other provisions. These transactions impact to the Group's and the Company's financial statements.</p> <p>Accounting policies were disclosed in notes 3, 11 and 33, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understand the process of construction contracting, hiring subcontractors about a details of contract, estimate of construction cost, estimate of rectification cost in the period of guarantee work, payment and process of accounting records, authorization including related internal control procedures; • Review the design and implementation of such internal control procedures; • Perform the operating effectiveness testing over the internal control procedures related to estimating construction costs, procurement of construction materials, payment of labour, and hiring cost of subcontractors, etc; • Perform substantive testing as follows: <ul style="list-style-type: none"> - Review the terms of construction contracts and variation order occurring during year; - Review the method used by the management to monitor and consider the reasonableness of the evaluation of state of completion, revision of estimating construction costs, estimation of cost of rectification in the period of guarantee work, authorization and sampling test on related documents; - Test calculating percentage of completion of each project; - Test the accuracy of purchasing construction materials, payment of labour and remuneration to subcontractors, and related expenses against supporting documents - Observe the projects in progress at the year-end including inquiry of engineers / supervisors who were responsible, and understand the approach used in assessing the stage of completion of work - Send the confirmation requests to project managers and customers's project consultants with respect to the stage of completion of work - Review the adequacy of disclosures in note to the financial statements.

Key Audit Matters	Audit Responses
<p>Allowance for doubtful accounts</p> <p>The adequacy of allowance for doubtful accounts is one of key matters that the management is required to make significant judgement in determining the recoverable amount of receivable (“trade accounts receivable, retention receivables under construction contracts, and unbilled construction in progress”), which is an inherently uncertainty involving various factors including the current status of receivables, the payment histories, liquidity, expected ability of debtors’ payment, collateral value and the effect from economic fluctuations. Also, as at 31 December 2018, the Group and the Company had those receivables totalling Baht 2,674 million and Baht 2,672 million, respectively, and allowance for doubtful accounts totalling Baht 41 million and Baht 41 million, respectively. (net amount was 26 percent and 34 percent of total assets, respectively)</p> <p>Therefore, I pay particular attention to the adequacy of allowance for doubtful accounts of those receivables.</p> <p>Accounting policies and details of trade accounts receivable, retention receivables under construction contracts and unbilled construction in progress were disclosed in notes 3, 8, 10 and 11, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understand the process of accounting records, contracting, issuing invoice, authorization of transactions, following – up debts, collection of debts, estimate of allowance for doubtful accounts and related internal control procedure; • Review the design and implementation of such internal control procedures; • Perform the operating effectiveness testing over the internal control procedures; • Perform substantive testing as follows: <ul style="list-style-type: none"> - Send the confirmation of requests to trade accounts receivable and retention receivables under construction contracts at the end of year; - Verify the analytical receivables aging report of trade accounts receivable, retention receivables under construction contracts and unbilled construction in progress to corroborate on whether each receivable was classified in the appropriated arrear bracket, and the method of computation of the allowance for doubtful accounts; - Verify subsequent collection from receivables after the reporting period; - Review the litigation report with respect to receivables and opinion of internal legal consultant of the Company including review the appropriate of collateral value; - Review the financial position of long-term overdue receivables based on the latest financial statements and other information to be necessary in order to consider the ability to make payment; - Review the adequacy of disclosures in note to financial statements.

Key Audit Matters	Audit Responses
<p>Examination of the accumulating financial information process of the Group/the Company</p> <p>The Company mainly operates business in construction and real estate development for room service which separately accumulates and records data into two sections and many projects. Also, five subsidiaries operate in businesses service apartment or real estate apartment to rental and personnel management of which businesses are managed by other companies. Those subsidiaries separately accumulate and record data in separated sections with different accumulating financial information process. In addition, they have various accounting policies with respect to revenue recognition, and a number of documents which the management or person with duty to keep accounts and bookkeeper needs to accumulate data precisely, accurately and update.</p> <p>Therefore, I pay particular attention to the process of accumulating, recording, processing summarizing, reporting and disclosing information in accordance with Thai Financial Reporting Standards.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understand the process of accounting records, examining, authorizing, preparing, classifying, preparing financial statements and eliminating intergroup transactions both internal and external, including related internal control of the Group/the Company; • Review the design and implementation of such internal control procedures of the Group/the Company; • Perform in operating effectiveness testing over the internal control procedures of the Group/the Company including information of technology system related to the recording; • Perform substantive testing of the Group/the Company as follows: <ul style="list-style-type: none"> - Verify the schedules against the general ledger of each section; - Verify the accuracy of amount of internal revenues and expenses transactions to be billed among construction projects; - Examine the classifying types of transaction recorded to financial statements of each section that were prepared in compliance with same accounting principle, including eliminating intersection transactions; - Examine the accuracy of preparing financial statements of the Group/the Company and consolidated financial statements including eliminating intergroup transactions.

Other matters

The consolidated and separate statements of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, for the year ended 31 December 2017, which are included as a comparative information, were audited by another auditor in the same office who expressed an unmodified opinion on those financial statements in her report dated 28 February 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement thereon, I am required to communicate the matter to those charged with governance and request further appropriate corrections.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Chaikrit Warakitjaporn)
 Certified Public Accountant
 Registration Number 7326

NPS Siam Audit Limited
 Bangkok
 28 February 2019

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2018

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
(in Baht)					
Current assets					
Cash and cash equivalents	6	756,455,476	436,374,051	674,797,266	375,899,459
Current investments	7	992,267,189	1,545,667,693	991,425,263	1,544,836,135
Trade accounts receivables	5, 8	1,282,680,203	1,039,258,200	1,277,118,194	1,042,578,744
Other current receivables	5, 9	124,342,457	66,904,623	94,166,102	62,509,695
Current retention receivables under construction contracts	10	114,230,589	126,013,524	114,230,589	126,013,524
Unbilled construction in progress	11	730,136,325	806,735,574	730,136,325	806,735,574
Short-term loans	5, 18	-	-	35,000,000	-
Inventories	12	140,471,998	115,716,631	139,361,809	114,794,323
Advance payments to subcontractors	13	208,952,514	125,137,171	208,952,514	125,137,171
Total current assets		4,349,536,751	4,261,807,467	4,265,188,062	4,198,504,625
Non-current assets					
Available-for-sale investments	5	729,162,599	578,819,795	729,162,599	578,819,795
Investments in associate	5, 14	187,053	235,417	-	-
Investment in subsidiaries	5, 15	-	-	1,155,743,500	1,010,063,700
Other long-term investments	17	19,573,219	186,724	19,573,219	186,724
Non-current retention receivables under construction contracts	10	506,972,751	437,685,328	509,454,000	438,377,841
Long-term loans	5, 18	-	-	-	-
Investment properties	19, 51	3,318,874	103,239,914	3,318,874	103,239,914
Property, plant and equipment	20, 44, 51	4,157,026,534	4,037,006,465	757,636,201	860,528,811
Leasehold right	21	382,946,321	309,979,465	289,825,831	309,979,465
Intangible assets	22	9,756,369	10,337,554	7,981,087	5,701,910
Withholding tax		34,205,746	41,874,310	24,092,947	34,687,535
Pledged deposit at bank	24, 51	86,213,747	133,995,338	66,212,727	113,994,328
Other non-current assets	25	15,919,221	15,786,151	9,423,190	10,291,175
Total non-current assets		5,945,282,434	5,669,146,461	3,572,424,175	3,465,871,198
Total Assets		10,294,819,185	9,930,953,928	7,837,612,237	7,664,375,823

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2018

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	26	100,040,341	100,501,702	99,140,187	99,140,187
Trade accounts payables	5, 27	416,615,656	293,999,896	406,893,153	286,179,083
Other current payables	5, 28	352,940,418	848,778,382	297,454,735	787,995,600
Current portion of creditors under					
rehabilitation plan	29	-	25,216,606	-	25,216,606
Current portion of long-term loans	31	108,189,353	119,600,000	-	-
Long-term in default	31	497,481,936	-	-	-
Advances received from customers					
under construction contracts	5, 11	650,029,888	615,358,276	650,029,888	615,358,276
Retention payables from subcontractors	5	319,025,896	310,242,930	319,025,896	310,242,930
Undue value added tax		123,070,616	115,646,378	123,070,616	115,646,378
Current income tax payable		621,936	10,576,125	-	10,576,125
Other current provisions	34	8,023,917	22,969,122	8,023,917	22,969,122
Other current liabilities		26,394,484	27,777,433	7,498,851	7,457,759
Total current liabilities		2,602,434,441	2,490,666,850	1,911,137,243	2,280,782,066
Non-current liabilities					
Long-term loans	31	1,331,402,022	1,604,958,301	-	-
Deferred tax liabilities	23, 45	49,084,647	35,468,786	49,084,647	35,468,786
Non-current provisions for					
employee benefits	33	168,465,337	162,954,341	163,782,879	158,707,660
Other non-current provisions	34	58,465,404	54,743,552	58,465,404	54,743,552
Deposit from customers		20,296,669	18,452,712	-	-
Total non-current liabilities		1,627,714,079	1,876,577,692	271,332,930	248,919,998
Total liabilities		4,230,148,520	4,367,244,542	2,182,470,173	2,529,702,064

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2018

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
(in Baht)					
Shareholder's equity					
Share capital	35				
Authorized share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Issued and paid share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Treasury shares		(4,767,321)	-	(4,767,321)	-
Share premium					
Share premium on ordinary shares	36	23,744	23,744	23,744	23,744
Discount from changes in the ownership interests in subsidiary	4	(6,869,861)	(6,869,861)	-	-
Retained earnings					
Appropriated					
Legal reserve	36	160,000,000	160,000,000	160,000,000	160,000,000
Treasury shares reserve		4,767,321	-	4,767,321	-
Unappropriated	47	3,340,740,550	2,984,005,581	3,489,186,330	3,088,992,268
Other components of shareholders' equity	5	405,931,990	285,657,747	405,931,990	285,657,747
Total equity attributable to owners of the parent		5,499,826,423	5,022,817,211	5,655,142,064	5,134,673,759
Non-controlling interests	16	564,844,242	540,892,175	-	-
Total shareholders' equity		6,064,670,665	5,563,709,386	5,655,142,064	5,134,673,759
Total liabilities and shareholders' equity		10,294,819,185	9,930,953,928	7,837,612,237	7,664,375,823

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the year ended 31 December 2018

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2018	2017	2018	2017
		(in Baht)			
Revenues					
Contract revenues		6,789,351,236	8,675,334,236	6,815,680,593	8,702,513,812
Room service revenues		419,764,912	389,258,548	114,249,212	119,383,190
Gain on disposal and write off of assets		141,474,899	8,372,585	146,684,876	8,372,585
Interest income	5	3,605,558	6,424,741	4,793,905	10,256,369
Other income	5, 38	74,111,634	77,308,097	77,266,369	44,432,799
Total revenues		7,428,308,239	9,156,698,207	7,158,674,955	8,884,958,755
Expenses					
Contract costs	20, 33, 41	5,757,493,293	7,011,585,967	5,783,822,650	7,038,253,243
Room service costs	5, 21, 41	276,096,283	258,432,749	91,302,401	86,550,616
Distribution costs	39	32,672,595	35,159,004	19,957,936	20,328,017
Administrative expenses	5, 19, 20, 22, 33, 40, 41	519,324,600	488,164,880	412,418,611	384,790,913
Other expenses	43	17,741,931	34,690,205	17,710,931	25,853,030
Finance costs	44	69,183,595	66,063,068	2,974,206	1,656,536
Total expenses		6,672,512,297	7,894,095,873	6,328,186,735	7,557,432,355
Share of loss of associate	5, 14	(48,364)	(40,488)	-	-
Profit before income tax expense		755,747,578	1,262,561,846	830,488,220	1,327,526,400
Income tax expense	23, 45	164,907,091	277,413,382	163,559,845	277,413,382
Profit for the year		590,840,487	985,148,464	666,928,375	1,050,113,018
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gains on remeasuring					
available-for-sale investments	5	150,342,804	22,551,421	150,342,804	22,551,421
Income tax relating to items that will be reclassified subsequently to profit or loss	23	(30,068,561)	(4,510,284)	(30,068,561)	(4,510,284)
Total items that will be reclassified subsequently to profit or loss		120,274,243	18,041,137	120,274,243	18,041,137

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the year ended 31 December 2018

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2018	2017	2018	2017
		(in Baht)			
Items that will not be reclassified					
to profit or loss					
Gains (losses) on remeasurements					
of defined benefit plans	33	13,801,922	(2,011,584)	12,541,260	(1,910,679)
Income tax relating to items that will not be					
reclassified to profit or loss	23	(2,508,252)	382,136	(2,508,252)	382,136
Total items that will not be reclassified					
to profit or loss					
		11,293,670	(1,629,448)	10,033,008	(1,528,543)
Other comprehensive income for the year,					
net of tax					
		131,567,913	16,411,689	130,307,251	16,512,594
Total comprehensive income for the year					
		722,408,400	1,001,560,153	797,235,626	1,066,625,612
Profit (loss) attributable to :-					
Owners of the parent		622,208,620	1,008,412,242	666,928,375	1,050,113,018
Non - controlling interests	16	(31,368,133)	(23,263,778)	-	-
Profit for the year					
		590,840,487	985,148,464	666,928,375	1,050,113,018
Total comprehensive income (loss) attributable to :-					
Owners of the parent		753,776,533	1,024,823,931	797,235,626	1,066,625,612
Non - controlling interests	16	(31,368,133)	(23,263,778)	-	-
Total comprehensive income for the year					
		722,408,400	1,001,560,153	797,235,626	1,066,625,612
Earnings per share					
Basic	46	0.39	0.63	0.42	0.66

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2018

Consolidated financial statements											
Note	Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Discount from changes in the ownership interests in subsidiary	Retained earnings			Other components of shareholders' equity Available-for-sale investments	Total equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity
					Appropriated						
					Legal reserve	Treasury shares reserve (in Baht)	Unappropriated				
For the year ended 31 December 2017											
	1,600,000,000	-	23,744	-	158,551,365	-	2,218,650,843	267,616,610	4,244,842,562	557,350,092	4,802,192,654
Transaction with owner, recorded directly in equity :-											
Contributions by and distribution to owners of the Company											
Dividends to owner of the Company	47	-	-	-	-	-	(239,979,421)	-	(239,979,421)	-	(239,979,421)
Total contributions by and distributions to owners of the Company											
	-	-	-	-	-	-	(239,979,421)	-	(239,979,421)	-	(239,979,421)
Total transaction with owner, recorded directly in equity											
	-	-	-	-	-	-	(239,979,421)	-	(239,979,421)	-	(239,979,421)
Changes in ownership interest in subsidiaries											
Purchase of additional investment in subsidiary	15	-	-	-	(6,869,861)	-	-	-	(6,869,861)	(57,194,139)	(64,064,000)
Acquisition for non - controlling interests without a change in control		-	-	-	-	-	-	-	-	64,000,000	64,000,000
Total changes in ownership interest in subsidiaries											
	-	-	-	(6,869,861)	-	-	-	-	(6,869,861)	6,805,861	(64,000)
Total transaction with owner, recorded directly in equity											
	-	-	-	(6,869,861)	-	-	(239,979,421)	-	(246,849,282)	6,805,861	(240,043,421)
Comprehensive income for the year											
Profit		-	-	-	-	-	1,008,412,242	-	1,008,412,242	(23,263,778)	985,148,464
Other comprehensive income	5, 33, 36	-	-	-	-	-	(1,629,448)	18,041,137	16,411,689	-	16,411,689
Total comprehensive income for the year											
	-	-	-	-	-	-	1,006,782,794	18,041,137	1,024,823,931	(23,263,778)	1,001,560,153
Transfer to legal reserve	36	-	-	-	-	1,448,635	(1,448,635)	-	-	-	-
Balance at 31 December 2017											
	1,600,000,000	-	23,744	(6,869,861)	160,000,000	-	2,984,005,581	285,657,747	5,022,817,211	540,892,175	5,563,709,386

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of changes in equity

For the year ended 31 December 2018

		Consolidated financial statements							Other components of shareholders' equity	Total equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity
		Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Discount from changes in the ownership interests in subsidiary	Retained earnings		Available-for-sale investments				
						Legal reserve	Treasury shares reserve (in Baht)					
Note												
For the year ended 31 December 2018												
	Balance at 1 January 2018	1,600,000,000	-	23,744	(6,869,861)	160,000,000	-	2,984,005,581	285,657,747	5,022,817,211	540,892,175	5,563,709,386
Transaction with owner, recorded directly in equity :-												
Contributions by and distribution to owners of the Company												
	Treasury shares purchased	35	-	(4,767,321)	-	-	-	-	-	(4,767,321)	-	(4,767,321)
	Dividends to owner of the Company	47	-	-	-	-	-	(272,000,000)	-	(272,000,000)	-	(272,000,000)
Total contributions by and distributions to owners of the Company												
			-	(4,767,321)	-	-	-	(272,000,000)	-	(276,767,321)	-	(276,767,321)
Total transaction with owner, recorded directly in equity												
			-	(4,767,321)	-	-	-	(272,000,000)	-	(276,767,321)	-	(276,767,321)
Changes in ownership interest in subsidiaries												
	Purchase of additional investment in subsidiaries	15	-	-	-	-	-	-	-	-	55,320,200	55,320,200
	Acquisition for non - controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-
Total changes in ownership interest in subsidiaries												
			-	-	-	-	-	-	-	-	55,320,200	55,320,200
Total transaction with owner, recorded directly in equity												
			-	(4,767,321)	-	-	-	(272,000,000)	-	(276,767,321)	55,320,200	(221,447,121)
Comprehensive income for the year												
	Profit		-	-	-	-	-	622,208,620	-	622,208,620	(31,368,133)	590,840,487
	Other comprehensive income	5, 32, 36	-	-	-	-	-	11,293,670	120,274,243	131,567,913	-	131,567,913
Total comprehensive income for the year												
			-	-	-	-	-	633,502,290	120,274,243	753,776,533	(31,368,133)	722,408,400
	Transfer to legal reserve	35	-	-	-	-	-	-	-	-	-	-
	Transfer to treasury shares reserve		-	-	-	-	4,767,321	(4,767,321)	-	-	-	-
	Balance at 31 December 2018		1,600,000,000	(4,767,321)	23,744	(6,869,861)	160,000,000	4,767,321	3,340,740,550	405,931,990	564,844,242	6,064,670,665

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2018

		Separate financial statements							
		Retained earnings					Other components		
		Appropriated					of shareholders' equity		
		Issued and	Treasury	Share premium on	Treasury shares		Available-for-sale	Total	
Note		share capital	shares	ordinary shares	Legal reserve	reserve	Unappropriated	investments	shareholders' equity
(in Baht)									
For the year ended 31 December 2017									
Balance at 1 January 2017		1,600,000,000	-	23,744	158,551,365	-	2,281,835,849	267,616,610	4,308,027,568
Transaction with owner, recorded directly in equity:									
Contributions by and distribution to owners of the Company									
Dividends to owner of the Company	47	-	-	-	-	-	(239,979,421)	-	(239,979,421)
Total contributions by and distributions to owners of the Company		-	-	-	-	-	(239,979,421)	-	(239,979,421)
Total transaction with owner, recorded directly in equity		-	-	-	-	-	(239,979,421)	-	(239,979,421)
Comprehensive income for the year									
Profit		-	-	-	-	-	1,050,113,018	-	1,050,113,018
Other comprehensive income	5, 33, 36	-	-	-	-	-	(1,528,543)	18,041,137	16,512,594
Total comprehensive income for the year		-	-	-	-	-	1,048,584,475	18,041,137	1,066,625,612
Transfer to legal reserve	36	-	-	-	1,448,635	-	(1,448,635)	-	-
Balance at 31 December 2017		1,600,000,000	-	23,744	160,000,000	-	3,088,992,268	285,657,747	5,134,673,759

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2018

		Separate financial statements							
		Retained earnings					Other components		
		Appropriated					of shareholders' equity		
		Issued and	Treasury	Share premium on	Treasury shares		Available-for-sale	Total	
Note	share capital	shares	ordinary shares	Legal reserve	reserve	Unappropriated	investments	shareholders' equity	
		(in Baht)							
For the year ended 31 December 2018									
Balance at 1 January 2018		1,600,000,000	-	23,744	160,000,000	-	3,088,992,268	285,657,747	5,134,673,759
Transaction with owner, recorded directly in equity:									
Contributions by and distribution to owners of the Company									
Treasury shares purchased	35	-	(4,767,321)	-	-	-	-	-	(4,767,321)
Dividends to owner of the Company	47	-	-	-	-	-	(272,000,000)	-	(272,000,000)
Total contributions by and distributions to owners of the Company		-	(4,767,321)	-	-	-	(272,000,000)	-	(276,767,321)
Total transaction with owner, recorded directly in equity		-	(4,767,321)	-	-	-	(272,000,000)	-	(276,767,321)
Comprehensive income for the year									
Profit		-	-	-	-	-	666,928,375	-	666,928,375
Other comprehensive income	5, 32, 36	-	-	-	-	-	10,033,008	120,274,243	130,307,251
Total comprehensive income for the year		-	-	-	-	-	676,961,383	120,274,243	797,235,626
Transfer to legal reserve	36	-	-	-	-	-	-	-	-
Transfer to treasury shares reserve		-	-	-	-	4,767,321	(4,767,321)	-	-
Balance at 31 December 2018		1,600,000,000	(4,767,321)	23,744	160,000,000	4,767,321	3,489,186,330	405,931,990	5,655,142,064

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2018

	Consolidated		Separate	
	financial statements		financial statements	
Note	2018	2017	2018	2017
	(in Baht)			
Cash flows from operating activities				
Profit for the year	590,840,487	985,148,464	666,928,375	1,050,113,018
Adjustments to reconcile profit to cash				
receipts (payments)				
Reversal of allowance for doubtful accounts	(4,280)	(57,600)	(4,280)	(57,600)
Doubtful debts expense	6,058,978	551,186	6,058,978	551,186
Bad Debt expense	75,713	-	44,712	-
Reversal of allowance for devaluation of inventories	(844,084)	-	(844,084)	-
Depreciation and amortization	336,571,801	360,338,582	219,919,948	244,846,710
Reversal of creditors under rehabilitation plan	(25,216,606)	-	(25,216,606)	-
Interest income	(3,605,558)	(6,424,741)	(4,793,905)	(10,256,369)
Interest expense	69,183,595	66,063,068	2,974,206	1,656,536
Loss on write off of withholding tax	1,746,401	244,873	984,445	244,873
Unrealized gains from changes in fair value of current investments	(9,773,263)	(13,989,816)	(9,762,895)	(14,171,012)
Gain on disposal and write off of equipment	(141,474,899)	(6,538,638)	(146,684,876)	(7,388,833)
Unrealized gain on exchange rate	-	(1,362,960)	-	(1,362,960)
Share of loss of associate	48,364	40,488	-	-
Estimated costs of rectification in the period of guarantee work	2,356,746	23,300,000	2,356,746	23,300,000
Provision for litigation	11,611,521	25,359,444	11,611,521	25,359,444
Provision for employee benefit	22,726,598	24,387,577	21,030,159	23,234,129
Subsidiary's prior year tax assessed	-	8,837,174	-	-
Tax expense	164,907,091	277,413,382	163,559,845	277,413,382
	1,025,208,605	1,743,310,483	908,162,289	1,613,482,504
Changes in operating assets and liabilities				
Trade accounts receivables	(249,367,390)	(184,036,835)	(240,453,836)	(193,619,882)
Other current receivables	(60,072,920)	(11,081,044)	(33,931,387)	(77,673)
Retention receivable under construction contract	(57,504,488)	(72,895,790)	(59,293,224)	(73,588,302)
Unbilled construction in progress	76,454,657	(551,295,362)	76,454,657	(551,295,362)
Inventories	(23,911,283)	28,166,266	(23,723,402)	28,653,678
Advance payments to subcontractors	(83,815,343)	345,191,175	(83,815,343)	332,120,043
Other non-current assets	(133,070)	20,353,234	867,985	24,759,350
Trade accounts payable	122,615,760	(136,848,952)	120,714,070	(142,081,853)
Other current payables	(496,474,292)	27,958,014	(490,540,865)	14,412,452
Advance received under construction contracts	34,671,612	(266,231,482)	34,671,612	(266,231,482)
Retention payable from subcontractors	8,782,966	(4,948,350)	8,782,966	(4,948,350)
Undue value added tax	7,424,238	44,346,121	7,424,238	44,346,121

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2018

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
Deposit receipt from customers		419,916	(2,461,338)	-	-
Other current liabilities		(65,557)	(1,358,492)	(65,557)	(1,358,492)
Payment of estimated costs of rectification in the period of guarantee work		(17,301,951)	(26,078,878)	(17,301,951)	(26,078,878)
Payment of provisions for litigation		(7,889,669)	-	(7,889,669)	-
Payment of provision for employee benefits		(3,413,680)	(3,069,853)	(3,413,680)	(3,007,400)
Net Cash generated from operation		275,628,111	949,018,917	196,648,903	795,486,474
Withholding tax received		33,089,342	206,032,479	33,089,342	205,844,963
Payment of additional prior year tax		-	(2,590,262)	-	-
Withholding tax paid		(220,989,411)	(264,639,424)	(216,576,121)	(256,387,990)
Net cash from operating activities		87,728,042	887,821,710	13,162,124	744,943,447

Cash flows from investing activities

Interest received		3,226,006	6,626,636	4,054,247	10,781,323
Purchase of current investments		(1,742,738,861)	(1,994,543,703)	(1,742,738,861)	(1,994,543,703)
Proceeds from current investments		2,305,912,628	1,711,922,800	2,305,912,628	1,672,591,706
Proceeds from long-term investments		-	48,183,853	-	48,183,853
Payment of long-term loans to related party		-	-	(190,000,000)	(88,000,000)
Proceeds from long-term loans to related party		-	-	155,000,000	213,000,000
Purchase of investment in subsidiaries		-	-	(145,679,800)	(200,064,000)
Purchase of property, plant and equipment		(470,027,935)	(354,386,533)	(127,261,033)	(140,060,082)
Purchase of leasehold right		(93,120,491)	-	-	-
Purchase of intangible assets		(6,470,612)	(3,387,453)	(6,275,099)	(2,220,830)
Payment of advance on leasehold right in the process of registration		-	-	(9,000,000)	-
Refund from advance on leasehold right in the process of registration		-	-	9,000,000	-
Sales of investment properties		261,428,969	-	261,428,969	-
Sales of equipment		20,608,467	9,665,310	19,560,198	9,440,410
Pledged deposits at bank		28,395,096	5,567,261	28,395,106	5,567,267
Net cash provided by (used in) investing activities		307,213,267	(570,351,829)	562,396,355	(465,324,056)

Cash flows from financing activities

Interest paid		(65,573,061)	(68,119,359)	-	(3,717,863)
Dividends paid		(271,893,351)	(239,979,421)	(271,893,351)	(239,979,421)
Bank overdrafts		(461,361)	(444,323)	-	-
Proceeds from short-term loan from financial institutions		-	99,140,187	-	99,140,187
Proceeds from short-term loans		2,500,000	-	-	-
Payment of short-term loans		(2,500,000)	(160,000,000)	-	(160,000,000)

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2018

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in Baht)</i>			
Proceeds from long-term loans		303,200,000	55,700,000	-	-
Payment of long-term loans		(90,684,990)	(37,771,223)	-	-
Treasury shares purchased		(4,767,321)	-	(4,767,321)	-
Acquisition for non - controlling interests		55,320,200	-	-	-
Payment for non - controlling interests		-	(64,000)	-	-
Finance lease payment		-	(29,838,566)	-	(29,838,566)
Net cash used in financing activities		(74,859,884)	(381,376,705)	(276,660,672)	(334,395,663)
Net increase (decrease) in cash and cash equivalents		320,081,425	(63,906,824)	298,897,807	(54,776,272)
Cash and cash equivalents at 1 January	6	436,374,051	500,280,875	375,899,459	430,675,731
Cash and cash equivalents at 31 December	6	<u>756,455,476</u>	<u>436,374,051</u>	<u>674,797,266</u>	<u>375,899,459</u>

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 28 February 2019.

1 General information

Syntec Construction Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 555/7-11 Sukhumvit Soi 63 (Ekamai), Sukhumvit Road, Klongton Nua, Wattana, Bangkok and a branch office located at 61 Soi Langsuan, Lumpini, Pathumwan, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 12 February 1993.

The major shareholders during the year were as follows:

	2018	2017
	<i>(% of total paid share capital)</i>	
Phahusuth Group	29.55	27.36

The principal activities of the Company are construction and real estate development for room service or service apartment.

Details of the Company’s subsidiaries as at 31 December 2018 and 2017 were as follows:

	Name of entity	Type of business	Country of Incorporation	Ownership interest (%)	
				2018	2017
<i>Direct subsidiaries</i>					
1)	SCR Asset Management Co., Ltd.	Service apartment or real estate development for rental	Thailand	68.00	68.00
2)	Natural Ville Service Apartment and Management Co., Ltd.	Personnel management for hotel, service apartment and other properties	Thailand	99.97	99.97
3)	CSM Capital Partners Co., Ltd.	Service apartment or real estate development for rental	Thailand	60.00	60.00
4)	JT Ten Co., Ltd. *	Service apartment or real estate development for rental	Thailand	84.98	-
5)	PT Three Land Co., Ltd. *	Service apartment or real estate development for rental	Thailand	69.98	-

* *Not commercial operations yet*

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2 Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standard (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP), and related applicable rules and regulations of the Thai Securities and Exchange Commission.

2.2 New financial reporting standards

2.2.1 Financial reporting standards that became effective in the current year

The FAP has issued a number of new and revised TFRS which are effective for annual accounting periods beginning on or after 1 January 2018. The application of these new and revised TFRS does not have any material effect on the accounting policies, methods of computation financial performance or position of the Group/Company.

2.2.2 Financial reporting standards (TFRSs) have been issued but are not yet effective

The new and revised TFRSs have been issued but are not yet effective and the Group/Company have not been applied in preparing these consolidated and separate financial statements. The new and revised TFRSs that may be relevant to the Group's/Company's operations, which become effective for annual consolidated and separate financial periods beginning on or after 1 January 2019 and 2020. The Group/Company does not plan to early adopt these TFRSs.

Management is presently considering the potential impact of adopting and initially applying TFRSs on the consolidated and separate financial statements.

The new TFRSs are set out below;

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity instruments	2020
* <i>TFRS - Financial instruments standards</i>		

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Revenue should be recognized when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

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(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

Items	Measurement bases
Current investments	Fair value
Available-for-sale investments	Fair value
Defined benefit liability	Present value of non-current provisions for defined benefits as disclosed in note 32 to the financial statements

2.4 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Group's Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.5.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements is included in the following notes:

Note 19	Investment properties
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2.5.2 Assumptions and estimation uncertainties

Information about assumptions of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amount recognised in the financial statements is included in the following notes:

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Notes 4, 14, 15 and 17	Allowance for impairment of investments
Note 23	Current and deferred taxation and utilization of tax losses
Note 32	Assumptions relating to discount rate, salary increase rate, employee turnover rate, mortality rate and disability rate
Note 33	Estimation of construction project costs, provision for the estimating costs of rectification in the period of guarantee work
Note 48	Valuation of financial instruments
Note 50	Provisions for contingent liabilities from litigation

Significant accounting judgments and estimates are summarized as follows:

Allowance for impairment of investments in securities

The Group/Company treats available-for-sale investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Estimation of construction project costs

The Group/Company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Management applied judgement to review regularly the estimates or whenever the actual costs differ significantly from the figures used in the original estimates.

Estimating costs of rectification in the period of guarantee work

Management applies judgement in estimating the costs of rectification in the period of guarantee work which they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred, together with fluctuations in costs of construction materials, labour and the current situation.

Non-current provisions for employee benefit

The Group/ Company has obligations in respect of the severance to be paid to employees upon retirement under the labour law. The Company treats these severance payment obligations as the post-employment benefit plan.

The obligation under the post-employment benefits (defined benefit plan) is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates.

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Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgment to assess the results of the litigation and believes that no loss will incur. Therefore, no contingent liabilities are recorded as at the end of reporting period.

2.6 *Measurement of fair Value*

A number of the Group's /Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group/Company has an established framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

Measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5	Measurement of available-for-sale investments
Note 7	Measurement of current investments
Note 19	Investment properties
Note 48	Financial instruments

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- 2.7 The consolidated and separate financial statements for the years ended 31 December 2018 and 2017 included the investments and share of loss of an associate, which had been accounted for by equity method amounted to Baht 0.05 million and Baht 0.04 million, respectively, in the consolidated financial statements, based on the financial statements of such associate, which had been prepared by management. In addition, the Company had no obligation under the guarantee for the such set up associate an allowance for impairment of investment in the above mentioned associate was as at 31 December 2018 and 2017 in the amount of Baht 10 million and Baht 10 million, respectively, in the separate financial statements. Please also see note 14 to the financial statements. However, the value of the investments in the associate was immaterial.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition of non-controlling interests date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions under “discount from changes in the ownership interests in subsidiary” (please see note 16 to the financial statements).

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associate and Joint ventures

Interest in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and a joint venture.

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Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains which arising from transactions with affiliates and jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to extent that there is no evidence of impairment.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

3.3 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price at the reporting date, if available.

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3.4 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

3.5 Trade and other current receivables

Trade and other current receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments together with an analysis of the current financial position of the debtor and the legal opinion. Bad debts are written off when incurred.

For the conservative purpose, the Company reviews the basis of set up of allowance for doubtful accounts at the least 10 percent of the outstanding debt which is under litigation but it is a stable state.

3.6 Inventories

Inventories representing construction materials, which comprise steel bars and construction supplies, are measured at the lower of cost or net realizable value. Spare parts and supplies are measured at average cost less impairment loss.

Cost is calculated using the weighted average cost principle and comprise all cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.7 Construction contracts work in progress

Construction contracts work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable costs incurred in the Group/Company's contract activities based on normal operating capacity.

Unbilled construction in progress is presented separately under current assets in the statement of financial position. If progress billings exceed the income recognised, then the difference is presented as advances received from customers under construction contracts under current liabilities in the statement of financial position.

When the outcome of a construction contract can be estimated reliably, contract costs are recognised as expenses in profit or loss by reference to the stage of completion of the contract activity at the reporting date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in profit or loss immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in profit or loss for the period in which they are incurred.

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3.8 Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements are accounted for using the cost method less allowance for devaluation of investments. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group/Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less impairment losses on investment.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investments.

3.9 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

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Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Condominium	20	Years
Condominium improvement	5	Years

No depreciation is provided on freehold land.

3.10 Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Office buildings and building components	5-32 years
Machinery and construction equipment	5-15 years
Steel and aluminium formwork	5-15 years
Furniture, fixtures and equipment	3-5 years
Vehicles	5-10 years

No depreciation is provided on freehold land or construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.11 Leasehold right

Leasehold land and building with furnishings that are acquired by the Company and have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is based on the cost of the asset or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of asset, from the date that they are available for use, since the most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives of the assets expected the consumption of the future economic benefits are 19 years 7 months 17 days (since 17 October 2013).

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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3.12 Intangible assets

Intangible assets that are acquired by the Group/Company and have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since the most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives are as follows:

Cash paid for a list of customers and existing business	3	Years
Software licenses	3 - 5	Years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.13 Impairment

The carrying amounts of the Group's/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

3.15 Trade and other current payables

Trade and other current payables are stated at cost.

3.16 Employee benefits

a) Short-term employee benefits

Short-term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Post-employment benefits

The Group/Company records post-employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

- *Defined contribution plans*

A defined contribution plan contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (Providend Fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

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- *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's/Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's/Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

The Group/Company recognised immediately all actuarial gains or losses arising from defined benefit plans in other comprehensive income.

c) *Other long-term employee benefits*

The Group's/Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods that benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

d) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group/Company can no longer withdraw the offer of those benefits and when the Group/Company recognized costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of reporting period, then they are discounted.

3.17 Provisions

A provision is recognised when the Group/Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Other provisions are as follows:

- *Estimated costs of rectification in the period of guarantee work*

Estimated costs of rectification in the period of guarantee work are recognized within the period of time under each the project contract, basing on the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation and historical experience of the project manager on such construction project.

- *Estimate of delay penalties*

An estimate of delay penalties is recognized as liabilities according to contracts which is based on output and a weighting off all possible outcomes against their associated probabilities.

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- *Estimate of expected losses on construction projects*

An estimate of expected losses on construction projects of each project is based on the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation and historical experience of the project manager on such construction project.

3.18 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, "Surplus on treasury shares". Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

3.19 Revenues

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Contract revenues

Contract revenues include the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is measured based on reference to surveys of work performed by the construction manager and which is computed the proportion that construction cost incurred to date bear to the estimated total construction cost of the transaction. When the outcome of a construction contract cannot be estimated reliably, contract revenues are recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Sale of construction materials

Sales of construction materials and materials be over demand are recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

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Rendering of service

Rendering of service are room service revenue, revenue from food and beverages, and other service incomes are recognised when guests check in or services are provided.

Interest and dividend income

Interest income is recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established.

Gain from compromise is recognized when the installable payment is made to creditor pursuant to the compromise agreement prepared in front of the Court.

Other income is recognized on an accrual basis. The compensation for damage from the lawsuit or dispute is recognized when has the result and receive the payment.

3.20 Expenses

Expenses are recognized on the accrual basis.

3.21 Finance costs

Finance costs comprise interest expenses on borrowings and unwinding of discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.22 Operating leases

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expenses, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Group's/Company's incremental borrowing rate.

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3.23 *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group/Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

In determining the amount of current and deferred tax, the Group / Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group / Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group / Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.24 *Earnings per share*

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year, adjusted for own share held.

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3.25 Segment reporting

Segment results that are reported to the Board of Directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.26 Dividends

Dividend payment and interim dividend are recorded in the accounting period in which the General Meeting of Shareholders of the Company and the Board of Directors Meeting of the Company have approved the dividend payment.

4 Acquisition of non-controlling interests

The Board of Directors Meeting of the Company held on 20 June 2017 approved the Company acquired 640,000 ordinary shares of SCR Asset Management Co., Ltd (“the subsidiary”) from the former shareholder in the price of Baht 100 per share.

On 22 June 2017, the Company acquired an additional 16% interest in SCR Asset Management Co., Ltd. of Baht 64.06 million in cash, resulting in increasing its ownership from 52% to 68%. The carrying amount of SCR Asset Management Co., Ltd.’s net assets in the Group’s financial statements on the date of acquisition was Baht 357 million. The Group recognized a decrease in non-controlling interests of Baht 57 million due to change in the Company’s ownership interest in SCR Asset Management Co., Ltd.

The effects of changes in the Group’s ownership interest in SCR Asset Management Co., Ltd. were as follows:

		<i>(in Baht)</i>
Group’s ownership interest at 1 January 2017		183,869,429
Effect of increase in Group’s ownership interest		
Cash paid for acquiring non-controlling interest in the subsidiary	64,064,000	
Discount from changes in the ownership interests in subsidiary	<u>(6,869,861)</u>	57,194,139
Share of comprehensive income for the year		
For the period from 1 January 2017 to 30 June 2017 (recognize in proportion of 52%)	2,011,522	
For the period from 1 July 2017 to 31 December 2017 (recognize in proportion of 68%)	<u>(1,791,596)</u>	219,926
Increase in Group’s ownership interest from the increasing in share capital of the subsidiary (recognize in proportion of 68% of Baht 200 million) (please see note 15 to the financial statements)		<u>136,000,000</u>
Group’s ownership interest at 31 December 2017 (in proportion of 68%)		<u><u>377,283,494</u></u>

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5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group / Company if the Group / Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Group / Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Subsidiaries		
1. SCR Asset Management Co., Ltd.	Thailand	Subsidiary, 68% shareholding, and some common directors
2. Natural Ville Service Apartment and Management Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding and some common directors
3. CSM Capital Partners Co., Ltd.	Thailand	Subsidiary, 60% shareholding and some common directors
4. JT Ten Co., Ltd.	Thailand	Subsidiary, 84.98% shareholding and some common directors
5. PT Three Land Co., Ltd.	Thailand	Subsidiary, 69.98% shareholding and some common directors
Associate		
1. Natural Hotel Sukhumvit Co., Ltd	Thailand	Associate, 25% Shareholding
Joint ventures		
1. SVK Joint venture	Thailand	Joint venture, 51% portion of joint venture and registered to cease operations
Related companies		
1. Bangkok Expressway and Metro Public Company Limited	Thailand	Related company, 0.49% shareholding
2. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venture in Syntec-Mivan Joint Venture
3. Siam Syntec Planner Co., Ltd.	Thailand	Related company, some common directors
4. Tate Enterprise Co., Ltd.	Thailand	Related company, some common shareholder
5. N&J Assets Management Co., Ltd.	Thailand	Related company, some common directors
6. Narai Phand Co., Ltd.	Thailand	Related company, directors related to the director of the Company
7. N & J Hospitality Co., Ltd.	Thailand	Related company, directors related to the director of the Company
8. Pink Cafe Co., Ltd.	Thailand	Related company, directors related to the director of the Company
9. Safe Series Co., Ltd.	Thailand	Related company, shareholder as a key management personnel of the Company

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Name of entities	Country of incorporation/ nationality	Nature of relationships
10. Wrightman Corporation Co., Ltd.	Thailand	Related company, indirect held
11. Mankongsangtong Holding Co., Ltd.	Thailand	Related company, common shareholders
12. Thonglor Management Co., Ltd.	Thailand	Related company, shareholder related to the Company's directors
13. Wealthy Living Co.,Ltd.	Thailand	Related company, shareholder related to the Company's directors
14. Chuaphaibul Steel Co., Ltd.	Thailand	Related company, directors related to the director or shareholder of the Company
15. Wrightman Restaurant Co., Ltd.	Thailand	Related company, some common shareholder
16. Thai Roong Ruang Industry Co., Ltd.	Thailand	Related company, shareholder and director related to the shareholders and directors of the Company
17. TRR Property Co., Ltd.	Thailand	Related company, shareholder and director as the shareholder and director of the subsidiary
18. Fat Brothers Co., Ltd.	Thailand	Related company, some common shareholder
Related persons		
1. Six related persons	Thailand	Related persons, as the Company's and the subsidiaries' directors, shareholders, key management personnel or related to the key management personnel.
2. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director of the Group/Company (whether executive or otherwise).

The pricing policies for particular types of transactions are explained further below:

	Pricing policies
Sale of steel and others	Invoice price (at cost)
Interest income	MLR – 2.375 and MLR – 2.75 per annum
Contract revenues	Cost price plus profit margin not less than 12%
Rendering of service	Service income to be refunded under the contract on the basis determined by related concern which approximated the market price
Contract costs	Market price
Purchase of steel	Market price
Cost of service (management fee for service apartment and others)	Contract price on the basis determined by the related concerned which approximated the market rate

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	Pricing policies
Service expenses	Contract price on the basis determined by the related concerned which was not higher than employment rate
Consulting fee for security system	Contract price on the basis determined by the related concerned
Rental expenses	Contract price on the basis determined by the related concerned which approximated the market rate
Interest expenses	3.00 – 6.00% per annum
Land rental	Contract price on the basis determined by the related concerned which approximated the market rate
Directors benefit expenses represented meeting allowance and director bonus	Approval from the Company's directors and shareholders
Directors and management benefit expenses represented salary and bonus	Approval from the Company's directors and shareholders

Significant transactions with related parties for the years ended 31 December were summarized as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Revenue				
Subsidiaries				
Contract revenues	-	-	26,329,357	27,179,576
Sale of steel	-	-	-	1,522,019
Rendering of service and others	-	-	7,468,475	1,585,308
Interest income	-	-	1,525,127	4,088,750
Related companies				
Contract revenues	297,753,561	10,573,381	297,753,561	10,573,381
Rental and service expenses	4,390,745	4,584,573	4,380,994	4,584,573
Other service expenses	-	11,210,123	-	-
Other income	700,000	-	-	-
Expenses				
Subsidiaries				
Cost of service	-	-	29,001,453	25,234,222
Related companies				
Contract costs	126,250,445	150,407,938	126,250,445	150,407,938
Purchase of steel	109,309,270	104,007,777	109,289,095	103,162,890
Cost of service	39,747,502	27,713,344	22,992,004	11,538,701
Space rental and services	2,777,106	1,643,508	2,777,106	1,643,508
Consulting fee for security system	-	2,328,334	-	2,328,334
Other service expenses	10,016,194	22,551,147	10,016,194	22,551,147
Related Persons				
Consulting fee for security system	3,460,000	-	3,460,000	-
Land rental expense	445,200	-	445,200	-
Interest expenses	29,212	479,228	-	479,228

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	64,157,696	66,113,108	55,862,342	48,537,827
Post-employment benefits	2,797,096	1,664,778	2,746,871	1,664,778
Total key management personnel compensation	<u>66,954,792</u>	<u>67,777,886</u>	<u>58,609,213</u>	<u>50,202,605</u>

Balance as at 31 December with related parties were as follows:

Trade accounts receivables - related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Subsidiaries				
SCR Asset Management Co., Ltd.	-	-	4,039,308	14,262,376
Related companies				
Thai Roong Ruang Industry Co., Ltd.	32,302,062	-	32,302,062	-
Wrightman Corporation Co., Ltd.	54,400	1,827,305	54,400	-
Total	<u>32,356,462</u>	<u>1,827,305</u>	<u>36,395,770</u>	<u>14,262,376</u>

Retention receivables under construction contracts - related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Subsidiary				
SCR Asset Management Co., Ltd.	-	-	2,481,249	692,513
Related companies				
Thai Roong Ruang Industry Co., Ltd.	6,643,142	-	6,643,142	-
TRR Property Co., Ltd.	7,020,277	210,280	7,020,277	210,280
Total	<u>13,663,419</u>	<u>210,280</u>	<u>16,144,668</u>	<u>902,793</u>

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Other current receivables - related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Related companies				
<i>Other receivables and advances</i>				
Joint ventures				
SVK Joint Venture	-	11,099,066	-	11,099,066
Subsidiaries				
SCR Asset Management Co., Ltd.	-	-	111,033	227,543
Natural Ville Service Apartment and Management Co., Ltd.	-	-	17,258,452	22,742,306
CSM Capital Partners Co., Ltd	-	-	4,627,324	2,281,200
PT Three Land Co., Ltd.	-	-	32,171	-
JT Ten Co., Ltd.	-	-	167,079	-
Related companies				
Wrightman Restaurant Co., Ltd.	94,827	75,056	94,827	75,056
Wrightman Corporation Co., Ltd.	609,102	-	-	-
	<u>703,929</u>	<u>11,174,122</u>	<u>22,290,886</u>	<u>36,425,171</u>
Related persons				
Advance to key management personnel	881,890	60,000	418,914	60,000
Advance to project managers	4,375,989	4,151,000	4,375,989	4,151,000
Total key management personnel	<u>5,257,879</u>	<u>4,211,000</u>	<u>4,794,903</u>	<u>4,211,000</u>
Total	5,961,808	15,385,122	27,085,789	40,636,171
Less allowance for doubtful accounts	-	(11,099,066)	-	(11,099,066)
Net	<u>5,961,808</u>	<u>4,286,056</u>	<u>27,085,789</u>	<u>29,537,105</u>

The Board of Directors meeting of the Company held on 9 July 2018 resolved to write-off advance receivables from SVK Joint venture of Baht 11.10 million because the joint venture registered the liquidation.

As at 31 December 2018 and 2017, advance to project managers in the amount of Baht 4.38 million and Baht 4.15 million, respectively, represented the petty cash for construction projects in the amount of Baht 50,000 to Baht 100,000 per a project.

Unbilled construction in progress - related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Related companies				
Thai Roong Ruang Industry Co., Ltd.	1,621,479	362,253	1,621,479	362,253
TRR Property Co., Ltd.	-	6,029,219	-	6,029,219
Total	<u>1,621,479</u>	<u>6,391,472</u>	<u>1,621,479</u>	<u>6,391,472</u>

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Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Subsidiaries				
CSM Capital Partners Co., Ltd	-	-	25,000,000	-
PT Three Land Co., Ltd.	-	-	10,000,000	-
Total	<u>-</u>	<u>-</u>	<u>35,000,000</u>	<u>-</u>

As at 31 December 2018, the Company had short-term loans to a subsidiary (“CSM Capital Partners Co., Ltd.”) of Baht 25 million, represented short-term loans under 3 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at MLR-2.75% per annum.

As at 31 December 2018, the Company had short-term loans to a subsidiary (“PT Three Land Co., Ltd.”) of Baht 10 million, represented short-term loans under 2 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at MLR-2.75% per annum.

Movements of short – term loans to related parties during the years end 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	-	-	-	-
Increase during the year	-	-	35,000,000	-
Decrease during the year	-	-	-	-
At 31 December	<u>-</u>	<u>-</u>	<u>35,000,000</u>	<u>-</u>

Investments in associate and subsidiaries were described in notes 14 and 15 to the financial statements.

Available – for –sale investments

	Consolidated and separate financial statements			
	2018		2017	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
Other related company				
Bangkok Expressway and Metro Public Company Limited	221,747,612	729,162,599	221,747,612	578,819,795
Add valuation adjustment	507,414,987	-	357,072,183	-
Net	<u>729,162,599</u>	<u>729,162,599</u>	<u>578,819,795</u>	<u>578,819,795</u>

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Movements of available-for-sale investments for the years ended 31 December were as follows:

	Consolidated and separate financial statements	
	2018	2017
	<i>(in Baht)</i>	
At cost:-		
At 1 January	221,747,612	221,747,612
No changes during the year	-	-
At 31 December	<u>221,747,612</u>	<u>221,747,612</u>
Unrealized gain from changes in fair value of investments for the year presented in shareholder s' equity net of income tax	<u>120,274,243</u>	<u>18,041,137</u>

Long-term loans to related parties

Movements of long-term loans to related parties for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	-	-	-	125,000,000
Increase during the year	-	-	-	88,000,000
Decrease during the year	-	-	-	(213,000,000)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Trade accounts payable – related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Other related companies				
N&J Hospitality Co., Ltd.	268,724	178,709	268,724	178,709
Tate Enterprise Co., Ltd.	7,110	51,735	7,110	51,735
Chuaphaibul Steel Co., Ltd.	14,219,744	5,161,742	14,219,744	5,161,742
Safe Series Co., Ltd.	8,606,504	-	8,606,504	-
Thonglor Management Co., Ltd.	260,000	-	-	-
	<u>23,362,082</u>	<u>5,392,186</u>	<u>23,102,082</u>	<u>5,392,186</u>

Other current payables – related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Subsidiary				
Natural Ville Service Apartment and Management Co., Ltd.	-	-	15,556,553	13,223,771

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in Baht)			
Other related companies				
Safe Series Co., Ltd.	7,550,205	15,003,811	7,550,205	15,003,811
Chuaphaibul Steel Co., Ltd.	2,841	-	-	-
Fat Brothers Co., Ltd.	182,260	-	-	-
Thonglor Management Co., Ltd.	1,528,174	1,453,841	-	-
Wrightman Corporation Co., Ltd.	1,458,270	1,339,638	1,085,680	967,048
Wrightman Restaurant Co., Ltd.	1,670,052	774,705	1,670,052	774,705
Total	12,391,802	18,571,995	25,862,490	29,969,335

Movement of short-term loans from related persons for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in Baht)			
At 1 January	-	80,000,000	-	80,000,000
Increase during the year	2,500,000	-	-	-
Decrease during the year	(2,500,000)	(80,000,000)	-	(80,000,000)
At 31 December	-	-	-	-

Advance received from customers under construction contracts – related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in Baht)			
Other related companies				
TRR Property Co., Ltd.	20,666,049	27,663,551	20,666,049	27,663,551
Thai Roong Ruang Industry Co., Ltd.	36,350,055	-	36,350,055	-
Total	57,016,104	27,663,551	57,016,104	27,663,551

Retention payables from subcontractors – related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in Baht)			
Other related company				
Safe Series Co., Ltd.	3,917,264	5,185,420	3,917,264	5,185,420
Total	3,917,264	5,185,420	3,917,264	5,185,420

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The commitments with related parties

The Ordinary General Meeting of Shareholders of the Company held on 27 April 2018 resolved the approval of Directors' remunerations for the year 2018 which were represented the meeting allowance of Baht 18,000 per time per head, and the annual audit committee directors' remunerations of Baht 350,000 per head.

The Ordinary General Meeting of Shareholders of the Company held on 28 April 2017 resolved the approval of Directors' remunerations for the year 2017 which were represented the meeting allowance of Baht 16,000 per time per head, and the annual audit committee directors' remunerations of Baht 300,000 per head.

Significant agreements with related parties

Subsidiaries

On 18 October 2013, the Company had entered into a service agreement with Natural Ville Service Apartment and Management Co., Ltd. ("the subsidiary") to provide the properties management including to manage building and land with furnishings, systems and facilities of the Natural Ville Project such as to service to tenants or customer and personnel management. The agreement has been effective from 25 October 2013 onward, requiring a monthly management service fee of Baht 2,000,000 (management service fee included salaries and other administration expenses) and other disbursements to be approved by the Company.

On 31 March 2017 and 2018, the Company had entered into a service agreement with SCR Asset Management Co., Ltd ("the subsidiary") for the period of 1 year from April 2016 to March 2019, requiring a monthly service fee of Baht 100,000 with the renewal option.

On 19 May 2017, the Company had entered into the construction management agreement with a subsidiary ("SCR Asset Management Co., Ltd") for the Somerset Central Siracha project, totalling Baht 62 million. As of 31 December 2018, the revenue was realized in the amount of Baht 53 million and the remaining amounted to Baht 9 million.

On 1 July 2017 and 23 April 2018, the Company had entered into a service agreement with CSM Capital Partners Co., Ltd ("the subsidiary") for the period of 1 year from January 2017 to December 2018, requiring a monthly service fee of Baht 500,000 and Baht 520,000.

Related companies

On 3 November 2014, the Company had entered into a office space rental agreement with a related company ("N & J Asset Management Co., Ltd.") for use as offices, meeting rooms, and seminars rooms for a period of 3 years from 1 November 2014 to 31 October 2017 with monthly rental of Baht 120,759 and renewal option when the end of the rental agreement. On 20 February 2018, the Company had entered into a memorandum of office space rental agreement to increase space area and expand the rental period by 3 years as from 1 January 2018 to 31 December 2021 with monthly rental of Baht 215,225.

On 1 August 2015, the Company had entered into the operating and managing agreement with a related company ("Wrightman Corporation Co., Ltd.") for a period from 1 August 2015 to 31 October 2020 in order to manage service apartment, prepare the financial documents, budget and prepare annual marketing plan of branch of the Company with the basic fee at rate 2% of total revenues and incentive fee 3-5% of gross operating profit.

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On 8 August 2017 and 1 October 2017, CSM Capital Partners Co., Ltd (“the subsidiary”) entered into the new service agreement and memorandum with a related company (“Thonglor Management Co., Ltd”) for a period from 1 June 2017 to 31 May 2018 to manage on Eight Thonglor project with the monthly service fee as follows:

- Management fee at the rate 1% of total revenue of retail shops;
- Incentive fee at the rate of 3% of net profit in the project of retail shops;
- Corporation fee on service area at a fixed rate of Baht 250,000 per month.

Subsequently, on 14 September 2018, the subsidiary entered into a new service agreement for a period from 1 June 2018 to 31 May 2019, requiring service fee as same as the original service agreement.

On 20 December 2017, the Company had entered into the construction agreement with a related company (“TRR Property Co., Ltd.”) for the TRR Office Building project, totalling Baht 541 million. Until 31 December 2018, the amount earned Baht 140 million, the remaining amounted to Baht 401 million.

On 22 March 2018, the Company had entered into the construction agreement with a related company (“Thai Roong Ruang Industry Co., Ltd.”) in the sugar plant project, totalling Baht 591 million. Until 31 December 2018, the amount earned Baht 168 million, the remaining amounted to Baht 423 million.

Related persons

On 1 December 2017 and 19 February 2018, the Company had entered into a consulting agreement and additional memorandum with a related person (“Mr.Chirasak Tanskul”) for a period from 1 December 2017 to 31 December 2018, to obtain the consult for security, marketing and procurement with a monthly rate of Baht 290,000.

On 17 April 2018, the Company had entered into a land lease agreement with a related person (“Mr.Kamol Vongkusolkit”) for a period of 18 months from 1 May 2018 to 31 October 2019, for use to construct the camp for workers and to store the construction materials with the monthly rental of Baht 110,000.

On 1 July 2018, the Company had entered into a land lease agreement with a related 4 persons (“Mr.Sukhum Phahusutr, Mr.Jiramote Phahusutr, Ms.Nichaya Phahusutr and Mr.Sujit Mankongcharean”) and one other person total area of 3 Rai 25 Square wah for a period of 3 years from 1 July 2018 to 31 July 2021, for using as assemble location for construction materials with the monthly rental of Baht 24,000.

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6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Petty cash	327,084	320,910	-	-
Cash on hand	266,106	393,994	51,447	157,208
Cash at banks – current accounts	143,514,711	134,536,081	133,697,080	124,333,182
Cash at banks – savings accounts	603,504,803	287,899,835	532,205,967	238,185,838
Highly liquid short-term	8,842,772	13,223,231	8,842,772	13,223,231
Total	756,455,476	436,374,051	674,797,266	375,899,459

Cash and cash equivalents of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

7 Current investments

	Consolidated financial statements			
	2018		2017	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
Premium savings	22,091,719	22,091,719	-	-
Bill of exchange	-	-	290,212,261	290,212,261
Mutual fund – debt securities	960,402,207	970,175,470	1,241,278,646	1,255,455,432
Total	982,493,926	992,267,189	1,531,490,907	1,545,667,693

	Separate financial statements			
	2018		2017	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
Premium savings	22,091,719	22,091,719	-	-
Bill of exchange	-	-	290,212,261	290,212,261
Mutual fund – debt securities	959,570,649	969,333,544	1,240,470,523	1,254,623,874
Total	981,662,368	991,425,263	1,530,682,784	1,544,836,135

As at 31 December 2018 and 2017, current investments in mutual fund – debt securities of the Company amounted to Baht 161 million and Baht 131 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

Movements of current investments for the years ended 31 December were as follows:

	Consolidated Financial statement		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Premium savings				
At 1 January	-	-	-	-
Purchases during the year	22,091,719	-	22,091,719	-
At 31 December	22,091,719	-	22,091,719	-

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	Consolidated		Separate	
	Financial statement		financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Bills of exchange				
At 1 January	290,212,261	110,000,000	290,212,261	110,000,000
Purchases during the year	490,187,151	1,210,743,703	490,187,151	1,210,743,703
Sales during the year	(780,399,412)	(1,030,531,442)	(780,399,412)	(1,030,531,442)
At 31 December	-	290,212,261	-	290,212,261
Mutual fund – debt securities				
At 1 January	1,255,455,432	1,139,056,974	1,254,623,874	1,098,713,126
Purchases during the year	1,160,459,990	783,800,000	1,160,459,991	783,800,000
Sales during the year	(1,455,513,216)	(681,391,358)	(1,455,513,216)	(642,060,264)
Valuation adjustments	9,773,263	13,989,816	9,762,895	14,171,012
At 31 December	970,175,469	1,255,455,432	969,333,544	1,254,623,874
Short-term principal protected note				
At 1 January	-	-	-	-
Purchases during the year	70,000,000	-	70,000,000	-
Sales during the year	(70,000,000)	-	(70,000,000)	-
At 31 December	-	-	-	-

Please see also note 51 to the financial statements.

Current investments of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

8 Trade accounts receivables

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Related party	32,356,462	1,827,305	36,395,770	14,262,376
Other parties	1,262,943,458	1,044,136,226	1,253,342,141	1,035,021,699
Total	1,295,299,920	1,045,963,531	1,289,737,911	1,049,284,075
<i>Less allowance for doubtful accounts</i>	<i>(12,619,717)</i>	<i>(6,705,331)</i>	<i>(12,619,717)</i>	<i>(6,705,331)</i>
Net	1,282,680,203	1,039,258,200	1,277,118,194	1,042,578,744
Bad debts and doubtful debts expense for the year	5,719,039	191,080	5,719,039	191,080
Reversal of allowance for doubtful accounts for the year	-	(57,600)	-	(57,600)
Total	5,719,039	133,480	5,719,039	133,480

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Aging analyses for trade accounts receivables were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Within credit terms	839,328,998	710,730,830	833,553,935	707,766,676
Still litigation	109,136,984	51,946,598	109,136,984	51,946,598
Overdue:				
- Less than 3 months	229,715,612	157,190,722	228,021,918	159,350,395
- Over 3 months to 6 months	92,691,515	122,498,005	91,755,322	120,118,857
- Over 6 months to 12 months	23,086,751	2,443,266	25,929,692	8,947,439
- Over 12 months	1,340,060	1,154,110	1,340,060	1,154,110
Total overdue	346,833,938	283,286,103	347,046,992	289,570,801
Total	1,295,299,920	1,045,963,531	1,289,737,911	1,049,284,075

The normal credit term granted by the Group/Company ranges from 15 days to 45 days.

Trade accounts receivables of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

As at 31 December 2017, trade accounts receivables amounting to Baht 99.14 million representing notes receivable to be discounted with the financial institution as described in note 26 to the financial statements.

9 Other current receivables

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Other receivables	52,938,356	16,489,248	73,689,861	39,985,896
Accrued income	4,952,105	4,131,940	3,794,948	4,625,989
Prepaid expenses	15,704,984	19,321,004	10,769,738	14,713,536
Input tax not due	7,115,018	5,872,727	6,916,242	4,057,968
Advances	6,238,126	18,564,868	5,291,611	16,471,364
Prepaid value added tax	43,801,453	20,035,767	111,287	165,873
Total	130,750,042	84,415,554	100,573,687	80,020,626
Less allowance for doubtful				
Accounts	(6,407,585)	(17,510,931)	(6,407,585)	(17,510,931)
Net	124,342,457	66,904,623	94,166,102	62,509,695
Related parties	703,929	11,174,122	22,290,886	36,425,171
Key management personnel	5,257,879	4,211,000	4,794,903	4,211,000
Other parties	124,788,234	69,030,432	73,487,898	39,384,455
	130,750,042	84,415,554	100,573,687	80,020,626
Less allowance for doubtful				
accounts	(6,407,585)	(17,510,931)	(6,407,585)	(17,510,931)
Net	124,342,457	66,904,623	94,166,102	62,509,695

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Bad debt and doubtful debts expense for the year	-	133,477	-	133,477
Reversal of allowance for doubtful accounts for the year	(11,103,346)	-	(11,103,346)	-
Total	(11,103,346)	133,477	(11,103,346)	133,477

Other current receivable of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

10 Retentions receivables under construction contracts

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Related parties	13,663,419	210,280	16,144,668	902,793
Other parties	626,470,002	582,418,652	626,470,002	582,418,652
Total	640,133,421	582,628,932	642,614,670	583,321,445
Less allowance for doubtful accounts	(18,930,081)	(18,930,080)	(18,930,081)	(18,930,080)
Net	621,203,340	563,698,852	623,684,589	564,391,365
Current	114,230,589	126,013,524	114,230,589	126,013,524
Non-current	506,972,751	437,685,328	509,454,000	438,377,841
Total	621,203,340	563,698,852	623,684,589	564,391,365

Aging analyses for retention receivables under construction contracts were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Within credit terms	545,539,796	470,659,750	548,021,045	471,352,263
Still litigation	58,582,986	58,582,986	58,582,986	58,582,986
Overdue:				
- Less than 1 year	16,104,486	50,024,196	16,104,486	50,024,196
- Over 2 years to 3 years	19,906,153	3,362,000	19,906,153	3,362,000
Total overdue	36,010,639	53,386,196	36,010,639	53,386,196
Total	640,133,421	582,628,932	642,614,670	583,321,445

The normal period of retentions under construction granted by the Company ranges from 1 – 2 years.

Retentions receivables under construction contracts of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

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11 Unbilled construction in progress

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Related parties	1,621,479	6,391,472	1,621,479	6,391,472
Other parties	<u>737,688,575</u>	<u>809,373,238</u>	<u>737,688,575</u>	<u>809,373,238</u>
Total	<u>739,310,054</u>	<u>815,764,710</u>	<u>739,310,054</u>	<u>815,764,710</u>
Less allowance for doubtful accounts	<u>(9,173,729)</u>	<u>(9,029,136)</u>	<u>(9,173,729)</u>	<u>(9,029,136)</u>
Net	<u>730,136,325</u>	<u>806,735,574</u>	<u>730,136,325</u>	<u>806,735,574</u>
Bad debt and doubtful debts expense for the year	<u>144,593</u>	<u>-</u>	<u>144,593</u>	<u>-</u>
	<i>(in million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Construction project contracts amount	<u>39,038</u>	<u>30,746</u>	<u>39,038</u>	<u>30,746</u>
Contract revenue recognized as revenue since commencing date to present	30,155	22,890	30,155	22,890
Less progress billings (as invoices)	<u>(29,461)</u>	<u>(22,119)</u>	<u>(29,461)</u>	<u>(22,119)</u>
Unbilled construction in progress	694	771	694	771
Unbilled construction in progress (in litigation)	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>
Unbilled construction in progress at the end of year	739	816	739	816
Less allowance for doubtful accounts	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>
Net	<u>730</u>	<u>807</u>	<u>730</u>	<u>807</u>
Excess of progress billing over work in progress	<u>(650)</u>	<u>(615)</u>	<u>(650)</u>	<u>(615)</u>
Net	<u>80</u>	<u>192</u>	<u>80</u>	<u>192</u>

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12 Inventories

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Construction materials	128,732,341	105,127,576	128,732,341	105,127,576
Spare parts and supplies	11,739,657	11,433,139	10,629,468	10,510,831
Less allowance for devaluation of inventories	-	(844,084)	-	(844,084)
Spare parts and supplies, net	<u>11,739,657</u>	<u>10,589,055</u>	<u>10,629,468</u>	<u>9,666,747</u>
Total	<u>140,471,998</u>	<u>115,716,631</u>	<u>139,361,809</u>	<u>114,794,323</u>

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Cost of inventories was recognized in expense and included in contract costs	<u>1,679</u>	<u>1,781</u>	<u>1,679</u>	<u>1,808</u>

Inventories as at 31 December 2018 and 2017 were expected to utilize as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Expected to utilize within 1 year	140	115	139	114
Expected to utilize over 1 year	-	1	-	1
Total	<u>140</u>	<u>116</u>	<u>139</u>	<u>115</u>

13 Advance payments to subcontractors

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Other parties	209,178,843	125,363,500	209,178,843	125,363,500
Less allowance for doubtful accounts	<u>(226,329)</u>	<u>(226,329)</u>	<u>(226,329)</u>	<u>(226,329)</u>
Total	<u>208,952,514</u>	<u>125,137,171</u>	<u>208,952,514</u>	<u>125,137,171</u>
Doubtful debts expense for the year	<u>-</u>	<u>226,329</u>	<u>-</u>	<u>226,329</u>

Advance payments to subcontractors of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

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14 Investments in associate

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	235,417	275,905	9,375,000	9,375,000
Share of loss of investment from equity method	<u>(48,364)</u>	<u>(40,488)</u>	<u>-</u>	<u>-</u>
	187,053	235,417	9,375,000	9,375,000
Less allowance for devaluation of investments	<u>-</u>	<u>-</u>	<u>(9,375,000)</u>	<u>(9,375,000)</u>
At 31 December	<u>187,053</u>	<u>235,417</u>	<u>-</u>	<u>-</u>

There were no acquisitions and disposals of investments in associate during the years ended 31 December 2018 and 2017.

Investments in associate of the Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

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Investments in associate as at 31 December 2018 and 2017 were as follows:

Consolidated financial statements												
	Ownership interest		Paid - up capital		Cost method		Equity method		Impairment		At equity, net	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)		(in million Baht)									
Associate												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	0.19	0.24	-	-	0.19	0.24
Total					10	10	0.19	0.24	-	-	0.19	0.24
Separate financial statements												
	Ownership interest		Paid - up capital		Cost method		Impairment		At cost, net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)		(in million Baht)									
Associate												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	(10)	(10)	-	-	-	-
Total					10	10	(10)	(10)	-	-	-	-

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The following summarized financial information of the associate which has been accounted for using the equity method in the consolidated financial statements.

	Ownership interest (%)	Total assets	Total liabilities (in million Baht)	Total revenues	Profit (loss) for the year
2018					
Natural Hotel Sukhumvit Co., Ltd.	25	0.84	0.12	0.001	(0.19)
Total		0.84	0.12	0.001	(0.19)
2017					
Natural Hotel Sukhumvit Co., Ltd.	25	1.05	0.12	0.001	(0.16)
Total		1.05	0.12	0.001	(0.16)

15 Investments in subsidiaries

Movements during the years ended 31 December were as follows:

	Separate financial statements	
	2018	2017
	<i>(in Baht)</i>	
As at 1 January	1,010,063,700	809,999,700
Acquisition	145,679,800	200,064,000
At 31 December	1,155,743,500	1,010,063,700

The Extraordinary Meeting of Shareholders of subsidiary (JT Ten Co., Ltd.) held on 3 July 2018 approved the increase of the company's authorized share capital from Baht 1 million to Baht 100 million. The subsidiary also registered the increases of shares with Ministry of Commerce on 20 July 2018.

The Board of Directors Meeting of the Company held on 15 May 2018, resolved to establish two subsidiaries named JT Ten Co., Ltd. and PT Three Land Co., Ltd with the authorized share capital of Baht 1 million in each of subsidiary to conduct a business in real estate for rental. On 13 June 2018 and 25 June 2018, the Company registered the establishing those subsidiaries and held 84.98% and 69.98% of shares, respectively.

The Extraordinary Meeting of Shareholders of the subsidiary (CSM Capital Partners Co., Ltd.) held on 20 April 2018 approved the increase of the company's authorized share capital from Baht 1,000 million to Baht 1,100 million for cost of the renovation of Eight Thonglor Residences Project. The subsidiary also registered the increase of shares with Ministry of Commerce on 4 May 2018.

The Extraordinary Meeting of Shareholders of the subsidiary (SCR Assets Management Co., Ltd.) held on 4 July 2017 approved the increase of the company's authorized share capital by Baht 200 million from Baht 400 million to Baht 600 million by creation of 2 million new ordinary shares of Baht 100 par value. The subsidiary registered the increased shares with Ministry of Commerce on 31 July 2017.

Investments in subsidiaries of the Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

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Investments in subsidiaries as at 31 December 2018 and 2017 were as follows:

	Separate financial statements											
	Ownership interest		Paid -up capital		Cost method		Impairment		At cost, net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)		(in million Baht)		(in Baht)							
<i>Direct subsidiaries</i>												
SCR Asset Management Co., Ltd.	68.00	68.00	600	600	408,064,000	408,064,000	-	-	408,064,000	408,064,000	-	-
Natural Ville Service apartment and Management Co., Ltd	99.97	99.97	2	2	1,999,700	1,999,700	-	-	1,999,700	1,999,700	-	-
CSM Capital Partners Co., Ltd.	60.00	60.00	1,100	1,000	660,000,000	600,000,000	-	-	660,000,000	600,000,000	-	-
PT Three Land Co., Ltd.	69.98	-	1	-	699,800	-	-	-	699,800	-	-	-
JT Ten Co., Ltd.	84.98	-	100	-	84,980,000	-	-	-	84,980,000	-	-	-
Total					1,155,743,500	1,010,063,700	-	-	1,155,743,500	1,010,063,700	-	-

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16 Non-controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that has a material non-controlling interest:

	SCR Asset Management Co., Ltd.		Natural Ville Service Apartment and Management Co., Ltd.		CSM Capital Partners Co., Ltd.		PT Three Land Co., Ltd.		JT Ten Co., Ltd.		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in million Baht)</i>											
Non-controlling interest percentage	<u>32.00</u>	<u>32.00</u>	<u>0.03</u>	<u>0.03</u>	<u>40.00</u>	<u>40.00</u>	<u>30.02</u>	<u>-</u>	<u>15.02</u>	<u>-</u>		
Current assets	67	44	20	20	64	51	4	-	8	-		
Non-current assets	1,023	787	1	2	2,421	2,444	8	-	96	-		
Current liabilities	(546)	(82)	(19)	(25)	(192)	(156)	(11)	-	(4)	-		
Non-current liabilities	<u>(1)</u>	<u>(194)</u>	<u>(2)</u>	<u>(2)</u>	<u>(1,353)</u>	<u>(1,431)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Net assets	<u>543</u>	<u>555</u>	<u>-</u>	<u>(5)</u>	<u>940</u>	<u>908</u>	<u>1</u>	<u>-</u>	<u>100</u>	<u>-</u>		
Carrying amount of non-controlling interest	<u>174</u>	<u>178</u>	<u>-</u>	<u>(0.002)</u>	<u>376</u>	<u>363</u>	<u>0.3</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>565</u>	<u>541</u>

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	SCR Asset Management Co., Ltd.		Natural Ville Service Apartment and Management Co., Ltd.		CSM Capital Partners Co., Ltd.		PT Three Land Co., Ltd.		JT Ten Co., Ltd.		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in million Baht)</i>											
Revenue	59	68	30	37	245	225	0.09	-	-	-		
Profit (loss)	(11)	1	4	(6)	(69)	(61)	-	-	-	-		
Other comprehensive income	-	-	1	-	1	-	-	-	-	-		
Total comprehensive income	(11)	1	5	(6)	(68)	(61)	-	-	-	-		
Profit (loss) allocated to non -controlling interest	(4)	-	-	-	(27)	(24)	-	-	-	-	(31)	(24)
Cash flows from operating activities	(12)	31	(1)	1	79	85	-	-	3	-		
Cash flows from investing activities	(253)	(122)	-	-	(74)	(26)	(8)	-	(96)	-		
Cash flows from financing activities	268	95	-	-	2	(73)	11	-	100	-		
Net increase (decrease) in cash and cash equivalents	3	4	(1)	1	7	(14)	3	-	7	-		

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17 Other long-term investments

	Consolidated and separate financial statements			
	Cost		Fair value	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
General investments	3,000,000	3,000,000	3,000,000	-
Less allowance for devaluation of investments	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>
General investments, net	-	-	-	-
Fixed deposit 24 months	<u>19,573,219</u>	<u>186,724</u>	<u>19,573,219</u>	<u>186,724</u>
Total	<u>19,573,219</u>	<u>186,724</u>	<u>19,573,219</u>	<u>186,724</u>

Movements of other long-term investments for the years ended 31 December were as follows:

	Consolidated and separate financial statements	
	2018	2017
	<i>(in Baht)</i>	
General investments		
At 1 January	3,000,000	3,000,000
Allowance for devaluation of investments	<u>(3,000,000)</u>	<u>(3,000,000)</u>
At 31 December	<u>-</u>	<u>-</u>
Fixed deposit 24 months		
At 1 January	186,724	48,370,577
Increase during the year	19,386,495	-
Decrease during the year	<u>-</u>	<u>(48,183,853)</u>
At 31 December	<u>19,573,219</u>	<u>186,724</u>

Other long-term investments of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

18 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Other company:-				
Gentech Engineering Co., Ltd.	4,956,268	4,956,268	4,956,268	4,956,268
Less allowance for doubtful accounts	<u>(4,956,268)</u>	<u>(4,956,268)</u>	<u>(4,956,268)</u>	<u>(4,956,268)</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Movements of long-term loans for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	4,956,268	4,956,268	4,956,268	4,956,268
No change during the year	-	-	-	-
At 31 December	4,956,268	4,956,268	4,956,268	4,956,268

Long-term loans had no contract and interest bearing.

Long-term loans of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

19 Investment properties

	Consolidated and separate financial statements		
	Land	Condominium	Total
	<i>(in Baht)</i>		
Cost			
At 1 January 2017	99,643,500	9,068,898	108,712,398
No change during the year	-	-	-
At 31 December 2017 and 1 January 2018	99,643,500	9,068,898	108,712,398
Disposal	(99,643,500)	-	(99,643,500)
Adjustment	-	(1,513,376)	(1,513,376)
At 31 December 2018	-	7,555,522	7,555,522
Accumulated depreciation			
At 1 January 2017	-	5,189,811	5,189,811
Depreciation charge for the year /transfer	-	282,673	282,673
At 31 December 2017 and 1 January 2018	-	5,472,484	5,472,484
Depreciation charge for the year	-	277,540	277,540
Adjustment	-	(1,513,376)	(1,513,376)
At 31 December 2018	-	4,236,648	4,236,648
Net book value			
At 31 December 2017	99,643,500	3,596,414	103,239,914
At 31 December 2018	-	3,318,874	3,318,874

	Consolidated and separate financial statements	
	2018	2017
	<i>(in Baht)</i>	
Depreciation charge for the year was included in: -		
Administrative expenses	277,540	282,673

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On 11 January 2018, the Company entered into an agreement to sell and purchase on 6 plots of land with two companies in the selling price of Baht 277 million. On the date of the agreement, the Company received the partial payment in the amount of Baht 28 million and the remaining will be received on the transferring registration date. On 27 June 2018, the Company entered into sale and purchase agreement of land and registered to transfer ownership together with receiving the remaining of Baht 249 million and incurred selling expense in the amount of Baht 15 million and recognized net gain on sale of land amounted to Baht 162 million (net amount of Baht 147 million), in the statement of comprehensive income.

Measurement of fair value

Investment properties as at 31 December 2018 in the amount of Baht 3 million comprised condominium with carrying amount value of Baht 8 million, represented the appraisal value, which was appraised by the appraiser, based on market price of Baht 11 million as the appraisal report dated 4 January 2019. The fair value measurement of investment property has been categorised as a Level 3 fair value.

Pledge

As at 31 December 2017, investment properties as land totaled area of 55 Rai, 1 Ngan, 43 Square wah, totaling 6 title deeds cost value amounted to Baht 100 million, with existing structures and/or thereon have been mortgaged as collateral for a bank guarantee with a domestic commercial bank in the amount of Baht 700 million and please see also note 51 to the financial statements.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
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20 Property, plant and equipment

	Consolidated financial statements							Total
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining Boards (formwork) (in Baht)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
<i>Cost</i>								
At 1 January 2017	1,601,757,548	1,916,638,663	1,365,264,415	562,161,447	227,877,955	200,593,814	88,451,588	5,962,745,430
Additions	-	15,169,747	34,530,120	16,536,535	21,209,333	43,248,588	223,692,210	354,386,533
Transfers	-	16,652,981	19,691,173	-	43,107,770	-	(79,451,924)	-
Disposals	-	(689,618)	(15,573,875)	(28,149,598)	(19,381,200)	(18,661,373)	(904,820)	(83,360,484)
At 31 December 2017 and 1 January 2018	1,601,757,548	1,947,771,773	1,403,911,833	550,548,384	272,813,858	225,181,029	231,787,054	6,233,771,479
Additions	-	19,664,322	60,051,639	25,047,990	25,746,942	1,780,000	337,737,042	470,027,935
Transfers	-	497,764,167	(5,200)	-	41,970,753	-	(539,729,720)	-
Write-off adjustment of prior year	-	(20,819,342)	-	-	-	-	20,819,342	-
Disposals/write-off	-	(121,930,663)	(400,532,511)	(392,848,034)	(20,466,057)	(33,150,160)	(125,503)	(969,052,928)
At 31 December 2018	1,601,757,548	2,322,450,257	1,063,425,761	182,748,340	320,065,496	193,810,869	50,488,215	5,734,746,486

Syntec Construction Public Company Limited and its Subsidiaries
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For the year ended 31 December 2018

Consolidated financial statements								
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining boards (formwork) <i>(in Baht)</i>	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
<i>Accumulated depreciation</i>								
At 1 January 2017	-	284,188,909	937,640,220	458,252,918	133,984,583	128,851,457	-	1,942,918,087
Depreciation charge for the year	-	145,857,538	93,753,680	29,778,725	38,458,944	26,231,853	-	334,080,740
Disposals	-	(332,522)	(14,902,770)	(28,149,514)	(18,187,635)	(18,661,372)	-	(80,233,813)
At 31 December 2017 and 1 January 2018	-	429,713,925	1,016,491,130	459,882,129	154,255,892	136,421,938	-	2,196,765,014
Depreciation charge for the year	-	136,954,867	75,745,006	31,809,737	40,485,822	24,093,397	-	309,088,829
Transfer	-	-	(1,461)	-	1,461	-	-	-
Disposals	-	(110,984,881)	(382,950,413)	(388,252,488)	(17,131,272)	(28,814,837)	-	(928,133,891)
At 31 December 2018	-	455,683,911	709,284,262	103,439,378	177,611,903	131,700,498	-	1,577,719,952
<i>Net book value</i>								
Owned assets	1,601,757,548	1,518,057,848	387,420,703	90,666,255	118,557,966	88,759,091	231,787,054	4,037,006,465
Total at 31 December 2017	1,601,757,548	1,518,057,848	387,420,703	90,666,255	118,557,966	88,759,091	231,787,054	4,037,006,465
Owned assets	1,601,757,548	1,866,766,346	354,141,499	79,308,962	142,453,593	62,110,371	50,488,215	4,157,026,534
Total at 31 December 2018	1,601,757,548	1,866,766,346	354,141,499	79,308,962	142,453,593	62,110,371	50,488,215	4,157,026,534

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	Separate financial statements							Total
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining boards (formwork) (in Baht)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
Cost								
At 1 January 2017	85,869,331	340,776,024	1,365,264,415	576,670,266	164,558,501	199,386,338	68,155,268	2,800,680,143
Additions	-	13,963,623	34,530,120	16,536,535	13,707,904	43,248,588	18,073,312	140,060,082
Transfers	-	15,409,899	19,691,173	-	43,107,770	-	(78,208,842)	-
Disposals	-	(689,618)	(15,573,875)	(28,149,598)	(17,883,442)	(18,661,373)	(904,820)	(81,862,726)
At 31 December 2017 and 1 January 2018	85,869,331	369,459,928	1,403,911,833	565,057,203	203,490,733	223,973,553	7,114,918	2,858,877,499
Additions	-	18,352,701	60,051,639	25,047,990	21,297,027	1,780,000	731,676	127,261,033
Transfers	-	-	(5,200)	-	7,726,291	-	(7,721,091)	-
Disposals/write off	-	(117,873,135)	(400,532,511)	(392,848,034)	(15,891,762)	(33,150,160)	(125,503)	(960,421,105)
At 31 December 2018	85,869,331	269,939,494	1,063,425,761	197,257,159	216,622,289	192,603,393	-	2,025,717,427

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	Separate financial statements							
		Buildings and building components	Construction machinery and equipment	Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
	Land			(in Baht)				
<i>Accumulated depreciation</i>								
At 1 January 2017	-	198,262,459	937,640,221	472,761,737	119,782,693	128,312,558	-	1,856,759,668
Depreciation charge for the year	-	45,664,995	93,753,680	29,778,726	26,172,297	26,050,732	-	221,420,430
Disposals	-	(332,522)	(14,902,770)	(28,149,514)	(17,785,232)	(18,661,372)	-	(79,831,410)
At 31 December 2017 and 1 January 2018	-	243,594,932	1,016,491,131	474,390,949	128,169,758	135,701,918	-	1,998,348,688
Depreciation charge for the year	-	36,489,275	75,745,006	31,809,737	27,536,558	23,912,276	-	195,492,852
Transfer	-	-	(1,461)	-	1,461	-	-	-
Disposals/write-off	-	(110,596,862)	(382,950,413)	(388,252,488)	(15,145,714)	(28,814,837)	-	(925,760,314)
At 31 December 2018	-	169,487,345	709,284,263	117,948,198	140,562,063	130,799,357	-	1,268,081,226
<i>Net book value</i>								
Owned assets	85,869,331	125,864,996	387,420,702	90,666,254	75,320,975	88,271,635	7,114,918	860,528,811
Total at 31 December 2017	85,869,331	125,864,996	387,420,702	90,666,254	75,320,975	88,271,635	7,114,918	860,528,811
Owned assets	85,869,331	100,452,149	354,141,498	79,308,961	76,060,226	61,804,036	-	757,636,201
Total at 31 December 2018	85,869,331	100,452,149	354,141,498	79,308,961	76,060,226	61,804,036	-	757,636,201

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Depreciation was included in: -

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Contract costs	169,134,540	195,246,349	169,134,540	195,246,349
Room service costs	115,793,035	116,821,498	9,015,211	8,223,000
Distribution costs	202,229	231,135	202,229	231,135
Administrative expenses	23,959,025	21,781,758	17,140,872	17,719,946
Total	<u>309,088,829</u>	<u>334,080,740</u>	<u>195,492,852</u>	<u>221,420,430</u>

Borrowing cost capitalized in a part of cost of construction in progress:

	Consolidated and separate financial statements	
	2018	2017
	<i>(in Baht)</i>	
Interest capitalized for the year	7,959,427	-
Accumulated interest capitalized	8,047,021	-
Capitalization rate (% per annum)	MLR-2.375	-
	and MLR-2.75	

As at 31 December 2018 and 2017, the gross amount of the Group's fully depreciated buildings and equipment that was still in use amounted to Baht 655 million and Baht 1,536 million, respectively.

During 2018, the Board of Directors Meeting of the Company resolved to approve the write off of buildings and equipment acquired prior year 1999, which had not been utilized, with carrying amount of Baht 20.36 million and to approve the disposal of machinery and equipment with carrying amount of Baht 14.30 million. This resulted to in 2018, the Company had loss on write off of building and equipment in the amount of Baht 20.36 million and gain on disposal of machinery and equipment in the amount of Baht 5.26 million.

Assets under construction:

- Total budget cost of project in constructing service apartment building of a subsidiary (SCR Asset Management Co., Ltd.) at Sriracha, Chonburi Province (Project 2), amounted to Baht 434 million. Actual cost incurred to 31 December 2018 in the amount of Baht 434 million (recorded as cost of building in the amount of Baht 404 million and for construction in progress of Baht 30 million).
- Total budget cost of project in constructing service apartment building of a subsidiary (SCR Asset Management Co., Ltd.) at Srimaha Poe, Prachinburi Province (Project 3), amounted to Baht 550 million. Actual cost incurred to 31 December 2018 in the amount of Baht 6 million, (recorded as construction in progress of Baht 6 million), remaining amounted to Baht 544 million.

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- Total budget cost of project in renovating the residence in Eight Thonglor Project of a subsidiary (CSM Capital Partners Co., Ltd.), amounted to Baht 147 million. Actual cost incurred to 31 December 2018 in the amount of Baht 128 million (recorded as cost of building in the amount of Baht 128 million), remaining amounted to Baht 19 million.

Pledge

As at 31 December 2018, land, buildings and building improvement of the Company in the carrying amount of Baht 108 million including indemnity from insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks.

As at 31 December 2018, land with existing structures of the subsidiary (SCR Asset Management Co., Ltd) in the carrying amount of Baht 784 million and structures to be constructed in the future was mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial banks in the credit line amounting to Baht 620 million.

As at 31 December 2018, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co., Ltd) in the carrying amount of Baht 2,331 million were mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 1,550 million.

Please see also note 51 to the financial statements.

21 Leasehold right

	Consolidated financial statements	Separate financial statements
	<i>(in Baht)</i>	
<i>Cost</i>		
At 1 January 2017	395,000,000	395,000,000
No change during the year	-	-
At 31 December 2017 and 1 January 2018	395,000,000	395,000,000
Addition	93,120,490	-
At 31 December 2018	488,120,490	395,000,000
<i>Accumulated amortization</i>		
At 1 January 2017	64,866,900	64,866,900
Amortization charge for the year	20,153,635	20,153,635
At 31 December 2017 and 1 January 2018	85,020,535	85,020,535
Amortization charge for the year	20,153,634	20,153,634
At 31 December 2018	105,174,169	105,174,169
<i>Net book value</i>		
At 31 December 2017	309,979,465	309,979,465
At 31 December 2018	382,946,321	289,825,831

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Amortization for the year was included in:

	Consolidated and separate financial statements	
	2018	2017
	<i>(in Baht)</i>	
Room service costs	20,153,634	20,153,635
Total	20,153,634	20,153,635

On 6 February 2018, the Company (“the lessee”) entered into a memorandum to lease land for the real estate development project with other person (“the lessor”). The Company agreed to lease land in Chonburi Province totaling 19 plots of land of 11 rai 1 ngan 54.1 square wah, to develop into projects of hotel, resort and other real estate development projects under the business of a subsidiary. The lease term is 30 years commencing from the date of completion of the real estate development project and starting operations. The Company will complete the development of the project and will commercially operate within 3 years from the date of the lease agreement. The Company agrees to pay whole land fee in the amount of Baht 90 million and the monthly rental of Baht 300,000. The rental shall be adjusted increasingly every 3 years throughout the lease term. The Company paid the land leasing fee of Baht 9 million to be as leasehold right in the process of registration and the remaining of Baht 81 million will be paid within the date of registration of the land lease.

Under the lease agreement of the land, the lessor agrees to collect the plots of land for 180 square wah owned by another person and to be transferred to the lessor or the land must be registered servitude prior to the registration of the lease. If the lessor fails to do so, the Company has the right to cancel the memorandum without being considered as breach of agreement. The lessor agrees to return the land lease fee of Baht 9 million to the Company within 7 days from the date of the lessor be unable to comply with the agreement.

Subsequently, on 1 August 2018, the Company received deposit on leasehold right in the process of registration from a subsidiary (“JT Ten Co., Ltd.”) of Baht 9 million.

On 22 October 2018, the subsidiary (“JT Ten Co., Ltd.”) entered into a lease land agreement and supplemental memorandum to lease land for the real estate development project with other company (“Siriwat Lease Co., Ltd.”) (“the lessor”). The subsidiary agreed to lease land in Chonburi Province totaling 21 plots of land of 11 rai 3 ngan 21.70 square wah, to develop into projects of hotel, resort and other real estate development projects for the lease period of 30 years commencing from the date of the lease agreement until 21 October 2048. The subsidiary will complete the development of the project and will commercially operate within 3 years from the date of the lease agreement. The subsidiary agreed to pay whole land fee in the amount of Baht 81 million and the monthly rental will be charged in the fourth year at the rate of Baht 300,000. The rental shall be adjusted increasingly every 3 years throughout the lease term. The subsidiary paid the land leasing fee on the contract date of Baht 10 million and the remaining of Baht 71 million will be paid within the date of registration of the land lease. The memorandum of lease land agreement stipulates that upon the expiration of the first 3 years of the land lease agreement, the lessor and the subsidiary agreed to register the lease for an additional 3 years from the maturity date of the lease term. The subsidiary agreed to pay the monthly rental fee to the lessor at the rate of Baht 1,950,000 starting from 1 November 2048 onwards.

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22 Intangible assets

Consolidated financial statements			
	List of customers and existing business	Software license (in Baht)	Total
Cost			
At 1 January 2017	8,000,000	33,606,004	41,606,004
Additions	-	3,387,453	3,387,453
At 31 December 2017 and 1 January 2018	8,000,000	36,993,457	44,993,457
Additions	-	6,444,439	6,444,439
Transfer in	-	797,240	797,240
Deductions	-	(125,000)	(125,000)
At 31 December 2018	8,000,000	44,110,136	52,110,136
Accumulated amortization			
At 1 January 2017	1,811,872	27,022,497	28,834,369
Amortization charge for the year	2,666,667	3,154,867	5,821,534
At 31 December 2017 and 1 January 2018	4,478,539	30,177,364	34,655,903
Amortization charge for the year	2,666,667	4,385,130	7,051,797
Transfer in	-	771,066	771,066
Deductions	-	(124,999)	(124,999)
At 31 December 2018	7,145,206	35,208,561	42,353,767
Net book value			
At 31 December 2017	3,521,461	6,816,093	10,337,554
At 31 December 2018	854,794	8,901,575	9,756,369

Separate financial statements		
	Software license (in Baht)	Total
Cost		
At 1 January 2017	33,504,004	33,504,004
Additions	2,220,830	2,220,830
At 31 December 2017 and 1 January 2018	35,724,834	35,724,834
Additions	6,275,100	6,275,100
Deductions	(125,000)	(125,000)
At 31 December 2018	41,874,934	41,874,934
Accumulated amortization		
At 1 January 2017	27,012,689	27,012,689
Amortization charge for the year	3,010,235	3,010,235
At 31 December 2017 and 1 January 2018	30,022,924	30,022,924

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	Separate financial statements	
	Software license	Total
	<i>(in Baht)</i>	
Amortization charge for the year	3,995,922	3,995,922
Deductions	(124,999)	(124,999)
At 31 December 2018	<u>33,893,847</u>	<u>33,893,847</u>
Net book value		
At 31 December 2017	<u>5,701,910</u>	<u>5,701,910</u>
At 31 December 2018	<u>7,981,087</u>	<u>7,981,087</u>

Amortization for the year was included in:-

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Cost of rendering of services	3,084,309	-	46,795	-
Administrative expenses	3,967,488	5,821,534	3,949,128	3,010,235
Total	<u>7,051,797</u>	<u>5,821,534</u>	<u>3,995,923</u>	<u>3,010,235</u>

23 Deferred income tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Deferred tax assets	63,616,416	49,503,880	63,616,416	49,503,880
Deferred tax liabilities	(112,701,063)	(84,972,666)	(112,701,063)	(84,972,666)
Net	<u>(49,084,647)</u>	<u>(35,468,786)</u>	<u>(49,084,647)</u>	<u>(35,468,786)</u>

Movements of deferred tax assets and liabilities during the year were as follows:

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For the year ended 31 December 2018

Consolidated and separate financial statements			
	(Charged) / credited to		
	At 1	Profit or loss	At 31
	January 2018		December 2018
		Other comprehensive income (loss)	
		(in million Baht)	
<i>Deferred tax assets</i>			
Other current receivables	2	(2)	-
Estimated cost of construction	-	21	21
Non - current provisions for employee benefits	32	(2)	30
Provisions	16	(3)	13
Total	50	14	64
<i>Deferred tax liabilities</i>			
Property, plant and equipment	3	(2)	1
Financial lease liabilities	10	(2)	8
Non - current provisions for employee benefits	-	-	2
Gain from change in fair value of available-for-sale	72	-	102
Total	85	(4)	113
Net	(35)	18	(49)

For the year ended 31 December 2017

Consolidated and separate financial statements			
	(Charged) / credited to		
	At 1	Profit or loss	At 31
	January 2017		December 2017
		Other comprehensive income (loss)	
		(in million Baht)	
<i>Deferred tax assets</i>			
Trade accounts receivables	9	(9)	-
Other current receivables	6	(4)	2
Property, plant and equipment	3	(3)	-
Non - current provisions for employee benefits	27	4	32
Provisions	8	8	16
Total	53	(4)	50
<i>Deferred tax liabilities</i>			
Property, plant and equipment	7	(4)	3
Financial lease liabilities	-	10	10
Gain from change in fair value of available-for-sale	67	-	72
Total	74	6	85
Net	(21)	(10)	(35)

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Deferred tax assets arising from temporary differences that have not been recognized in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Deductible temporary differences	13	12	13	12
Tax losses	39	25	-	-
Total	52	37	13	12

The tax losses expire in 2019 to 2024. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group/subsidiaries can utilize the benefits therefrom.

The income tax is calculated on profit before tax for the year multiply by the estimated average tax rate.

Income tax expenses for the years ended 31 December were summaries as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Current income tax expenses for the year				
Income tax expense	184	267	183	267
Deferred tax expense (income)				
Deferred tax expense (income) concern deductible temporary difference with initial recognized and reversed	(19)	10	(19)	10
Income tax expense (income) presented in statements of comprehensive income	165	277	164	277

24 Pledged deposit at bank

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Cash at banks – savings accounts	25,965,161	10,000,000	25,965,161	10,000,000
Cash at banks – fixed deposit accounts	60,248,586	123,995,338	40,247,566	103,994,328
Total	86,213,747	133,995,338	66,212,727	113,994,328

Pledged deposits at bank of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

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25 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Deposits	<u>15,919,221</u>	<u>15,786,151</u>	<u>9,423,190</u>	<u>10,291,175</u>

26 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Bank overdrafts	900,154	1,361,515	-	-
Short-term loans from financial institutions	<u>99,140,187</u>	<u>99,140,187</u>	<u>99,140,187</u>	<u>99,140,187</u>
Total	<u>100,040,341</u>	<u>100,501,702</u>	<u>99,140,187</u>	<u>99,140,187</u>

Movements of short-term loans from financial institutions for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	99,140,187	-	99,140,187	-
Additions	<u>-</u>	<u>99,140,187</u>	<u>-</u>	<u>99,140,187</u>
At 31 December	<u>99,140,187</u>	<u>99,140,187</u>	<u>99,140,187</u>	<u>99,140,187</u>

As at 31 December 2018, the Company had short term loans from financial institutions in the amount of Baht 99 million in the consolidated and separate financial statements, due on 30 December 2018 with interest rate charged at 3% per annum and the Company made the repayment in full amount on 2 January 2019.

Bank overdrafts and short-term loans from financial institutions of the Group /Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

27 Trade accounts payables

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Related parties	23,362,082	5,392,186	23,102,082	5,392,186
Other parties	<u>393,253,574</u>	<u>288,607,710</u>	<u>383,791,071</u>	<u>280,786,897</u>
Total	<u>416,615,656</u>	<u>293,999,896</u>	<u>406,893,153</u>	<u>286,179,083</u>

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Trade accounts payables of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

28 Other current payables

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Related parties	12,391,802	18,571,995	25,862,490	29,969,335
Other parties	340,548,616	830,206,387	271,592,245	758,026,265
Total	352,940,418	848,778,382	297,454,735	787,995,600
<i>Other parties</i>				
Other payables	51,843,846	51,294,953	4,455,232	4,604,430
Accrued value added tax	6,642,941	21,902,349	5,461,817	18,471,515
Accrued withholding tax	14,164,605	10,863,703	9,826,729	9,644,923
Other accrued expenses	167,546,084	213,493,265	151,497,327	192,653,280
Accrued estimated construction cost	100,351,140	532,652,117	100,351,140	532,652,117
Total	340,548,616	830,206,387	271,592,245	758,026,265

Other current payables of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

29 Current portion of creditors under the rehabilitation plan

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Creditors under the rehabilitation plan	-	25,216,606	-	25,216,606

The currency denomination of creditors under the rehabilitation plan was as follows: -

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Thai Baht (THB)	-	11,152,347	-	11,152,347
United States Dollars (USD)	-	14,064,259	-	14,064,259
Total	-	25,216,606	-	25,216,606

The above creditors under the rehabilitation plan were the outstanding balances after implementing the rehabilitation plan to be approved by the creditors and the Central Bankruptcy Court. Pursuant to the rehabilitation plan requiring a period of 7 year, the Company reached to the term of plan but the payment has not been complete. The outstanding creditors comprised Group 3 to certain Group 9 because the majority of creditors did not contact for receiving claims and certain creditors were in the process of arbitration.

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The Board of Directors Meeting of the Company held on 3 December 2018 resolved to write off the creditors under rehabilitation plan in accordance with rehabilitation plan in whole amount together with restructured interest payable totaling Baht 27.4 million as other income in whole amount, due to the periods of prescription for 10 years. If any creditor subsequently shows himself to receive the payment and to be authentic, the Company's legal advisory has responsibility to examine and request the management to settlement on a case-by-case basis.

30 Short-term loans

Movements of short-term loans from other persons for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	-	80,000,000	-	80,000,000
Additions	-	-	-	-
Deduction / Transfer	-	(80,000,000)	-	(80,000,000)
At 31 December	-	-	-	-

Short-term loans of the Group/Company as at 31 December 2017 were denominated entirely in Thai Baht.

31 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Loans from domestic financial institutions	1,937,073,311	1,724,558,301	-	-
Less Current portion of long-term loans	(108,189,353)	(119,600,000)	-	-
Long-term in default	(497,481,936)	-	-	-
Net	1,331,402,022	1,604,958,301	-	-

Movement of long-term loans for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	1,724,558,301	1,706,629,524	-	-
Addition	303,200,000	55,700,000	-	-
Deduction	(90,684,990)	(37,771,223)	-	-
At 31 December	1,937,073,311	1,724,558,301	-	-

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Loans from domestic financial institution

On 2 December 2014, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a domestic financial institution in credit line of Baht 390.70 million. As of 31 December 2018, it was drawdown amounted to Baht 358.9 million and balanced to Baht 31.8 million, requiring monthly repayable interest from the date of the first drawdown and requiring monthly repayable principal within 10 years and 6 months. The first repayment shall be in 31st month of Baht 1.90 million to Baht 6.40 million. These loans were secured by 2 plots of land including structures, existing at the present and to be constructed in the future are mortgaged as collateral under the mortgage agreement dated 15 December 2017.

Under the above loan agreement contains certain restrictive conditions such as opening operating account with a commercial bank, shareholding of the main shareholder of the Company and the events of default or non-compliance with the loan agreements, which assumes that it is default. The default entitles the bank to accelerate the maturity of all amounts outstanding and immediately payable. Since the year 2019, the agreement requires certain financial ratio (DSCR) not less than 1.1.

On 23 September 2013, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a local financial institution in credit line of Baht 224 million. As of 31 December 2018, loan was completely drawdown in the amount of Baht 206 million because the project is complete, requiring monthly repayable principal with interest within 8 years and 6 months. The first repayment at nineteenth month of Baht 1.3 million to Baht 4 million. These loans were secured by 11 plots of land including structures, existing at the present and to be constructed in the future are mortgaged as collateral under the mortgage agreement dated 12 June 2014 in the credit line amounting to Baht 229 million.

Under the above loan agreements contains certain restrictive conditions such as opening operating account with a commercial bank, shareholding of the main shareholder of the Company and an events of default or non-compliance with the loan agreements, which assumes that it is default. This may entitle the bank has the right to accelerate the maturity of all outstanding loans immediately due. In addition, the agreements determined certain financial ratio of the subsidiary as follows:

	Financial ratio per agreement	Financial ratio as at 31 December 2018
Financial ratio (DSCR)	Not less than 1.1	0.40

Therefore, as at 31 December 2018, the subsidiary broke the loan agreement. As a result of a breach of such agreement, the bank may accelerate the repayment of all its subsidiaries immediately prior to maturity. Therefore, the subsidiary classified long-term loan in default in the amount of Baht 497.48 million and presented as current liabilities. However, the management of the Company is negotiating with the bank that the result has not been finalized.

On 7 April 2016, the subsidiary (“CSM Capital Partners Co., Ltd.”) had entered into the loan agreement with a domestic commercial bank in the amount of Baht 1,550 million to support the development of Eight Thonglor Residences Project, requiring repayable the principal and interest within 4 years and 10 years from the date of the first drawdown. Interest rate is charged at MLR - 2.10 to MLR-2.75 per annum. Such loan was secured by Eight Thonglor Residences Project of 137 units.

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Under the above loan agreement contains certain restrictive conditions such as increasing authorized shares, opening an DSRA account (Debt Service Reserve Account) with a bank amount of Baht 20 million and maintaining debt to equity ratio, and the events of default of agreement or non-compliance with loan agreement that assumes to be default. This may entitle the bank has the right to accelerate the subsidiary repay all outstanding immediately. In addition, the agreement determines certain financial ratios of the Company as follows:

	Financial ratio per agreement	Financial ratio as at 31 December 2018
Debt to equity ratio	Not more than 2:1	1.64 : 1

Long-term loans of the Group/Company as at 31 December 2018 and 2017 were denominated entirely in Thai baht.

32 Non-current provision for employee benefits

The Group/Company operates post-employment benefits based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group/Company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

Non-current provision for employee benefits in the statement of financial position as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Post-employment benefits :-				
Legal severance payments plan	168,465,337	162,954,341	163,782,879	158,707,660
Total	168,465,337	162,954,341	163,782,879	158,707,660

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Defined benefit obligations at 1 January	162,954,341	139,625,033	158,707,660	136,570,252
Recognized in profit or loss				
Current service costs	19,030,026	21,248,637	17,438,331	20,164,901
Interest on obligations	3,696,572	3,138,940	3,591,828	3,069,228
	22,726,598	24,387,577	21,030,159	23,234,129
Recognized in the other comprehensive income				
Actuarial (gains) loss	(13,801,922)	2,011,584	(12,541,260)	1,910,679
Other				
Employee benefit paid	(3,413,680)	(3,069,853)	(3,413,680)	(3,007,400)
Non - current provisions for employee benefit at 31 December	168,465,337	162,954,341	163,782,879	158,707,660

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Actuarial gains and losses recognised in the other comprehensive income at the reporting date arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Financial assumptions	(16,849,451)	-	(16,491,140)	-
Demographic assumptions	14,119,640	2,011,584	14,008,712	1,910,679
Experience adjustment	(11,072,111)	-	(10,058,832)	-
Total	<u>(13,801,922)</u>	<u>2,011,584</u>	<u>(12,541,260)</u>	<u>1,910,679</u>

Expense recognized in profit or loss

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Current service costs	19,030,026	21,248,637	17,438,331	20,164,901
Interest on obligation	3,696,572	3,138,940	3,591,828	3,069,228
Total	<u>22,726,598</u>	<u>24,387,577</u>	<u>21,030,159</u>	<u>23,234,129</u>

The above expense is recognized in the following line items:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Contract costs	14,024,309	16,970,849	14,024,309	16,970,849
Administrative expenses	8,702,289	7,416,728	7,005,850	6,263,280
Total	<u>22,726,598</u>	<u>24,387,577</u>	<u>21,030,159</u>	<u>23,234,129</u>

Principal actuarial assumptions at the reporting date

	Consolidated financial statements	
	2018	2017
	<i>(%)</i>	
Discount rate	2.46-2.93	2.24-2.33
Salary increase rate	3.00-5.00	3.00-7.05
Staff turnover rate	0-23.00	0-24.00
Mortality rate (Thai Mortality Ordinary Table)	TMO 2017	TMO 2017
Disability rate	5% of mortality rate	5% of mortality rate

	Separate financial statements	
	2018	2017
	<i>(%)</i>	
Discount rate	2.46	2.25
Salary increase rate	5.00	7.05
Staff turnover rate	0-23.00	0-24.00
Mortality rate (Thai Mortality Ordinary Table)	TMO 2017	TMO 2017
Disability rate	5% of mortality rate	5% of mortality rate

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in million Baht)			
Impact to non-current provisions for employee benefits				
Discount rate				
Increased 1.0%	(8.80)	(8.78)	(8.39)	(8.37)
Decreased 1.0%	9.99	9.94	9.51	9.47
Salary increase rate				
Increased 1.0%	9.24	10.70	8.82	10.18
Decreased 1.0%	(8.31)	(9.65)	(7.95)	(9.20)
Staff turnover rate				
Increased 1.0%	(9.11)	(9.47)	(8.95)	(9.04)
Decreased 1.0%	5.40	5.44	5.21	5.25
Mortality rate				
Increased 1 Year	0.45	0.67	0.44	0.64
Decreased 1 Year	(0.45)	(0.67)	(0.44)	(0.63)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Amounts of defined benefit obligations for the current and previous four years were as follows:

	Defined benefit obligations		Experience adjustments	
	Consolidated financial statements	Separated financial statements	Consolidated financial statements	Separated financial statements
	<i>(in million Baht)</i>			
Year 2018	168	164	(11)	(10)
Year 2017	163	159	-	-
Year 2016	140	137	(7)	(6)
Year 2015	117	115	-	-
Year 2014	99	98	(5)	(5)

On 13 December 2018, the National Legislative Assembly approved a bill the Labor Protection Act, that will become effective 30 days after its publication in the Government Gazette, to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. Therefore, the management of the Group and the Company considered the amendment of the retirement benefit scheme when announced in the Government Gazette, and the Group and the Company will recognize the increase in the non-current provisions for employee benefits approximately Baht 31.63 million and Baht 31.10 million, respectively, in consolidated and separate financial statements and resulting in the decrease in net profit in the same amount.

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33 Provisions

	Consolidated and Separate financial statements	
	2018	2017
	<i>(in Baht)</i>	
Provision for the estimating costs of rectification and guarantee work	8,023,917	22,969,122
Provision for litigation	58,465,404	54,743,552
Total	<u>66,489,321</u>	<u>77,712,674</u>
As at 31 December		
Current	8,023,917	22,969,122
Non-current	58,465,404	54,743,552
Total	<u>66,489,321</u>	<u>77,712,674</u>

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Movements for the years ended 31 December 2018 and 2017 were as follows:

	Consolidated and separate financial statements					
	Provision for the estimating costs of rectification and guarantee work		Provision for litigation		Total	
	2018	2017	2018	2017	2018	2017
	<i>(in Baht)</i>					
At 1 January	22,969,122	25,748,000	54,743,552	29,384,108	77,712,674	55,132,108
Provision made	24,600,000	23,300,000	29,492,533	25,359,444	54,092,533	48,659,444
Reversal	(22,243,254)	-	(17,881,012)	-	(40,124,266)	-
Payment of provision	(17,301,951)	(26,078,878)	(7,889,669)	-	(25,191,620)	(26,078,878)
At 31 December	<u>8,023,917</u>	<u>22,969,122</u>	<u>58,465,404</u>	<u>54,743,552</u>	<u>66,489,321</u>	<u>77,712,674</u>

Please also see note 50 to the financial statements.

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34 Share capital

	Par value (in Baht)	Consolidated and separate financial statements			
		2018		2017	
		Number	Amount	Number	Amount
(in million shares / in million Baht)					
Authorized					
At 1 January					
- Ordinary shares	1	1,600	1,600	1,600	1,600
At 31 December					
- Ordinary shares	1	1,600	1,600	1,600	1,600
Issued and paid - up					
At 1 January					
- Ordinary shares	1	1,600	1,600	1,600	1,600
At 31 December					
- Ordinary shares	1	1,600	1,600	1,600	1,600

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Company ("Treasury shares") all rights are suspended until those shares are reissued.

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

35 Treasury shares

The treasury shares account within equity comprises the cost of the Company's own shares held by the Company.

As at 31 December 2018, the Company held 1.74 million of the Company's shares, comprising 0.00% of the Company's issued share capital, at a total cost of Baht 4.77 million as follows:

In December 2018, the Board of Directors of the Company approved a treasury share plan ("Plan") to re-purchase not more than 3.7%, or 60 million shares, of the Company's shares then in issue. The purpose of the Plan is to manage the Company's excess liquidity. The maximum amount approved for share purchase under the Plan is Baht 200 million and the price to be paid for the shares is not to exceed 115% of the average closing price on the Stock Exchange of Thailand (SET) over the 5 trading days before each share purchase is made. The Company may purchase the shares through the SET during the period from 17 December 2018 to 16 June 2019. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

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36 Reserves

Reserves comprise:

Appropriation of profit and / or retained earnings.

Legal reserve

Section 116 of the Public Companies Act B.E. 1992 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

In 2017, the Company allocated legal reserve at 5% of net profit for 2017 amounting to Baht 1.45 million. The Company had already allocated legal reserve 10% of the registered capital in 2017.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company’s own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

Other components of equity

Fair value changes in available-for-sale investments

Fair value changes in available-for-sale investments in the shareholders’ equity comprise the cumulative net changes in the fair value of available-for-sale investments until the investments are derecognized or impaired.

37 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as managing director and/or the Company’s Board of Directors.

Information of the performance of each segment reported a profit before tax of the segment. Which is presented in the management reports on a monthly basis, summarized as follows:

The Group/Company comprises the 3 reportable segments as follows:

- Segment 1 : Construction business
- Segment 2 : Real estate development for room service or service apartment
- Segment 3 : Operate the management business for hotel, service apartment and other properties.

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Geographical segments

Management considers that the Group/Company operates in a single geographical area, namely in Thailand, and has, therefore, only one major geographical segment.

Information about reportable segments:

	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in million Baht)</i>							
Revenues from customer								
- External	6,999	8,723	428	423	1	11	7,428	9,157
- Inter - segments	35	39	-	-	29	25	64	64
- Eliminated	(35)	(39)	-	-	(29)	(25)	(64)	(64)
Total revenue	<u>6,999</u>	<u>8,723</u>	<u>428</u>	<u>423</u>	<u>1</u>	<u>11</u>	<u>7,428</u>	<u>9,157</u>
Segment profit before income tax	831	1,326	(51)	(32)	(24)	(31)	756	1,263
Interest income	3	6	1	-	-	-	4	6
Interest expense	3	2	66	64	-	-	69	66
Depreciation and amortization	190	216	146	144	-	-	336	360
Segment assets	6,273	6,240	4,017	3,682	5	9	10,295	9,931
Property, plant and equipment	717	813	3,440	3,224	-	-	4,157	4,037
Leasehold right	-	-	383	310	-	-	383	310
Segment liabilities	2,154	2,505	2,071	1,858	5	4	4,230	4,367

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Revenues				
Total revenue from reportable segments	7,260	9,117	6,930	8,822
Other revenue	232	104	229	69
Elimination of inter-segment revenue	(64)	(64)	-	(6)
Consolidated revenue	<u>7,428</u>	<u>9,157</u>	<u>7,159</u>	<u>8,885</u>
Profit or loss				
Total profit for reportable segments	756	1,263	830	1,328
Elimination of inter-segment profits	-	-	-	-
Profit before income tax	<u>756</u>	<u>1,263</u>	<u>830</u>	<u>1,328</u>

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Assets				
Total assets for reportable segments	6,138	5,894	5,924	5,793
Investment in subsidiaries	-	-	1,156	1,010
Property, plant and equipment	4,157	4,037	758	861
Total assets	10,295	9,931	7,838	7,664
Liabilities				
Total liabilities for reportable segments	4,230	4,367	2,182	2,530
Other liabilities	-	-	-	-
Total liabilities	4,230	4,367	2,182	2,530

	Reportable segment totals	Adjustments <i>(in million Baht)</i>	Consolidated totals
Other material items			
2018			
Interest income	5	(1)	4
Interest expense	70	(1)	69
Depreciation and amortisation	337	(1)	336
2017			
Interest income	11	(5)	6
Interest expense	70	(4)	66
Depreciation and amortisation	361	(1)	360

Major customers

Revenue from one customer of the Company's segment 1 for the years 2018 and 2017 approximately Baht 919 million and Baht 2,013 million, respectively.

38 Other income

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Rendering of service and other	6,193,683	24,156,575	12,892,818	6,495,671
Gain on revaluation of current investment	9,773,263	13,989,816	9,762,895	14,171,012
Dividends income	9,772,282	9,020,568	9,772,282	9,020,568
Gain on sale of current investment	4,946,775	4,839,807	4,946,775	4,170,901
Revenues of space rental	4,595,813	4,598,841	4,595,813	4,598,841
Reversal of creditors under the rehabilitation plan and interest payable	27,500,741	-	27,500,741	-
Others	11,329,077	20,702,490	7,795,045	5,975,806
Total	74,111,634	77,308,097	77,266,369	44,432,799

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39 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Tendering cost	242,822	389,846	242,822	389,846
Personnel	18,763,054	19,010,888	18,763,054	19,010,888
Depreciation	202,229	231,135	202,229	231,135
Advertising expense	1,050,531	1,580,113	-	-
Commission	5,296,676	4,872,632	-	-
Promotion and others	7,117,283	9,074,390	749,831	696,148
Total	32,672,595	35,159,004	19,957,936	20,328,017

40 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Personnel	279,178,478	253,169,155	251,888,652	219,019,190
Consulting and professional	62,678,652	50,198,573	31,030,649	27,172,314
Entertainment	22,441,684	22,083,139	21,641,198	21,705,971
Depreciation and amortization	27,956,810	24,636,802	21,120,296	20,543,119
Property tax	11,419,631	9,631,385	3,468,828	6,912,260
Repair from warranty	14,965,187	12,237,586	14,965,187	12,237,586
Travelling	6,946,248	3,947,052	6,052,011	2,897,499
Vehicle	1,831,258	1,922,026	1,824,203	1,760,765
Bank charge	5,493,333	4,814,165	3,718,261	3,147,419
Maintenance	9,578,187	7,632,439	1,656,074	1,194,104
Facilities expense	6,665,422	7,746,242	4,663,026	4,570,792
Others	70,169,710	90,146,316	50,390,226	63,629,894
Total	519,324,600	488,164,880	412,418,611	384,790,913

41 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Management				
Salaries and bonuses	65,341,818	63,327,347	57,385,592	46,257,827
Others	5,832,224	4,450,539	5,442,871	3,944,778
	<u>71,174,042</u>	<u>67,777,886</u>	<u>62,828,463</u>	<u>50,202,605</u>
Other employees				
Salaries wages and bonuses	1,595,585,766	1,635,325,972	1,545,927,509	1,596,990,192
Others	70,435,447	67,018,321	65,948,696	63,170,780
	<u>1,666,021,213</u>	<u>1,702,344,293</u>	<u>1,611,876,205</u>	<u>1,660,160,972</u>
Total	1,737,195,255	1,770,122,179	1,674,704,668	1,710,363,577

Partial employee benefit expenses were included in contract costs.

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Management and directors benefit expenses were included in statements of comprehensive income as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Contract costs	13,152,750	12,708,200	13,152,750	12,708,200
Room service costs	-	14,707,453	-	-
Distribution costs	2,979,800	2,857,800	2,979,800	2,857,800
Administrative expenses	55,041,492	37,504,433	46,695,913	34,636,605
Total	71,174,042	67,777,886	62,828,463	50,202,605

Provident funds

The defined contribution plans comprise provident funds established by the Group/Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 5% of their basic salaries and by the Group /Company at rates ranging from 3% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

42 Expenses by nature

Certain accounts included in calculating profit (loss) from operations for the years ended 31 December have been classified by nature as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Raw material and consumables used	1,652	1,781	1,679	1,808
Room service costs	94	84	62	57
Subcontractor cost	1,981	2,945	1,981	2,945
Employee and workers expenses	1,666	1,702	1,612	1,660
Depreciation and amortization expenses	337	360	220	245
Management benefit expenses	71	68	63	50
Bad debt and doubtful debts expense	6	1	6	1
Other expenses	797	877	702	789
Finance costs	69	76	3	2
Total expenses	6,673	7,894	6,328	7,557

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43 Other expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Bad debt expense	75,713	-	44,712	-
Doubtful debts expense	6,054,698	493,586	6,054,698	493,586
Provision for loss on litigation	11,611,520	25,359,444	11,611,521	25,359,444
Other	-	8,837,175	-	-
Total	17,741,931	34,690,205	17,710,931	25,853,030

44 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Interest expense	77,143,022	66,063,068	2,974,206	1,656,536
Less amounts included in the cost of qualifying assets:				
- Construction contracts work in progress	(7,959,427)	-	-	-
Net	69,183,595	66,063,068	2,974,206	1,656,536

45 Income tax expense (revenue)

Income tax expense (revenue) recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Current tax expense				
Current year	184	267	183	267
Deferred tax expense (income)				
Change of temporary differences	(19)	10	(19)	10
Total income tax expense (revenue)	165	277	164	277

Income tax recognised in other comprehensive income

	Consolidated and separate financial statements					
	2018			2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Available-for-sale investments	150	(30)	120	23	(5)	18
Defined benefit plan actuarial losses	14	(3)	11	(2)	1	(1)
Total	164	(33)	131	21	(4)	17

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Tax rate (%)	(in million Baht)	Tax rate (%)	(in million Baht)
Profit before income tax expense	<u>20</u>	<u>756</u>	<u>20</u>	<u>1,263</u>
Income tax using the Thai corporation tax rate		151		253
Increased taxable expenses		(6)		(5)
Expenses not deductible for tax purposes		8		4
Current year losses for which no deferred tax asset was recognized		27		9
Others		<u>(15)</u>		<u>16</u>
Total		<u>165</u>		<u>277</u>

	Separate financial statements			
	2018		2017	
	Tax rate (%)	(in million Baht)	Tax rate (%)	(in million Baht)
Profit before income tax expense	<u>20</u>	<u>830</u>	<u>20</u>	<u>1,327</u>
Income tax using the Thai corporation tax rate		166		265
Increased taxable expenses		(6)		(5)
Expenses not deductible for tax purposes		6		4
Current year losses for which no deferred tax asset was recognized		27		9
Others		<u>(29)</u>		<u>4</u>
Total		<u>164</u>		<u>277</u>

Income tax reduction

Revenue Code Amendment act No. 42 B.E.2559 date 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting period which begins on or after 1 January 2016.

The Group/Company has applied the reduced tax rate of 20% in the determining of deferred tax assets and liabilities as at 31 December 2018 and 2017.

46 Earnings per share

The calculation of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholder of the Company and the number of ordinary shares outstanding during the years as follows:

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	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit for the year attributable to share holders of the Company (comprehensive income) (basic) (Baht)	622,208,620	1,008,412,242	666,928,375	1,050,113,018
Number of ordinary shares outstanding at 1 January (shares)	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Effect of own shares held	(17,310)	-	(17,310)	-
Weighted average number of number of ordinary shares outstanding	1,599,982,690	1,600,000,000	1,599,982,690	1,600,000,000
Basic earnings per share (Baht)	0.39	0.63	0.42	0.66

47 Dividends

Year 2018 :-

The Board of Directors Meeting of the Company held on 10 August 2018 resolved to pay an interim dividend for the period from 1 January 2018 to 30 June 2018 at the rate of Baht 0.04 per share totaling Baht 64 million, which the Company made the payment on 7 September 2018.

The Ordinary General Meeting of Shareholders of the Company held on 27 April 2018 resolved the approval of dividend from the Company's result of operations for the period from 1 January 2017 to 31 December 2017 at the rate of Baht 0.17 per share totaling Baht 272 million. The Board of Directors Meeting of the Company resolved to pay an interim dividend for the period from 1 January 2017 to 30 June 2017 at the rate of Baht 0.04 per share totaling Baht 64 million, and it remained Baht 208 million, which the Company made the payment on 22 May 2018.

Year 2017 :-

The Board of Directors of the Company held on 10 August 2017, resolved to approve an interim dividend from performance of the Company for the period from 1 January 2017 to 30 June 2017 at the rate of Baht 0.04 per share totaling Baht 64 million and will be paid to shareholders on 8 September 2017.

The Ordinary General Meeting of Shareholders of the Company held on 28 April 2017 resolved to approve of dividend from the Company's result of operations for the period from 1 January 2016 to 31 December 2016 at the rate of Baht 0.15 per share totaling Baht 240 million. The Board of Directors Meeting of the Company resolved to pay an interim dividend from of operating results of the Company for the period from 1 January 2016 to 30 June 2016 at the rate of Baht 0.04 per share totaling Baht 64 million remained Baht 176 million, which the Company made the payment on 26 May 2017.

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48 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company do not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group/Company's operations and its cash flows because loan interest rates are mainly fixed. The Group/Company is primarily exposed to interest rate risk from its borrowings. The Group/Company does not use derivative financial instruments to manage those exposures.

The effective interest rates of deposit at the banks, debt securities and interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2018					
Current					
Cash and cash equivalents	0.29	756	-	-	756
Current investments	0.19	992	-	-	992
Short-term loans from financial institution	3.00	(100)	-	-	(100)
Long-term in default	4.27	(497)	-	-	(497)
Long-term loans	3.98	(108)	-	-	(108)

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	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
Non current					
Pledged deposit at banks	1.52	-	86	-	86
Long-term loans	3.98	-	(946)	(385)	(1,331)
Total		1,043	(860)	(385)	(202)

2017

Current

Cash and cash equivalents	0.37	436	-	-	436
Current investments	1.31	1,545	-	-	1,545
Short-term loans from financial institution	3.0	(100)	-	-	(100)
Creditors under rehabilitation plan	-	(25)	-	-	(25)
Long-term loans	3.99	(120)	-	-	(120)

Non current

Pledged deposit at banks	2.02	-	134	-	134
Long-term loans	3.99	-	(478)	(1,127)	(1,605)
Total		1,736	(344)	(1,127)	265

Separate financial statements

	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2018					
Current					
Cash and cash equivalents	0.29	674	-	-	674
Current investments	0.19	991	-	-	991
Short-term loan	3.85	35	-	-	35
Short-term loans from financial institution	3.0	(100)	-	-	(100)
Non current					
Pledged deposit at banks	1.64	-	66	-	66
Total		1,600	66	-	1,666

2017

Current

Cash and cash equivalents	0.25	376	-	-	376
Current investments	1.31	1,545	-	-	1,545
Creditors under rehabilitation plan	-	(25)	-	-	(25)

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	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
Non current					
Pledged deposit at banks	2.21	-	114	-	114
Total		1,896	114	-	2,010

Foreign currency risk

The Company has no exposure on foreign currency risk due to the amount of creditors denominated in foreign currencies is immaterial.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group/Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers, historical payment and legal opinion analysis, requiring credit over a certain amount. Collection in advance before starting projects and collection based on the completion of work are performed. The exposure to credit risk is represented by the carrying amount less an allowance for doubtful accounts in the reporting date as described in note 8 to the financial statement. However, due to the large number of parties comprising the Group's/Company's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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	Carrying amount	Consolidated financial statements Fair Value			Total
		Level 1	Level 2	Level 3	
		<i>(in million Baht)</i>			
31 December 2018 :					
<i>Financial assets/Financial liabilities</i>					
<i>measured at fair value</i>					
Current investments	992	992	-	-	992
Other equity securities	729	729	-	-	729
	1,721	1,721	-	-	1,721
<i>Financial assets/Financial liabilities not</i>					
<i>measured at fair value</i>					
Cash and cash equivalents	756	756	-	-	756
Trade accounts receivables	1,283	-	-	1,283	1,283
Other current receivables	124	-	-	124	124
Current retention receivables under construction contracts	114	-	-	114	114
Unbilled construction in progress	730	-	-	730	730
Bank overdrafts and short-term loan from financial institutions	(100)	(100)	-	-	(100)
Trade accounts payables	(417)	-	-	(417)	(417)
Other current payables	(353)	-	-	(353)	(353)
Current portion of long-term loans	(108)	(108)	-	-	(108)
Long-term in default	(497)	(497)	-	-	(497)
Retention payables from subcontractors	(319)	-	-	(319)	(319)
Other current provisions	(8)	-	-	(8)	(8)
Non-current retention receivables under construction contracts	507	-	-	507	507
Pledged deposit at bank	86	86	-	-	86
Long-term loans	(1,331)	(1,331)	-	-	(1,331)
Non - current provisions for employee benefits	(168)	-	-	(168)	(168)
Other non-current provisions	(58)	-	-	(58)	(58)
	241	(1,194)	-	1,435	241
31 December 2017 :					
<i>Financial assets/Financial liabilities</i>					
<i>measured at fair value</i>					
Current investments	1,546	1,546	-	-	1,546
Other equity securities	579	579	-	-	579
	2,125	2,125	-	-	2,125
<i>Financial assets/Financial liabilities not</i>					
<i>measured at fair value</i>					
Cash and cash equivalents	436	436	-	-	436
Trade accounts receivables	1,039	-	-	1,039	1,039
Other current receivables	67	-	-	67	67
Current retention receivables under construction contracts	126	-	-	126	126

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	Consolidated financial statements				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
		(in million Baht)			
Unbilled construction in progress	807	-	-	807	807
Bank overdrafts and short-term loan from financial institutions	(101)	(101)	-	-	(101)
Trade accounts payables	(294)	-	-	(294)	(294)
Other current payables	(849)	-	-	(849)	(849)
Creditors under rehabilitation plan	(25)	-	-	(25)	(25)
Current portion of long-term loans	(120)	(120)	-	-	(120)
Retention payables from subcontractors	(310)	-	-	(310)	(310)
Other current provisions	(23)	-	-	(23)	(23)
Non-current retention receivables under construction contracts	438	-	-	438	438
Pledged deposit at bank	134	134	-	-	134
Long-term loans	(1,605)	(1,605)	-	-	(1,605)
Non – current provisions for employee benefits	(163)	-	-	(163)	(163)
Other non-current provisions	(55)	-	-	(55)	(55)
	(498)	(1,256)	-	758	(498)

		Separate financial statements			
	Carrying amount	Level 1	Fair Value Level 2	Level 3	Total
		(in million Baht)			
31 December 2018 :					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Current investments	991	991	-	-	991
Other equity securities	729	729	-	-	729
	1,720	1,720	-	-	1,720

Financial assets/Financial liabilities not

measured at fair value

Cash and cash equivalents	675	675	-	-	675
Trade accounts receivables	1,277	-	-	1,277	1,277
Other current receivables	94	-	-	94	94
Current retention receivables under construction contracts	114	-	-	114	114
Unbilled construction in progress	730	-	-	730	730
Short-term loan from financial institutions	35	-	-	35	35
Trade accounts payable	(99)	(99)	-	-	(99)
Other current payables	(406)	-	-	(406)	(406)
Creditors under rehabilitation plan	(297)	-	-	(297)	(297)
Retention payables from subcontractors	(319)	-	-	(319)	(319)
Other current provisions	(8)	-	-	(8)	(8)
Current retention receivables under construction contracts	509	-	-	509	509

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	Carrying amount	Separate financial statements			Total
		Fair Value			
		Level 1	Level 2	Level 3	
		<i>(in million Baht)</i>			
Pledged deposit at bank	66	66	-	-	66
Non – current provisions for employee benefits	(164)	-	-	(164)	(164)
Other non-current provisions	(58)	-	-	(58)	(58)
Total	2,149	642	-	1,507	2,149

31 December 2017 :

***Financial assets/Financial liabilities
measured at fair value***

Current investments	1,545	1,545	-	-	1,545
Other equity securities	579	579	-	-	579
Total	2,124	2,124	-	-	2,124

***Financial assets/Financial liabilities not
measured at fair value***

Cash and cash equivalents	376	376	-	-	376
Trade accounts receivables	1,043	-	-	1,043	1,043
Other current receivables	63	-	-	63	63
Current retention receivables under construction contracts	126	-	-	126	126
Unbilled construction in progress	807	-	-	807	807
Short-term loan from financial institutions	(99)	(99)	-	-	(99)
Trade accounts payable	(286)	-	-	(286)	(286)
Other current payables	(788)	-	-	(788)	(788)
Creditors under rehabilitation plan	(25)	-	-	(25)	(25)
Retention payables from subcontractors	(310)	-	-	(310)	(310)
Other current provisions	(23)	-	-	(23)	(23)
Current retention receivables under construction contracts	438	-	-	438	438
Pledged deposit at bank	114	114	-	-	114
Non – current provisions for employee benefits	(159)	-	-	(159)	(159)
Other non-current provisions	(55)	-	-	(55)	(55)
Total	1,222	391	-	831	1,222

Financial instruments measured at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

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Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

49 Commitments with non-related parties

As at 31 December 2018, the Group /Company had commitments as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Capital commitments</i>		
<i>Not provide for</i>		
Condominium	4	4
Camp and other buildings	2	1
Cost of construction building for service room	558	6
Cost of renovation on Eight Thonglor Residences Project	19	-
Total	583	11
<i>Commitments under non- cancellable operating leases</i>		
Within one year	15	15
After one year but within five years	81	66
Over five years	381	193
Total	477	274
<i>Other commitments</i>		
Subcontractor agreements	1,996	1,996
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	2,000	2,000
Total	3,996	3,996

The subsidiary (“SCR Assets Management Co., Ltd.”) had commitment under the technical consulting agreement and the service apartment management with other company, requiring consulting fee and service including conditions according to the agreements.

The subsidiary (“CSM Capital Partners Co., Ltd.”) had commitment under the room management agreement with other company, requiring management fee and conditions according to the agreement.

The subsidiary (“JT Ten Co., Ltd.”) had commitment under the land rental agreement with other company, requiring rental fee and conditions according to the agreement.

As at 31 December 2018, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 5,483 million.

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50 Contingent liabilities and assets

As at 31 December 2018, contingent liabilities and assets were as follows:

- The Company was sued by other person regarding the tort and claiming a compensation of construction and guarantee in the amount of Baht 2.55 million at the sue date. Subsequently, the Court of Appeal ordered the Company to jointly demolish and pay damages of Baht 100,000 with interest rate 7.5% per annum from 23 September 2013 onwards and monthly damages of Baht 5,000 onwards until the demolition will be completed. On 3 November 2018, the Company has filed the Dika appeal, which the case has been in the process of consideration by the Court, the result has not been finalized. However, as at 31 December 2018, the Company already recorded the provision on the above lawsuits amounting to Baht 0.46 million.

Litigations

- On 28 June 2011, the Black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million at the sue date. On 7 September 2012, as Black case no. 2206/2555, the Company sued National Housing Authority to the Federal Administrative Court. The sued amount was Baht 874 million and on 7 July 2015, the Black case no.1218/2558, the National Housing Authority as the plaintiff, sued the Company regarding false of construction agreement and claimed a compensation in the amount of Baht 63 million at the sue date. The Administrative Court ordered to include this consideration with Black Case No. 2206/2555, Subsequently, on 10 August 2018, the Administrative Court ordered the Company made a payment to the National Housing Authority of Baht 25.32 million with interest rate 7.5% per annum for the principal of Baht 21.25 million from 7 July 2015 until the settlement was completed and ordered the National Housing Authority returned three letters of guarantee to the Company. On 6 September 2018, the Company filed an appeal with the Court. As of 28 February 2019, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 31 December 2018, the Company already recorded the provision on the above lawsuits amounting to Baht 26.09 million (inclusive interest).
- The Company was sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 46.39 million. Subsequently, on 28 December 2012, the Court of First Instance adjudged the Company to settle to the other person in the amount of Baht 13.10 million. Subsequently, on 26 August 2013, the Company appealed to the Court and the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 14.05 million with interest rate 7% per annum from 1 February 2011 onwards.

Subsequently, on 15 May 2014, the Company filed a petition to the Supreme Court. On 28 June 2018, the Supreme Court sentenced the Company to settle of Baht 14.49 million with interest rate 7.5% per annum from 1 February 2011 until the debt payment was completed. An insurance company (co-defendant) was jointly liable for a sum of Baht 10.35 million with interest rate 7.5% per annum from 14 March 2012 until the debt payment was completed. If the insurance company does not pay the debt, the Company will have to repay all debts. The Company settled debt in the amount of Baht 7.89 million to other person on 21 September 2018.

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- On 24 November 2014, the Company was sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 3 million. Subsequently, on 21 June 2016, the Court of First Instance adjudged the Company to settle to the other person in the amount of Baht 8.60 million. The Company appealed to the Court and on 23 August 2017, the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 21.28 million with interest rate 7.5% per annum from the sued date onwards. On 23 October 2017, the Company filed a petition to the Supreme Court. As of 28 February 2019, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 31 December 2018, the Company already recorded the provision on the above lawsuits amounting to Baht 28.07 million (inclusive interest).

51 Pledged assets

As at 31 December 2018 and 2017, the Group/Company's cash at banks of Baht 86 million and Baht 134 million in consolidated financial statements and Baht 66 million and Baht 114 million in separate financial statement, respectively, was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks and guarantee to the Court for the settle debt to a creditor as the Court's judgment.

As at 31 December 2018 and 2017, current investments in mutual fund - debt securities amounted to Baht 161 million and Baht 131 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

As at 31 December 2018 and 2017, investment properties, land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 109 million and Baht 186 million, respectively, including of indemnity from fire insurance of those assets were mortgaged as collateral for loans from banks, issuance of the letter of guarantee from banks, other short-term loans and other long-term loans from others pursuant to the mortgage agreements in the credit line amounting to Baht 2,500 million and Baht 2,352 million, respectively.

As at 31 December 2018 and 2017, land of a subsidiary ("SCR Asset Management Co., Ltd.") with cost value in the amount of Baht 784 million and Baht 441 million, respectively with structures to be constructed in future are mortgaged as collateral with two domestic commercial banks in the credit line amounting to Baht 620 million.

As at 31 December 2018 and 2017, the residences in Eight Thonglor Project of the subsidiary ("CSM Capital Partners Co., Ltd.") with cost value in the amount of Baht 2,331 million and Baht 2,383 million, respectively, were mortgaged as collateral for contingent liabilities on borrowing from the domestic commercial bank in the credit line amounting to Baht 1,550 million.

52 Operating lease

Leases as lessee

On 15 October 2013, the Company ("lessee") entered into a lease agreement with the Crown Property Bureau ("lessor") where as:

- Lesser is the ownership of land and a residential building located at Langsuan Road.
- Lessee was transferred the right of leasehold land from the Property Fund ("former lessee"). The former lessee made a letter to transfer right of such lease to lessee.

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- Lesser consents the lessee to have the right in instead of former lessee
- The lease period covers 19 years, 7 months and 17 days from 15 October 2013 to 31 May 2033.
- The objective of lease is use in the rental business as the residences and sub-lease in a single time within the lease period.
- Lessee agrees to pay fee of transferring the right of leasehold in the amount of Baht 11 million.
- Lessee agrees to pay monthly rental at the rate of Baht 1.06 million – Baht 1.89 million.

Lease agreement contains certain conditions regarding lessee such as not disposal/transfer of the right under the agreement to another person or use the leasehold as a security for repayment etc.

Such leases are classified as operating lease because the rent paid to lesser is adjusted to rate stipulated in agreement at regular interval. The lessee has to comply with the conditions set out in the agreement. In addition, the lessee has to deliver leased asset to the lesser in the former condition when the expiry of agreement.

53 Reclassification of accounts

Certain accounts in the financial statements for the year 2017 have been reclassified to conform to the presentation in the financial statements for the year 2018 were as follows:

	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify (in million Baht)	Before reclassify	Reclassify	After reclassify
<i>Statements of comprehensive income</i>						
Gain on disposal and write off of assets	-	(8)	(8)	-	(8)	(8)
Other income	(85)	8	(77)	(52)	8	(44)
Contract costs	6,874	138	7,012	6,900	138	7,038
Distribution costs	31	4	35	16	4	20
Administrative expenses	630	(142)	488	527	(142)	385
	7,450	-	7,450	7,391	-	7,391

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