

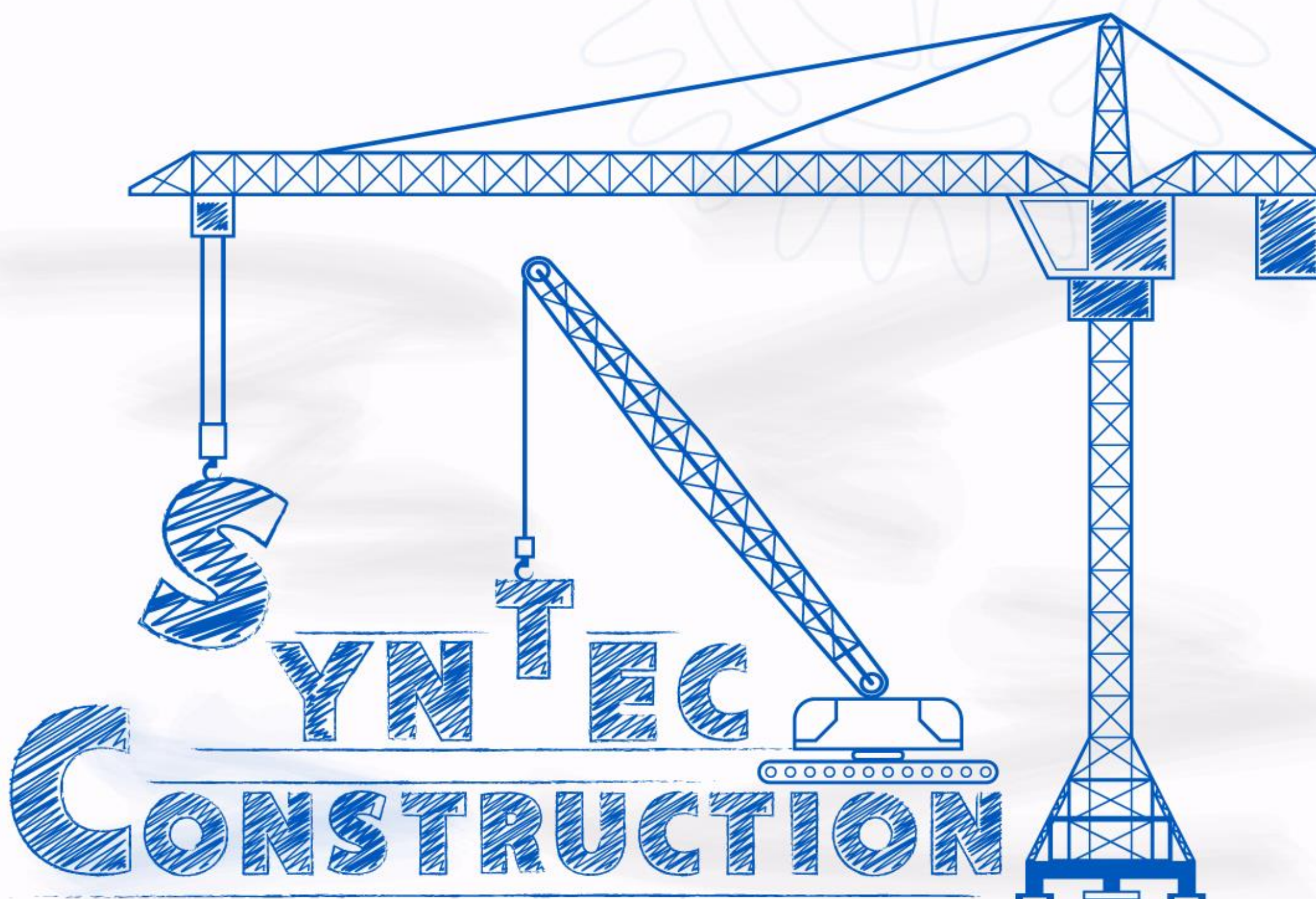


ซินเทค  
**SYNTEC**

ANNUAL REPORT

**2019**

-- English Version --



# Contents

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Vision Mission	Corporate Information	Financial Information	Report of Audit Committee
Board of Directors	Message from CEO and MD	Policy and Business Overview	Summary of Business Characteristics
Risk Factors	Shareholders	Dividend Policy	Management Structure
Good Corporate Governance	Corporate Social Responsibility	Internal Control and Risk Management	Related Transactions
Management Discussion and Analysis	The Responsibility for the Financial Reporting of the Board of Directors	Financial Statements	Note to the Financial Statements

## Remarks:-

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

<b>Name</b>	Syntec Construction Public Company Limited
<b>Business Type</b>	Construction Contracts and Civil Engineering Works
<b>Headquarter Address</b>	555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klong Ton Nua Sub-district, Wattana District, Bangkok 10110 Thailand
<b>Company Registration No.</b>	Registered as Juristic Person as Limited Public Company Act on October 14, 1992 (B.E. 2535), Registration No. 0107535000184 (Previously BorMorJor.51)
<b>Telephone</b>	(02) 381-6333
<b>Facsimile</b>	(02) 711-4596
<b>Homepage</b>	www.synteccon.com
<b>Investor Relation</b>	0-2711-7423 or 0-2381-6333 # 5941 E-mail: ir@synteccon.com
<b>Registered Capital</b>	1,600,000,000 Baht
<b>Common Stock</b>	1,600,000,000 Shares
<b>Par Value</b>	1.00 Baht per share
<b>Auditor</b>	Mr. Jadesada Hungsapruet: CPA License No. 3759 or Ms. Kannika Wipanutrat: CPA License No. 7305 or Mr. Jirote Sirirorote: CPA License No. 5113 or Ms. Nongluk Pattanabundit: CPA License No. 4713 or Mrs. Soomana Saneewong Na-Ayutthaya : CPA License No.5897 Karin Audit Co., Ltd. 72 CAT Telecom Tower, Floor 24, Thailand Charoen Krung Road, Bangrak, Bangkok. 10500 Thailand Tel. (662) 105-4661 Fax. (662) 026-3760 Email: audit@karinaudit.co.th
<b>Share Registrar</b>	Thailand Securities Depository Company Limited (TSD) The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Sub-district, Dindaeng, District, Bangkok 10400 Tel. 0-2009-9000 Fax. 0-2-009-9991



### **More than 10% of Shares held by Juristic Persons**

<b>Company Name &amp; Address</b>	<b>Business Type</b>	<b>No. of Entire Shares</b>	<b>No. of Shares Held by the Company</b>	<b>Paid-up Share Capital</b>	<b>Shares' Equity (%)</b>	<b>Type of Share</b>
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	99.98	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	11,750,000	7,050,000	7,050,000	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	1,200,000	959,760	959,760	79.98	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	1,400,000	1,189,720	1,189,720	84.98	Ordinary
6. AN 8 Co., Ltd 555/7 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Development of Real Estate for Rent	1,300,000	103,870,000	103,870,000	79.90	Ordinary
6. SHG Management Co., Ltd 555/11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Operation and Management for the Business of Hotel & Service	40,000	28,000	28,000	70.00	Ordinary

### **Other Important Information**

Other required importation information beneficial for the investors' determination are appeared as shown in the Annual Registration Statement 2019 ( Form 56 - 1 ) or [www.synteccon.com](http://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		
	2019	2018	2017	2019	2018	2017
Total Assets	10,248.16	10,294.81	9,930.95	7,975.49	7,837.61	7,664.37
Total Liabilities	4,008.11	4,230.14	4,367.24	2,101.93	2,182.47	2,529.70
Total Shareholders' Equity	6,240.05	6,064.67	5,563.70	5,873.56	5,655.14	5,134.67
Revenue from construction	7,921.61	6,789.35	8,675.33	7,930.10	6,815.68	8,702.51
Revenue from Accommodation Service	461.40	419.76	389.25	103.58	114.24	119.38
Total Revenue	8,562.23	7,428.30	9,156.69	8,203.64	7,158.67	8,884.95
Gross Profit	992.24	1,175.52	1,794.57	915.62	1,054.81	1,697.09
Net Profit (Loss)	247.26	590.84	985.14	371.36	666.92	1,050.11
Earnings per Share	0.18	0.39	0.63	0.23	0.42	0.66

Financial Ratios	Consolidated FS			Separated FS		
	2019	2018	2017	2019	2018	2017
<b><u>Liquidity Ratio</u></b>						
Current Ratio (times)	1.56	1.67	1.71	2.18	2.23	1.84
Quick Ratio (times)	0.93	1.16	1.21	1.23	1.54	1.30
Account Receivable Turnover (times)	7.22	6.16	9.29	7.39	5.93	9.05
Average Collection Period (Days)	50.54	59.27	39.29	49.42	61.55	40.31
Inventory Turnover (times)	54.24	47.36	56.28	52.30	46.39	55.34
Average Inventory Days (Days)	7.71	7.71	6.49	6.98	7.87	6.60
Account Payment Turnover (times)	18.37	17.07	20.16	18.13	17.01	20.00
Average Payment Period (Days)	21.38	21.38	18.11	20.13	21.46	18.25
Cash Cycle (Days)	36.87	45.60	27.67	36.27	47.96	28.66
<b><u>Profitability Ratio</u></b>						
Gross Profit Margin (%)	13.76	16.31	19.80	11.40	15.22	19.24
Operating Profit Margin (%)	5.18	10.48	13.93	6.25	11.98	15.05
Net Profit Margin (%)	3.26	7.95	10.76	4.53	9.32	11.82
Return on Equity (%)	4.60	11.23	21.26	6.44	12.36	22.24
<b><u>Efficiency Ratio</u></b>						
Return on Assets (%)	2.40	5.84	10.13	4.70	8.60	14.10
Return on Fixed Assets (%)	17.31	21.97	32.75	78.27	106.59	140.93
Total Assets Turnover (times)	0.85	0.73	0.94	1.04	0.92	1.19
<b><u>Leverage Ratio</u></b>						
Debt Ratio (times)	0.39	0.41	0.44	0.26	0.28	0.33
Debt to Equity (times)	0.66	0.70	0.78	0.26	0.39	0.49
Interest coverage ratio (time)	5.99	1.27	13.44	39,812.73	4.43	449.70

### 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		

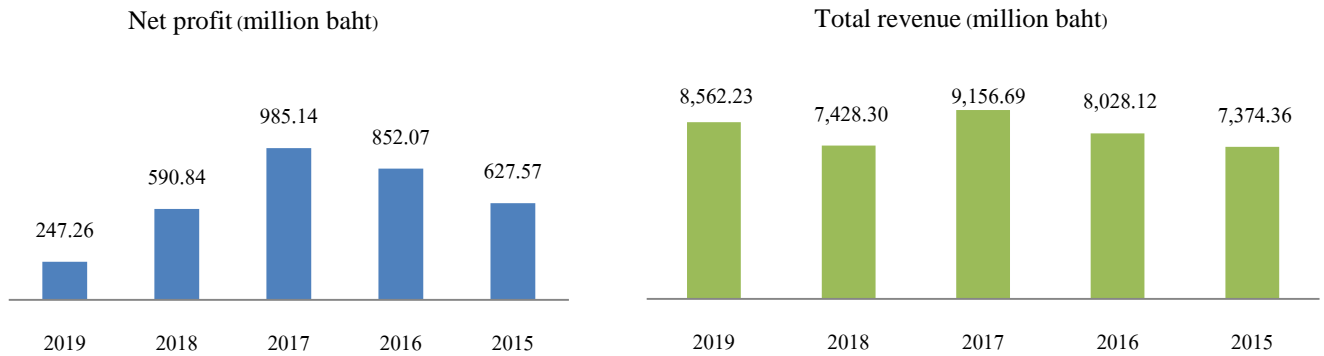
Profitability Ratios			
Gross Profit Margin (%)	Revenue - cost	Net Profit Margin (%)	Net Profit (Loss)
	Revenue		Total Revenue
Operating Profit Margin (%)	Earnings before Tax	Return on Equity (%)	Net Profit (Loss)
	Revenue		Total Return on Equity

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)	

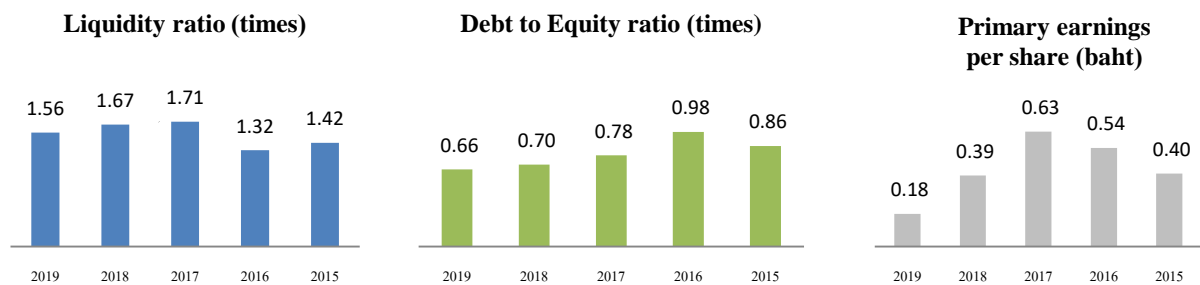
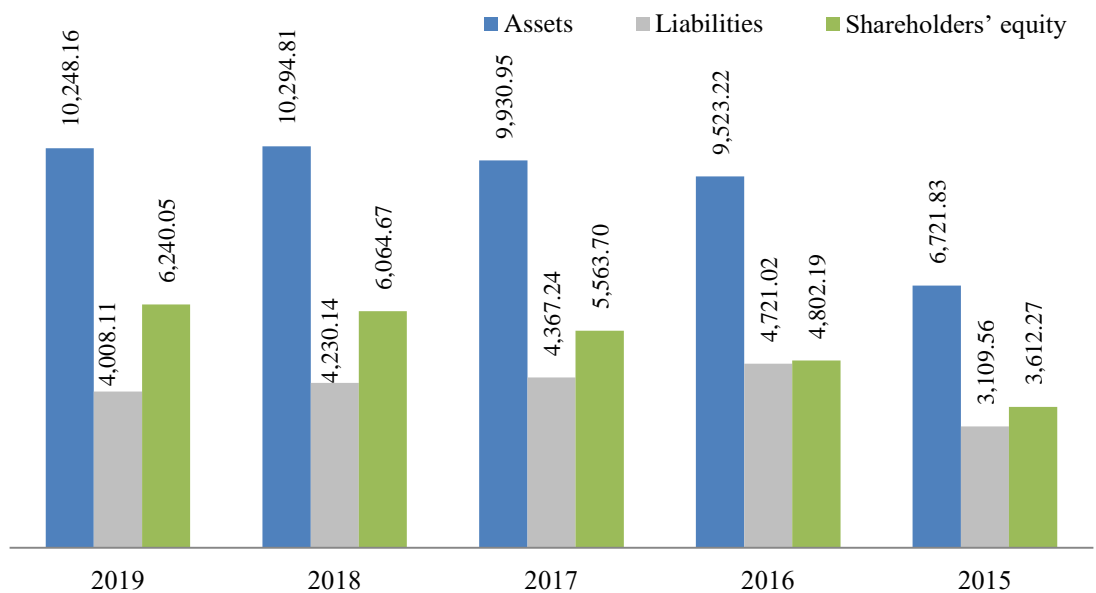
Leverage Ratio			
Debt Ratio (times)	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	Debt to Equity (times)	$\frac{\text{Total Liabilities}}{\text{Total shareholders' equity}}$
Interest coverage ratio (times)	$\frac{\text{Cash Flows from Operating Activities}}{\text{interest}}$		



## Financial outstanding comparing 5 years (consolidated financial statement)



## Statement of financial position (million baht)



### **Report of Audit Committee**

The Company's Audit Committee is appointed by the Board of Directors and consists of 3 independent directors who performs their duties independently as assigned by the Board of Directors and according to the audit committee charter. The Company's Audit Committee are acknowledged as experts from several fields such as law, accounting, finance, economic etc. and sufficiently qualified to perform the function of reviewing the reliability of financial report in accordance with the regulations of Securities and Exchange Commission and Stock Exchange of Thailand. Members of the Audit Committee are as follows:

- |                   |                  |                                 |
|-------------------|------------------|---------------------------------|
| 1. Mr. Chaiwat    | Atsawintarangkul | Chairman of the Audit Committee |
| 2. Miss. Benjawan | Sinkunakorn      | Member of the Audit Committee   |
| 3. Dr. Arichai    | Ractham          | Member of the Audit Committee   |

During the year 2019, the Audit Committee had regularly arranged 7 meetings in total to have meeting with the management and related executive, Internal Audit and Auditor, including only Auditor meeting without Executive in the meeting room. To consider and reviewing the scope of responsible matter. The minutes of the meetings and recommendations were proposed to the Board of Directors to approve the process as deem proper by the Board of Directors, followings are the summary of duty performance:

#### **Review Financial Statement**

The Audit Committee reviewed the important information of the Company's Financial Statement, both of Quarterly Financial Statements and 2019 Annual Financial Statements of the Company and its subsidiaries, accuracy and completeness of data in the financial report. Disclosure of Financial Statements Significant accounting policies and estimates in accordance with generally accepted accounting standards. Internal control in relation to financial statement preparation, as well as the important thing for the inspection. (Key Audit Matters) in the report of auditor as well as consideration on observation from the audit and review of the auditor on financial statements. Thus to confident the presentation of the report. This is to ensure that the aforementioned financial statements are prepared in accordance with the requirements of financial reporting laws and standards, accurate, reliable as well as sufficient information disclosure that is beneficial to users of the financial statements.

#### **Connected Transactions or Transactions that may have conflict of interest**

The Audit Committee were considered and reviewed the connected transactions of Company and its subsidiaries before propose to consider by the Board of Directors. The collation shall be the notification of Securities and Exchange Commission and Stock Exchange of Thailand as well as the guideline of relevant law provisions. Such transaction was in line with the general trade condition without cause of benefit transfer and with fairness and rationality. The information was disclosed accurately and sufficiently in line with the Good Corporate Governance Principle, and useful for the Company and shareholders.

#### **Internal Control and Internal Audit System**

The Audit Committee has reviewed the independence of the internal audit function, consider and comment on the annual audit plan. Follow up on the performance provide recommendations for the examination results, especially issues that are significant, monitoring and supervision to reasonably ensure that the company's business operations are efficient and effective. There is sufficient internal control as well as giving suggestions for adjusting the audit process, developing and upgrading auditing tasks. In terms of providing confidence and consulting focusing on risk assessment at the activity level, covering work / departments that are important. There is high risk level to make the operation more efficient as well as encouraging auditors to attend training to increase knowledge. To create professionalism, keep up with the changes in accordance with the international professional standards for internal audit, including review based on the adequacy assessment of internal control systems in accordance with the COSO framework, covering 5 areas which are:

- (1) Internal control (control environment)
- (2) Risk assessment work
- (3) Control Activities
- (4) Information and Communication System
- (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 by considering the qualifications of the auditor sufficiency of resources and experience in performing duties, skills, knowledge, abilities, independence in accordance with the auditor's ethics by the Federation of Accounting Professions and the requirements of the Securities and Exchange Commission. 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. The Audit Committee has considered and proposed the appointment of a certified auditor including considering proposing suitable remuneration presented to the Board of Directors and propose to the Annual General Meeting of Shareholders for the year 2019 to considered to appoint Karin Audit Company Limited as the company's certified auditor and approve the audit fees for the year 2019.

#### **Good Corporate Governance and Risk Management**

The review and proposal were made about Good Corporate Governance Policy to be consistent with the requirement based on the notifications of Securities and Exchange Commission and Stock Exchange of Thailand such as rights of shareholders, equitable treatment to shareholders, role of stakeholder, information disclosure and transparency, and responsibility of the Board, etc. The suitability review of the risk management process assessment and guidelines for reducing risk levels monitoring shall be in accordance with the prescribed criteria. This is to ensure that the company has complied with good corporate governance guidelines. The risk management is conforming with the company's business operations and to strengthen the implementation to comply with the said principles sufficiently.

#### **Implementation on Relevant Rules and Regulations**

The Company's function was reviewed to accurately execute the activities according to relevant laws such as Securities and Exchange Act, Public Limited Companies Act, and other laws relevant to the Company's business operations. As well as acknowledging the conclusion of the complaint and whistleblowing under the "Private Sector Collective Action Coalition Against Corruption" project". The suggestion of raising awareness, communication, training and supervision appropriate to the business condition. This is to ensure that the Company's business operations comply with the laws and regulations of the regulatory authorities.

The Audit Committee performs their duties independently as assigned and identify according to the audit committee charter, freedom to perform duties caution as well as providing constructive comments and creative suggestions and is confident that the financial reports have shown significant and reliable information. The sufficient disclosure of data is in accordance with financial reporting standards and official regulations audited by a certified public accountant. The disclosure of connected transactions or transactions that may cause conflicts of interest have been complied with the law on securities and stock exchange and other laws relevant to the company's business sufficiently. There is ongoing development of risk management processes, good corporate governance, internal control systems and internal audits are carried out appropriately under the promotion according to the guidelines "Code of Business Conduct" of the company.



(Mr. Chaiwat Atsawintarangkul)  
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 Sinkunakorn  
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  
Assistant Managing Director



Mr. Jiramote Phahusutr  
Managing Director

Mr. Somchai Sirilertpanich  
Chief Executive Officer

## Message from the Chief Executive Officer and Managing Director

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Attn: Shareholders and stakeholders,

In 2019, 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 previous 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 2019 or "sustainable shares", (3) been awarded Certificate of ESG100 Company from Thaipat Institute, (4) been evaluated under the quality assessment of the 2019 Annual General Meeting of Shareholders: the Company was rated of fully 100 scores by the Thai Investors Association 5) been evaluated under the Corporate Governance of Thai Listed Companies for 2019: The Company was ranked in the level of "Excellence" or 5-star rating by the Thai Institute of Directors.

For the performance in the past year that the company has a turnover of 8,562.23 million baht, which is an increase from the year 2018 with the amount of 7,428.31 million baht, worth 1,133.92 or 15.26 percent, net profit decreased from 349.58 million baht to 247.26 million baht or equivalent to 102.32 million baht or 29.26 percent. The main revenue from construction has decreased as a result of returning to the business cycle to the initial stage of the construction cycle which has been growing over the years which confirm with the company's revenue recognition. If the company is in the initial construction phase, the progress of the construction work at foundation level or under-ground work will have less success of the construction work than the construction work on the ground that can move ahead of the construction faster.

At the end of 2019, the Company had 31 ongoing construction projects in Bangkok Metropolitan Region and provinces. The total projects value was 26,031 million baht, recognized income was 16,501 million baht and the backlog was 9,530 million 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 of government sectors and private sectors in the future.

## History

Syntec Construction Public Company, Limited. (“Company”) was formerly named as “Siam Syntech Construction Public Company Limited” and had registered as a juristic person incorporated in Thailand on 22<sup>nd</sup> December, 1988 (B.E. 2531). It was registered for transformation to become a public company on 14<sup>th</sup> October, 1992 (B.E. 2535), later on 12<sup>th</sup> February, 1993 (B.E. 1993), it was registered in Stock Exchange of Thailand. The Company’s head office is located at 555/7-11, 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

### 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 4<sup>th</sup> 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 be the Managing Director and still holding the position of Director of the company and Ms. Nuchanart Sirisupamit, Accounting Manager to be 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.



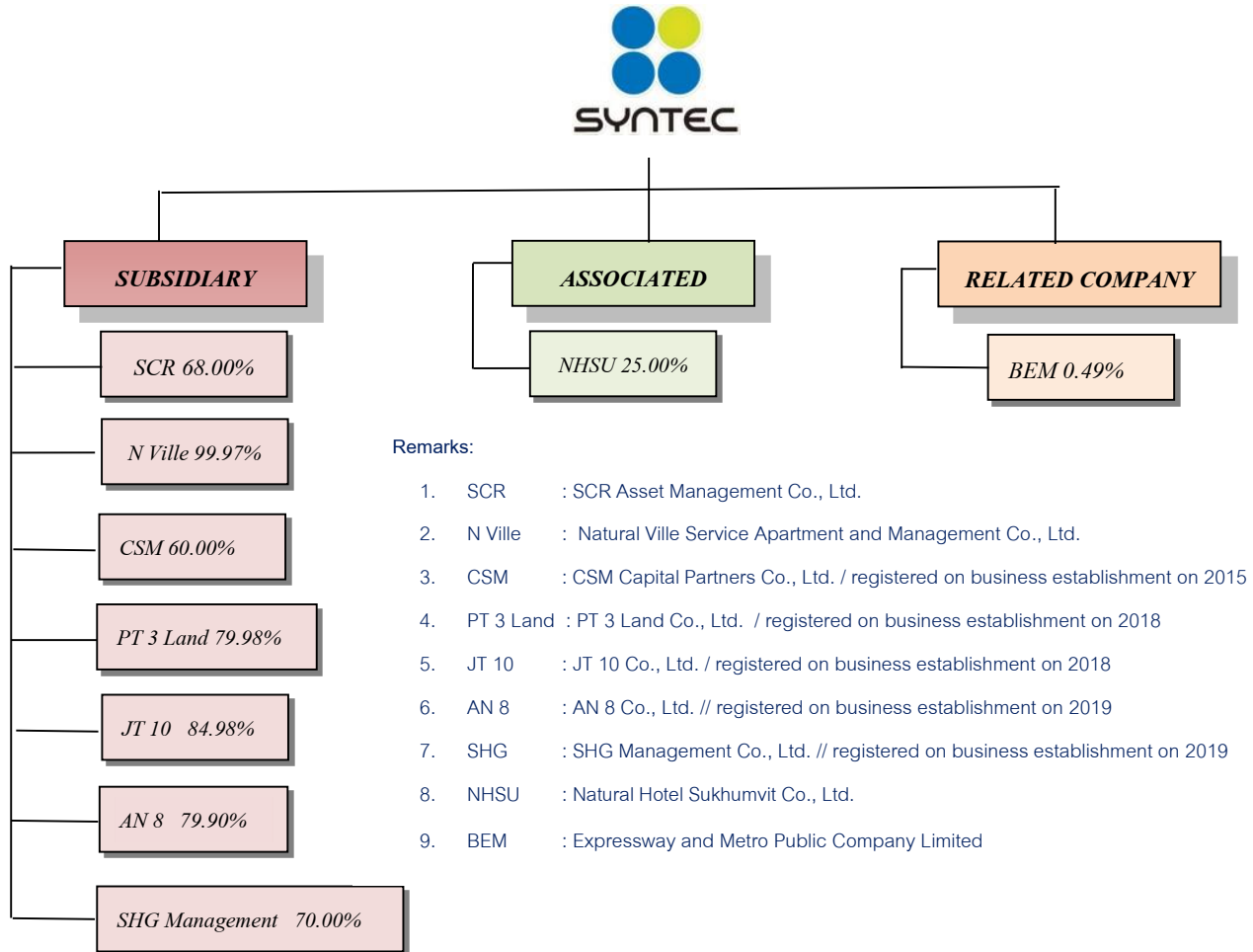
- July 9, - Approve write-offs of the joint venture Siam Syntec - Vijitphan - Krung Thon amount of 11,100,000 baht already reserved.
- December 3, - Resolved to approve the purchase of shares of PT3 Land Co., Ltd. from the former company holding 69.98 percent or equivalent to investment value 699,800 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.

## 2019

- March 11, - Increase registered capital in proportion to CSM Capital Partners Company Limited (subsidiary) from the original registered capital 1,100,000,000 baht, 11,000,000 shares, par value of 100 baht per share, additional 75,000,000 baht, 750,000 shares, 1,175,000,000 baht, 11,750,000 shares, with the company holding 60.00% of the shares or equivalent to a total investment value of 705,000,000 baht, 7,050,000 shares.
- May 13, - Establishment of 1 subsidiary, namely AN 8 Company Limited (subsidiary) to support business expansion and increase revenue from room service in Krabi. With a registered capital of 100,000 baht, 1,000 shares with a par value of 100 baht each. The company holds 70.00% of shares or equivalent to the investment value of 70,000 baht, 700 shares.
- June 5, - Approved the Change of shareholding proportion's Company of AN8 Company Limited (subsidiary) from the original company hold 70.00% or equivalent to investment value 70,000 baht, 7,000 shares, an additional 9.90 percent or equivalent to the investment value of 9,900 baht, 99 shares. The company therefore holds 79.90% or equivalent to investment value 79,900 baht, 799 shares
- August 9, Increase registered capital in proportion to AN8 Company Limited (subsidiary) from the original registered capital 100,000 baht, 11,000,000 shares, par value of 100 baht per share, additional 75,000,000 baht, 750,000 shares, 1,175,000,000 baht, 11,750,000 shares, with the company holding 60.00% of the shares or equivalent to a total investment value of 705,000,000 baht, 7,050,000 shares.
- September 27, - Establishment of 1 subsidiary, namely SHG Management Company Limited (subsidiary) to manage hotel and service business with a registered capital of 4,000,000 baht, 40,000 shares with a par value of 100 baht. The company holds 70.00% of shares or equivalent to the investment value of 2,800,000 baht, 28,000 shares.

### 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:



## Details of Subsidiary, Associated Company and Joint Venture

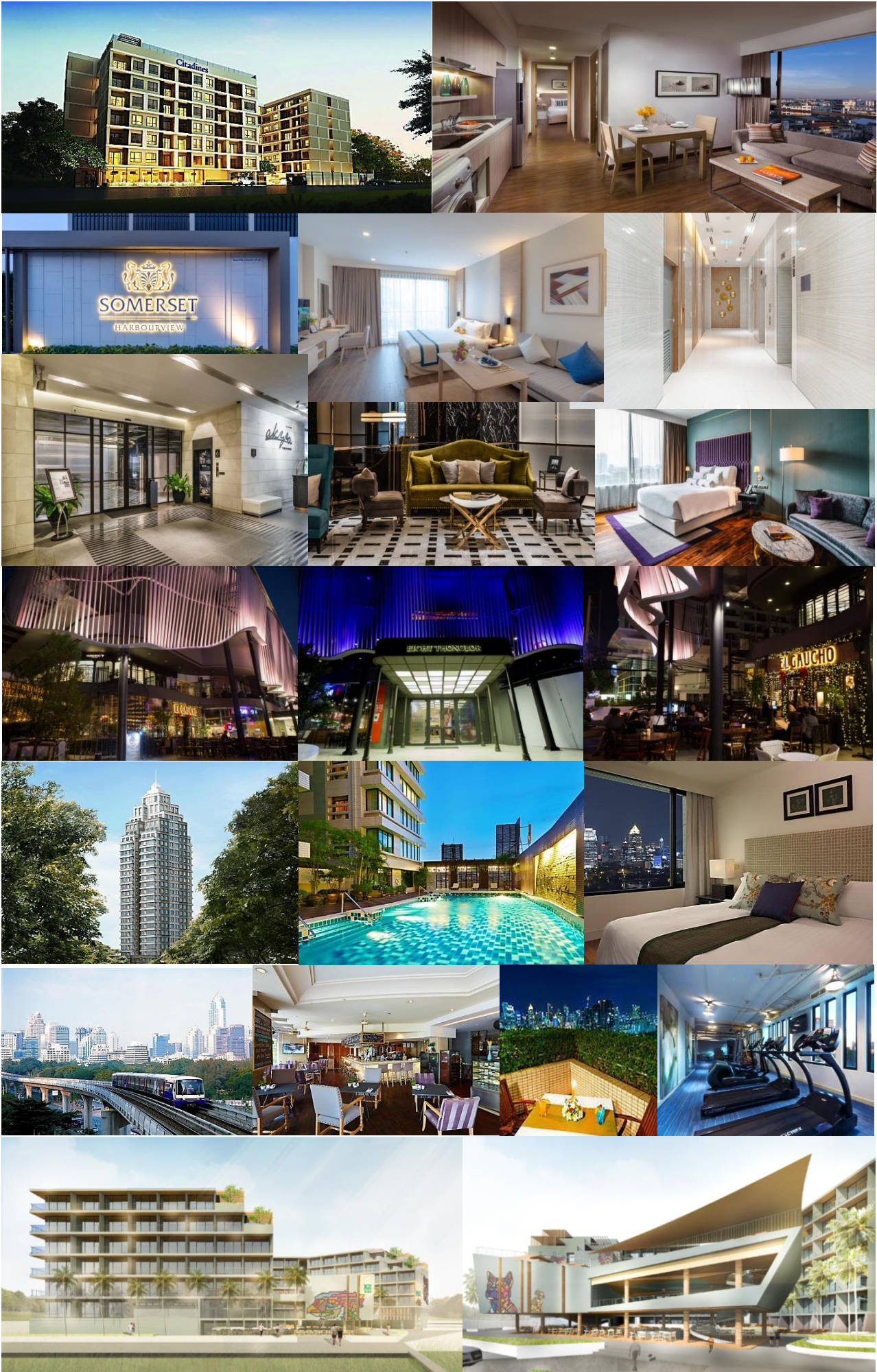
Joint Venture/Company	Shareholding Ratio	Details of Subsidiary
1. SCR Asset Management Co., Ltd. (S C R)	68.00%	It engages in business of investment in properties for rent. Presently, there are 3 projects under its operations as follows: Citadines Grand Central Sriracha Project, Somerset Habourview Sriracha 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)	79.98%	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
8. AN 8 Co., Ltd. (AN8)	79.90%	It engages in business in order to support business expansion and increase revenue from hotel room services in Krabi.
9. SHG Management Co., Ltd. (SHG)	70.00%	It engages in the business of manage hotel and service business.

## 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 hold 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

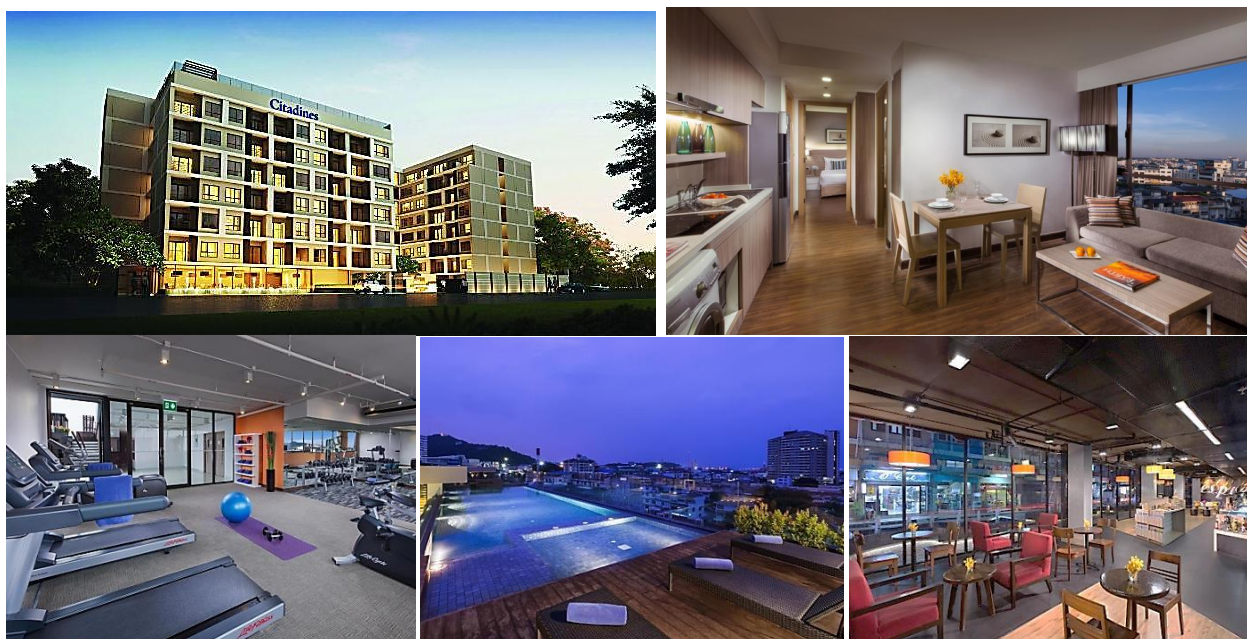
Unit: Billion Baht

Construction Type	2019		2018		2017	
	Value	%	Value	%	Value	%
Residential	4,351.02	54.93	4,759.59	70.10	6,141.40	70.79
Institution	1,337.47	16.88	210.42	3.10	-	-
Commercial	1,002.08	12.65	714.99	10.53	492.00	5.67
Retail	548.75	6.93	582.01	8.57	443.72	5.12
Industrial	378.85	4.78	167.58	2.47	-	-
Leisure	303.44	3.83	354.76	5.23	880.45	10.15
Infrastructure	-	-	-	-	717.76	8.27
<b>Total</b>	<b>7,921.61</b>	<b>100.00</b>	<b>6,789.35</b>	<b>100.00</b>	<b>8,675.33</b>	<b>100.00</b>

Over our core construction business the company also operates a service apartment, which is regarded as a secondary business of the company, which has a stable and higher proportion of revenue, respectively by operating through various subsidiaries as follows

1. Service apartment business, which is regarded as a secondary business of the company, generated a stable and higher proportion of income by operating through various companies and subsidiaries Classified by ownership as follows

1.1 As a Developer: Operated by S.C.R Asset Management CO., LTD. Currently holding 3 properties which are under operation for 2 properties and under studied for 1 property as



-Citadines Grand Central Sriracha is located at 99/9 Thetsaban 1 Road, Sriracha Subdistrict, Chonburi Province. Opened in March 2015, it is a 8-story hotel project with 136 rooms with a total area of 9,492 square meters, providing short-term and long-term apartment rentals. Which most customers are foreigners especially Japanese who work in industrial estates in Chonburi and Rayong as well as with the convenient location of the hotel, which is a top choice province for tourists, they will be able to travel further to various locations. Our Guests will have an excellent experience from the service standards of Ascott International hotels with verity of our facilities for more comfort and convenience for the guests, the hotel offers free Wi-Fi in all rooms and public areas, 24-hour front desk, non-smoking rooms, car park and airport transfer service. There are also recreational facilities provided. Providing a full range of services such as fitness room, sauna, public park and outdoor pool and so on.

In year 2019, the occupancy rate was at 83% and expected to have occupancy rate at 84% in year 2020.



-Somerset Harborview Sriracha is located at 88 Surasak Sanguan Road, Sriracha Subdistrict, Sriracha District, Chonburi Province. the property is not far from the first project. There is service Apartment project with 19 floors, 1 basement with 176 rooms, total area of 19,442 square meters, with the policy to provide short and long term rental services. Most of customers are foreigners especially Japanese people who work in industrial estates in Chonburi and Rayong, also Sriracha district It is the largest industrial estate area ranked at the forefront of Thailand and has many Japanese factories. Until Sriracha District become district has one of the most Japanese expat districts in Thailand. Expected that there are currently about 10,000 people and is likely to increase. Our guests will have an excellent experience from the service standards of the Ascott International Management with verities of facilities, Free Wi-Fi in all rooms and public areas, 24-hour front desk, non-smoking rooms, car park and airport transfer service, fitness center, sauna, park and outdoor pool, etc.

In first operated year 2019, the occupancy rate in the first quarter was at 15% and expected that the occupancy rate will increase to 55% in year 2020



-The Zone Prachinburi Project is located in Khlong Lung Subdistrict, Srimahaphot District Prachinburi .This property is located close to large industrial estates such as Industrial Estate 304 and Rojana Prachinburi Industrial Estate. Divided into 306 rooms in 2 buildings and approximately 2,000 square meters of rental shops with a total area of 20,578 square meters, ready to support the economic growth of customers with higher purchasing power in the industrial estate area, Also, nearby communities' mall in the future. The project has been approved the Environmental Impact Assessment (EIA) process and delay to start the construction

Developer operated by PT 3 Land CO., LTD has holding 1 property under construction.



- X2 VIBE PATONG CENTER is located in Patong Sub-district, Kathu District, Phuket Province. located on Pracha-Uthit 100 Pee Road, distances 300 meters away from Jungceylon shopping mall. It is an 8 story hotel project with 323 rooms, with a total area of 22,144 square meters. Most of the customers are foreigners, especially Australian, Chinese and European who like to travel to the southern islands of Thailand. With the convenient location of the hotel about 500 meters away from Patong Beacas as well as tourists able to go through easily beach easily. The property also located near Soi Bangla, The famous nightlife of Patong as well.

The hotel has verity facilities which is fully prepared, such as free Wi-Fi in all rooms and Public areas, 24-hour front desk, non-smoking rooms, parking and airport transfers and so on. There are also various recreational facilities such as fitness room, sauna, public park and outdoor pool.

Expected to begin the EIA and start construction in the 3<sup>rd</sup> quarter of 2020. Structural work will be completed in late June 2021. Architectural work will be completed in October Year 2022 and when receiving the building permit, will be able to fully operate at the end of the year 2022.



The developer managed by JT 10 CO., LTD. has holding 1 property under construction



This project is located in Soi Na Jomtien 10, Bang Lamung District. Na Chom Thian Chonburi Province Is a hotel project 6 floors with approximately 120 rooms, a total area of 15,000 square meters, with a policy to provide short-term rental services most of the customers are Thai who like to travel as Chinese and European families who prefer to relax by the beach and not far from Bangkok. The hotel is located by the beach in Pattaya - Na Chom Thian with calm and peaceful location, customers who come to stay at the hotel would be relax with the atmosphere by the sea as well as shady with pine trees over a hundred years old.

The hotel will provide various facilities for the comfort and convenience of guests, the hotel offers free Wi-Fi in all rooms, public areas, reception 24 hours non-smoking room Bedroom with balcony Bedroom, sea view, parking and shuttle service to the airport etc. There is also a complete range of recreational facilities such as gym, sauna, park, restaurant, beach bar and an outdoor pool.

Expected to begin the EIA and begin construction in the first quarter of 2021. Structural work will be completed in late October 2021. Architectural work will be completed in June Year 2022 and after receiving the building permit, the hotel will be able to fully open the operation Quarter 4 Year 2022.

1.2 Freehold property Operated by CSM Capital Partners Limited (CSM), engaged in the property development business for rent in condominium type of building at Eight Thonglor Residence on 26 April 2016.



- Eight Thonglor Residence project is located on the best location in Soi Sukhumvit 55 (Thonglor), Khlong Tan Nuea, Wattana, Bangkok. It is a 15-story building with a mixture of 47 store rooms and 148 guest rooms. The total area of 23,626 square meters, with fully facilities such as an elevator, parking, 24-hour security, CCTV, swimming pool, sauna, fitness, roof garden, and barbecue area, guests will find a comfortable lifestyle anywhere near that pace. 5-minute walk to the sky train station, shops, high- end restaurants Convenience Store Leading department stores, hospitals, international schools, universities, museums, and even nightlife.

In year 2019, the occupancy rate of service apartment was at 79.2% and the occupancy rate of retail was at 88%.

1.3 The leasehold property is operated by Natural Ville Management Company Limited (NVM), which engages in personnel management for hotels, serviced apartments and other real estate businesses by managing the leasehold rights to land and the Duchess Hotel and Residences (formerly Natural Ville Residence) with leasehold rights for 19 years and 7 months 17 days by becoming the rights owner on 15 October 2013 until 31 May 2033.



The Duchess Hotel and Residence (Formerly name as Natural Ville Residence) is located in Soi Lang Suan. Opened since October 2013, it is a 4-star hotel with 29 floors and a total of 165 guest rooms on an area of 21,507 square meters, famous for spacious room size. Completely with all the necessary amenities in the room. Private and peaceful atmosphere. Located in business center area and suitable for both short and long stays with a beautiful city view in every room. In addition, the hotel also provides various services for business opportunity, such as small meeting rooms and complete secretarial services. Outdoor swimming pool, sauna, fitness center, restaurant, free Wi-Fi in all rooms and public areas. There are 55 square meters of event space and events, and tour / ticket assistance is available, concierge service and free newspapers in the lobby. For a surcharge, a round-trip airport shuttle (available 24 hours) is offered to guests. Free parking is available on site with this extremely convenient location, our guests can travel to various locations. Easy to access whether stores, restaurants, shopping areas and entertainment area or if wanting to go to another location in Bangkok, there are a variety of travel options with BTS Ploenchit station walking distance just in 10 minutes.

In year 2019, the occupancy rate was at 72.2% and expected occupancy rate at 83.3% in year 2020.

### 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-arhorn) 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 2019, the Company was trusted to sign the construction contract as below lists.

Unit: Baht

No.	Project Name	Project Owner	Construction Value as contract*
1	Chapter One Flow Bangpo	Pruksa Real Estate PCL.	423,000,000.00
2	The President Sukhumvit-Samutprakarn	Chai Pattana Land Co., Ltd.	529,000,000.00
3	Power Plant Sakon Nakhon	Thai Roong Ruang Industries Co., Ltd.	87,500,000.00
4	Privacy Taopoon Interchange	Pruksa Real Estate PCL.	457,000,000.00
5	Vimut Hospital	Vimut International Hospital Co., Ltd.	1,494,000,000.00
6	Bangkok Life Assurance PCL's Head Office	Bangkok Life Assurance PCL.	399,200,000.00
7	Samitivej Sukhumvit Hospital Drop Off Canopy and Connecting Walkway	Samitivej PCL.	27,000,000.00
8	WIH International Hospital	Tanadol and Kojchaboon Co., Ltd.	418,000,000.00
9	Center Point Termial 21 Korat	Siam Retail Development Co., Ltd.	328,490,000.00
10	Niche Mono Mega Space Bangna	Sena HHP Co., Ltd.	364,000,000.00
11	The Room Sukhumvit 59 Sales Gallery	Land and House PCL.	20,800,000.00
12	Noble Ambience Sukhumvit 42	Noble Development PCL.	214,000,000.00
13	Government Savings Bank Head Office (Piling Works)	Government Savings Bank PCL.	95,100,000.00
14	Pattaya Discovery Beach Hotel	Boonroje Construction Co., Ltd	263,000,000.00
15	Chapter Chareon Nakhon Riverside	Pruksa Real Estate PCL.	963,000,000.00
<b>Total 15 Projects</b>			<b>6,083,090,000.00</b>

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

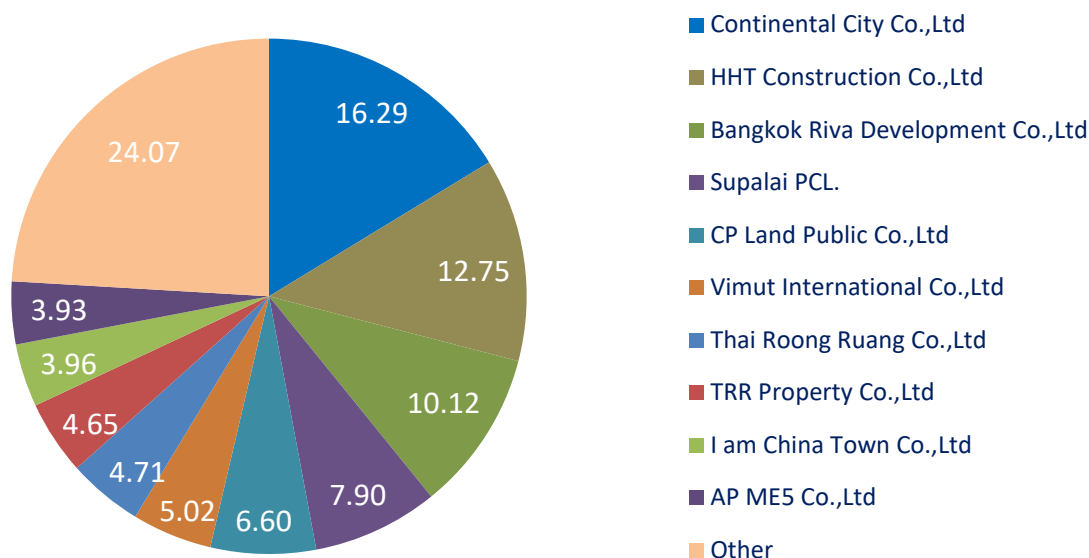
In 2019, the Company signed the construction contract for 15 projects, which the total cost was 6,083,090,000 baht.

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 2019 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 2019) 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 2019, 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 39.72 percent of all raw material orders. And hiring the top 10 services, accounting for 28.66 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.



## Summary of Thai industrial economy in 2019 and trends in 2020

For the overall economy in the year 2019, the demand in housing market has increased in transfer of ownership of housing. During the year, the government and the Ministry of Finance emphasized the impact of controlling LTV and gradually introduced 3 measures to stimulate real estate. The first measure, the government allowed the first dwelling not more than 5 million baht of property to reduce personal income tax by not more than 200,000 baht. The second measure, reduced the transfer of ownership fees and mortgage fees to 0.01 percent for the housing prices not over 1 million baht, the third measure is to reduce the ownership transfer fees and mortgage fees to 0.01 percent for the housing prices not over 3 million baht of purchasing price. The 3 measures have created a positive impact by causing the amount of ownership transfer of housing has increase compared to 2018 and resulting loans amount of financial institutions. State of measures to support with a loan value of 640,259 million baht, which is still higher than the 5-year average of 628,200 million baht. The decline in supply of new housing projects for sale and completed housing registration, compared to year 2018, because entrepreneurs have adapted to the Thai economy is slowing. By accelerating the sale of old supply before investing in a new project.

In the year 2019, there were a total of 412 new residential projects for sale, with a total of 99,118 units in the layout and a total project value of 556,717 million baht, which decreased in total of projects, number of units and project value. Which decreased by -26.0 percent, -32.1 percent and -15.4 percent respectively, compared to the same period of 2018 which has 557 projects, 145,972 units and the total project value of 657,764 million baht, with 277 projects with 43,217 units in the layout of the plan and the total project value is 230,473 million baht, decreasing in number of projects, number of units and project value By a decrease of -25.5 percent -29.0 percent and -22.7 percent respectively, compared to the same period of the year 2018 which has 372 projects, 60,897 units and the total project value is 298,229 million baht, while the 135 condominium units have 55,901 units in the layout and there are The total project value is 326,244 million baht, decreasing in number of projects, number of units and project value. Which decreased by -27.0 percent, -34.3 percent and -9.3 percent respectively, compared to the same period of year 2018 which had 185 projects, 85,075 units and the total project value of 359,535 million baht.

### Schedule of Residential Projects for Sale in New Bangkok - Surrounding Year 2019

ประเภท	โครงการ			หน่วย			มูลค่า (ลบ.)		
	2561	2562	YoY	2561	2562	YoY	2561	2562	YoY
บ้านจัดสรร	372	277	-25.5%	60,897	43,217	-29.0%	298,229	230,473	-22.7%
อาคารชุด	185	135	-27.0%	85,075	55,901	-34.3%	359,535	326,244	-9.3%
รวม	557	412	-26.0%	145,972	99,118	-32.1%	657,764	556,717	-15.4%

ที่มา : ศูนย์ข้อมูลอสังหาริมทรัพย์ ธนาคารอาคารสงเคราะห์

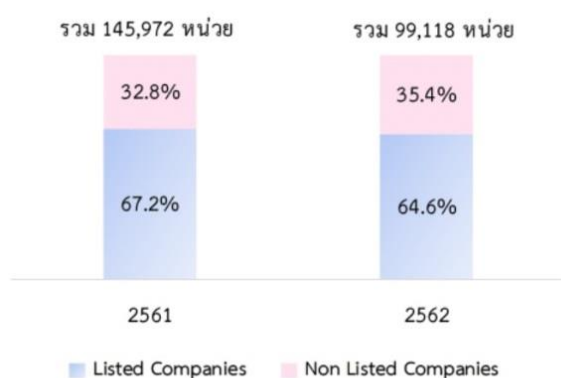
For the trend in 2020, the Real Estate Information Center expects the result of the positive factors of the interest rate down. Government real estate stimulus measures, the Bank of Thailand (LTV) loosening LTV, but there are negative factors of the economic slowdown. Including the effects of the new species of coronary virus (Covid-19) will result in a



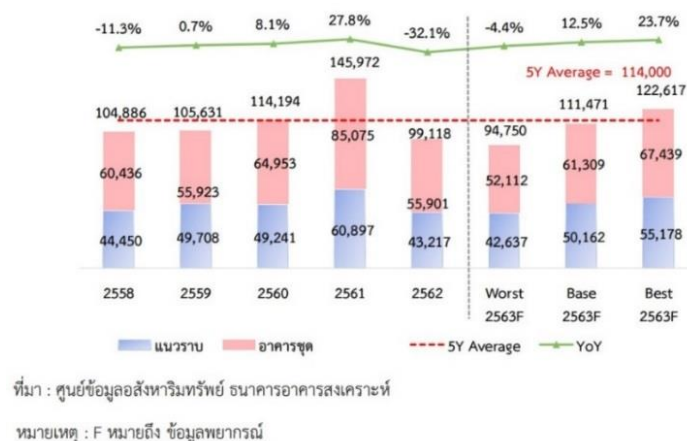


slowdown in both demand and supply. In terms of demand, the transfer of housing ownership will decrease in both the number of units and value of -4.1 and -3.9 percent respectively, compared to the year 2019, and housing loans are expected to decrease by -2.8 percent compared to In the year 2019, the registered housing supply is expected to decrease by -0.3 percent, but the new project is expected to increase by 12.5 percent compared to 2018. However, operators will turn to invest in cows. The rise over the condominium project. The horizontal line is expected to increase by 16.1 percent while the condominium will increase by 9. percent respectively.

Proportion of number of residential project units New for sale in 2019



Proportion of value of new residential projects for sale during the year 2019



For the trend in 2020, the Real Estate Information Center expects the result of the positive factors of the interest rate down. Government real estate stimulus measures, the Bank of Thailand (LTV) loosening LTV, but there are negative factors of the economic slowdown. Including the effects of the new species of coronary virus (Covid-19) will result in a slowdown in both demand and supply. In terms of demand, the transfer of housing ownership will decrease in both the number of units and value of -4.1 and -3.9 percent respectively, compared to the year 2019, and housing loans are expected to decrease by -2.8 percent compared to in the year 2019, the registered housing supply is expected to decrease by -0.3 percent, but the new project is expected to increase by 12.5 percent compared to 2018. However, operators will turn to invest in cows. The rise over the condominium project. The horizontal line is expected to increase by 16.1 percent while the condominium will increase by 9. percent respectively.

## Number of competitors

In 2019, 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, 2019, 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 2019

No.	Company Name	Revenue: Million Baht	Percentage
1	Italian-Thai Development PCL.	63,213.04	29.96
2	Sino-Thai Engineering & Construction PCL.	33,614.69	15.93
3	CH. Karnchang PCL.	26,602.76	12.61
4	Unique Engineering and Construction PCL.	12,137.94	5.75
5	TTCL PCL.	11,653.80	5.52
6	Power Line Engineering PCL.	9,644.13	4.57
<b>7</b>	<b>Syntec Construction PCL.</b>	<b>8,562.23</b>	<b>4.06</b>
8	Naowarat Pattanakarn PCL.	7,871.06	3.73
9	Christiani & Nielsen (Thai) PCL.	7,347.86	3.48
10	Sahakol Equipment PCL.	4,772.93	2.26
11	STP & I PCL.	4,567.97	2.16
12	Pre-Built PCL.	4,368.37	2.07
13	Thai Polycons PCL.	3,855.77	1.83
14	TRC Construction PCL.	3,428.23	1.62
15	SEAFECO PCL.	3,062.06	1.45
16	BJC Heavy Industries PCL.	2,073.15	0.98
17	PYLON PCL.	1,576.32	0.75
18	EMC PCL.	1,306.65	0.62
19	Sriracha Construction PCL.	926.33	0.44
20	PAE PCL.	406.68	0.19
<b>Total</b>		<b>210,991.97</b>	<b>100.00</b>

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 2019: Environmental Operating).

### Current works

As at December 31, 2019, the Company has a construction project signed by a contract for construction work and is under construction in total of 31 projects, representing a contract value of approximately 26,031 million baht, recognized income 16,501 million baht and remaining 9,530 million baht.





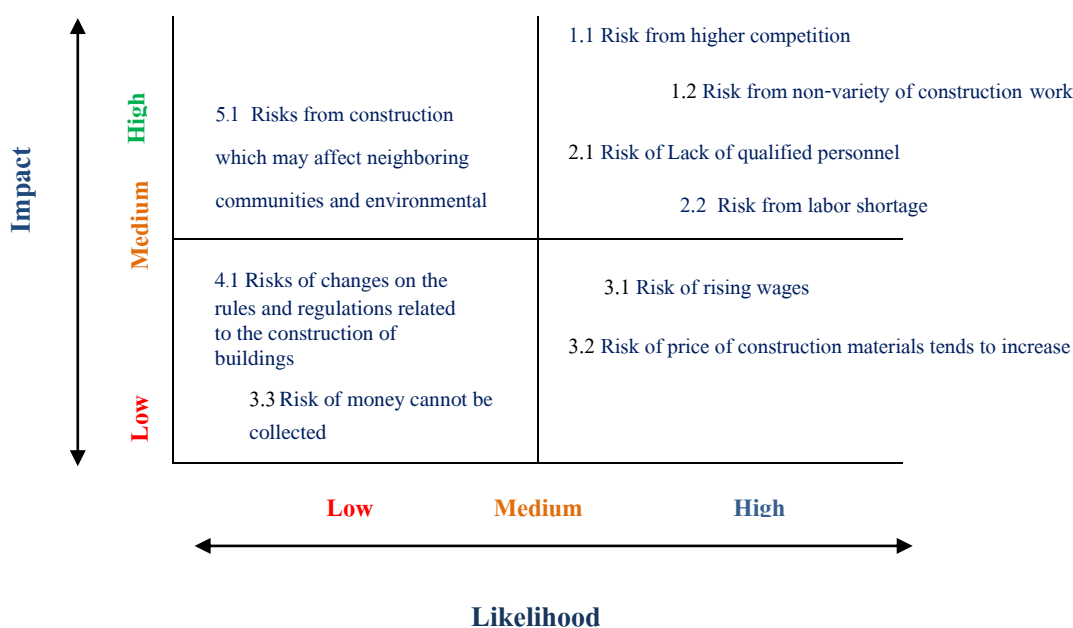
## Risk Factors

The Company has foreseen the importance of risk management as the basic tool for operation because risks can be happened and significantly affect the business operation. Therefore, the Company has been realized and arranged the concrete management plan. It will help not only to minimize the effects but also maximize the competitive potentiality as well as lead the organization to achieve targets.

## Risk Management Policy

Risk management is a part of good corporate governance. And is an important basis that helps to achieve the goals set. By assigning risk management as part of the annual business plan which the company will run the business under acceptable risk. Including executives and all employees owning risks is responsible for identifying and assess the risk of the agency that is responsible for including determining appropriate measures to manage risks

The Company assesses, ranks, and manages the risks which allow the Company to consider the acceptable risks for the efficient business risk management. In the past year, the Company has set the risk appetite to the responsible persons to consider the potential impacts of the risks and find the way to solve the problems for the achievement of Company's operation as follows:



In 2019, the Nomination and Remuneration Committee held totally 4 meetings with the objective to support the mission of the Board of the Company to determine the framework of risk management to be suitable for the business of the Company, the determination of risk, advance notice of risk, determination of preventive measure, risk management, the review and creation of risk management as following;

### 1. Strategic Risk

#### 1.1 Risk from higher competition

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 (Backlog). The Company has been selected to work with leading real estate developers listed on the stock market and a limited company with a good reputation and stable financial status.



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 2019, there were totally 3,723 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 1<sup>st</sup> 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.

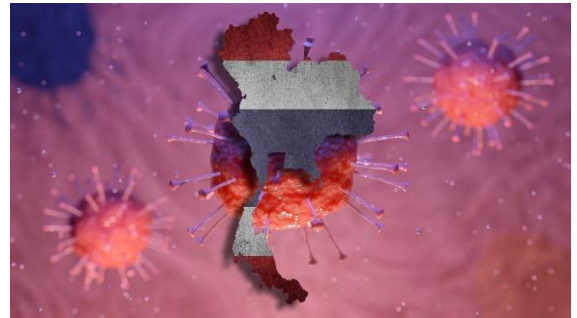




## 6. Emergency Risk

### 6.1 Epidemic of Coronavirus Infection 2019 (COVID-19)

The coronal virus, or Covid-19, began to spread from Wuhan in China, which has more population. 11 million people. After collecting the virus samples from the first group of patients for analysis in a Chinese laboratory and the WHO indicated this type of virus is "Corona virus", which is considered a new species. The previous 6 strains of the corona virus that have been prevalent in humans, the new strain of the corona virus that is currently spreading is the 7th strain. Until now, no one is clear about the origin of the new strain of the corona virus. The cause of Covid-19 was after the assumption that this virus may start transmitting from wildlife to humans. The root cause of the Chinese cobra epidemic and Chinese Krait that are sold in the Wuhan fresh market which is the place where the first group of people are found. Symptoms of the Covid-19 virus and flu infection will have similar symptoms, such as fever and cough and sneezing.



A difference is that the flu also has other symptoms, such as muscle aches and sore throats, while those who are infected with Covid-19 will experience difficulty in breathing with exhaustion taken as a liquid Pneumonia. The World Health Organization (WHO) has stated that the incubation period of this virus Generally, it is between 1-14 days before the symptoms appear. (Some research states that 2-10 days). If a person who is infected with Covid-19 is coughing or sneezing with a hand covered with mouth and then touching various things. It's not certain that those items may become cumulative and contaminated with the virus, the knob or door handle is the most vulnerable surface to contamination, and there is no definite information on how long the Covid19 virus lasts. From the news that has been reported Analysis of some of the variants of the Covid-19 virus are on the surface at room temperature for a maximum of 9 days, but on average it can live between 4-5 days on many objects such as steel, aluminum, wood, paper, plastic and glass. In addition, Professor Gunter Kampf from the Institute of Environmental and Sanitary Medicine Greifswald University Hospital given that low temperatures and high air humidity will extend the life of the virus, so regularly washing hands will wash with soap or use alcohol to disinfect. It is considered the best way to reduce the risk of contracting and transmitting the virus.



The company is aware of the dangers and sees the importance of preventing the spread of the disease. Covid-19 has announced to inform employees of both the headquarters and the construction site to do the following:

1. All employees who have plans to travel to or via (Transit) countries that are outbreaks are China, Hong Kong, Taiwan, Japan, Singapore, South Korea or postponing travel for safety. The company will help ease the cost of flight cancellations and accommodation for 50% paid in the actual amount but not more than 20,000 baht per 1 employee.

2. If employees do not cancel their travel plans and continue to travel abroad, use Leave without pay or work at home for a period of 14 days from the date of return. The staff must confirm the infection at the hospital so will be able to return to work.

3. Please avoid meeting with foreigners who comes from countries with epidemics.

4. The company will distribute masks and use the temperature monitor 2 times a day. If found employees have a fever higher than 37.5 degrees or have other risk factors as well. The company will immediately implement the next steps.

The announcement of this measure for all employees and workers to be healthy and strong who able to work at full efficiency, reduce the risk of closing the construction site as much as possible. It may result in the operation plan not being as planned. However, the company will still follow the epidemic prevention measures along with changing the action plan to fit the situation. In accordance with the regulatory agencies recommend within the safety of employees and workers is important (Source: Announcement from Human Resources as of March 16, 2020)

## 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, 2019 are as follows

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
<b>Phahusutr Group</b>			
1	Mr. Jiramote Phahusutr <sup>1</sup>	196,822,160	12.30
2	Miss Nichaya Phahusutr <sup>2</sup>	196,822,160	12.30
3	Mr. Sukhum Phahusutr <sup>3</sup>	176,031,760	11.00
	Miss Anisha Attaskulchai <sup>4</sup>	107,766,600	6.74
<b>Total</b>		<b>482,950,020</b>	<b>30.18</b>
<b>Major Shareholder</b>			
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LTD.	79,757,633	4.99
5	Mr. Chawalit Phunpermsuwan	75,875,100	4.74
6	LGT BANK (SINGAPORE) LTD.	43,501,300	2.72
7	Mr. Nattaphat Rungsun	40,050,000	2.50
8	Thai NVDR Co., Ltd.	37,394,451	2.34
9	Mr. Preecha Angkhumsub	28,610,000	1.79
10	N&J ASSET MANAGEMENT CO.,LTD.	27,660,000	1.73
<b>Total</b>		<b>332,848,484</b>	<b>20.81</b>
<b>Director, Executive <sup>5</sup> and Spouses Group</b>			
	Mr. Nayot Pisanthanakun	1,200,000	0.08
	Mr. Yothin Treerattanaphan	347,300	0.02
	Mr. Anuwat Chatmongkongchart	285,000	0.02
	Mr. Phaiboon Chetchotiros	110,000	0.00
	Mr. Veerapong Tungbenjakul	50,000	0.00
<b>Total</b>		<b>2,022,300</b>	<b>0.12</b>
<b>Other shareholders</b>		<b>773,136,496</b>	<b>48.32</b>
<b>Stock repurchase program for financial management</b>		<b>9,042,700</b>	<b>0.57</b>
<b>Total Paid-up Capital</b>		<b>1,600,000,000</b>	<b>100.00</b>

### Remarks:

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

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

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

<sup>4</sup> Miss Anisha Attaskulchai is the spouse of Mr. Jiramote Phahusutr.

<sup>5</sup> 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 do not 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 196,822,160 shares, or 12.30 %.
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 6 of the "Notice of the General Meeting of Shareholders for the year 2020"
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
<b>Total</b>		<b>6,000,000</b>	<b>100.00</b>

#### **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 Keeratichaiwat	1	0.005
<b>Total</b>		<b>20,000</b>	<b>100.00</b>

#### **C S M Capital Partners Co., Ltd.**

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	7,050,000	60.00
2	Mankongsangthong Holding Co., Ltd.	2,937,500	25.00
3	Mrs. Chanida Assadathorn	881,250	7.50
4	Mr. Sorasith Wannapraserth	293,750	2.50
5	Mr. Jeerasak Wannapraserth	293,750	2.50
6	Mr. Nattakorn Wannapraserth	293,750	2.50
<b>Total</b>		<b>11,750,000</b>	<b>100.00</b>



### 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
<b>Total</b>		<b>1,500,000</b>	<b>100.0000</b>

### PT Three Land Co., Ltd.

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	959,760	79.98
2	Mr. Somsak Hematanon	120	0.01
3	Miss Banjawan Klinchan	120	0.01
4	Mrs. Sawang Munkongcharoen	240,000	20.00
<b>Total</b>		<b>1,200,000</b>	<b>100.00</b>

### JT Ten Co., Ltd

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	1,189,720	84.98
2	Mr. Chairat Saengtong	210,000	15.00
3	Miss Banjawan Klinchan	140	0.01
4	Mr. Somsak Hematanon	140	0.01
<b>Total</b>		<b>1,400,000</b>	<b>100.00</b>

### AN 8 Co., Ltd

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	1,038,700	79.90
2	Mrs. Sawang Munkongcharoen	130,000	10.00
3	Mrs. Yuwadee Vongkusolkig	130,000	10.00
4	Miss Banjawan Klinchan	1,300	0.10
<b>Total</b>		<b>1,300,000</b>	<b>100.00</b>

### SHG Management Co., Ltd

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
1	Syntec Construction Public Company Limited.	28,000	70.000
2	Tate Enterprise Company Limited	4,000	10.000
3	Thonglor Management Company Limited	2,000	5.00
4	Mrs. Sawang Munkongcharoen	5,998	14.996
5	Miss Banjawan Klinchan	1	0.002
6	Mr. Somsak Hematanon	1	0.002
<b>Total</b>		<b>40,000</b>	<b>100.00</b>

6. Shareholding changes of the Director and Executive <sup>1</sup>and spouses during the year

Name - Surname	No. of shares			
	Balance at the end of 2018	Acquired	Sold	Balance at the end of 2019
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. Mrs. Angsana Munkongcharoen	-	-	-	-
Spouse and underage children	-	-	-	-
7. Mr. Paisarn Tangyuenyong	-	-	-	-
Spouse and underage children	-	-	-	-
8. Mr. Jiramote Phahusutr	188,982,560	7,839,600	-	196,822,160
Spouse and underage children	1,000,000	1,329,500	-	2,329,500
9. Mr. Sukhum Phahusutr	107,766,600	-	-	107,766,600
Spouse and underage children	-	-	-	-
10. Mr. Nayot Pisanthanakun	1,200,000	-	-	1,200,000
Spouse and underage children	-	-	-	-
11. Miss Nichaya Phahusutr	176,031,760	-	-	176,031,760
Spouse and underage children	-	-	-	-
12. Miss Nuchanat Sirisupamit	-	-	-	-
Spouse and underage children	-	-	-	-
13. Mr. Phaiboon Chetchotiros	110,000	-	-	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	40,000	-	285,000
Spouse and underage children	-	-	-	-
19. Mr. Yothin Treerattanaphan	417,300	-	70,000	347,300
Spouse and underage children	-	-	-	-
20. Mrs. Chongchid Vitheekol	-	-	-	-
Spouse and underage children	-	-	-	-
21. Mr. Kitti Phiriyawirut	-	-	-	-
Spouse and underage children	-	-	-	-

Remarks:<sup>1</sup> 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 December 17, 2018 to June 16, 2019.



Table of Reporting Share Repurchases for Financial Management as of December 31, 2019

No.	Date	Highest purchase price (Baht)	Lowest Purchase price (Baht)	Amount (Shares)	Total Value (Baht)	%shares repurchased No. of paid-up shares
1	19/12/2018	2.78	2.78	41,800	116,204	0.003
2	20/12/2019	2.80	2.80	200,000	560,000	0.013
3	26/12/2019	2.76	2.68	1,500,000	4,088,000	0.094
4	02/01/2019	2.70	2.68	300,000	807,000	0.019
5	11/02/2019	2.90	2.90	193,500	561,150	0.012
6	25/05/2019	2.70	2.70	600,000	1,620,000	0.038
7	02/05/2019	2.54	2.50	4,507,400	11,342,290	0.282
8	14/05/2019	2.24	2.22	1,700,000	3,790,000	0.106
<b>Total</b>				<b>9,042,700</b>	<b>22,884,644</b>	<b>0.565</b>





## Dividend Policy

Syntec Construction Public Co., Ltd.'s policy on payment of annual dividends is that dividends will be 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	2019	2018	2017	2016
1. Net profit as Company Financial Statement (Million Baht)	371	667	1,050	896
2. Number of Shares (shares)	1,590,957,300	1,600,000,000	1,600,000,000	1,600,000,000
3. Annual Dividend (Baht / Shares)	Wait consideration <sup>1</sup>	0.13	0.17	0.15
3.1 First Half Year Dividend (Baht / Shares)	0.04	0.04	0.04	0.04
3.2 Second Half Year Dividend (Baht / Shares)	Wait consideration	0.09	0.13	0.11
4. Total Paid Dividend (Million Baht)	Wait consideration	272	272	240
5. Proportion of Dividend per Net Profits (%)	Wait consideration	26	26	27

Remarks: <sup>1</sup>From the original, the company has registered capital 1,600,000,000 baht divided into 1,600,000,000 shares, later on 17 December 2018 -16 June 2019. The company has a program to repurchase 9,042,700 shares, therefore leaving the company with a total amount of shares to pay dividends 1,590,957,300 shares.

<sup>2</sup>Ratio of dividend per Net profit (proposed year) is in accordance with the policy on dividend allocation.



SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED  
Organizational Chart, As of 31<sup>st</sup> December, 2019



## 1. Board of Directors

Currently, there are 8 directors as of 31 December, 2019

Director Name	Position	Type of Director	Starting Year
Mr. Somchai Sirilertpanich	Vice Chairman/ Chief Executive Officer	Executive Director	23 Dec 2004
Mr. Chaiwat Atsawintarakul	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/ Assistant Managing 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, 25% of all directors.

3. The Independent director should have 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. Holding share not exceeding 1% of the share containing vote right in the Company, parent company or subsidiary company or associated company or the major shareholder of the company or person having controlling power upon the Company and holding shares by person related to such member shall be counted in this regard.
2. Being not used to be director involving in executive function, employee, staff, consultant receiving regular salary or a person having controlling power upon the Company, parent company, associated company, joint company, associated company of the same level, major shareholder or of person having controlling power upon the Company except otherwise a period of not less than two years has



lapsed before the date of applying for permit to the competent authority. Such prohibition is exclusive of the case of such independent director used to be government official or consultant of the government agency which is the major shareholder or the controller of the Company.

3. Not being a person, by blood relation or by registration, having relationship as parent, spouse, brother/ sister and child including spouse of the child of the executive, major shareholder or controller or person nominated to be the executive or authorized person of the Company or subsidiary.
4. Never or used to have business relationship with the Company, parent company, subsidiary company or associated company or the major shareholder or the controller in the manner that it may prevent fully exercising independent discretion including never be or used to be the shareholder that have substantial power or the controller of person having business relationship with the Company, parent company, associated company or joint company or the major shareholder or to controller, except freeing from such position for more than 2 years before the date of applying for permit to regulatory agency.
5. Not being or used to be auditor of the company parent company, subsidiary company or associated company or the major shareholder or the controller in the manner of company and never be or used to be the shareholder that have substantial power or partnership of Audit Firm that have company's auditor of parent company, subsidiary company or associated company or the major shareholder or the controller in the manner of company, except freeing from such position for more than 2 years before the date of applying for permit to regulatory agency.
6. Not being or used to be a person providing any professional service including legal counseling or financial consultant having gained service charge more than 2 million baht per year form the Company, parent company, subsidiary company or associated company or the major shareholder or the controller and never be or used to be the shareholder that have substantial or controlling power or a partner of person providing such professional service except freezing from such position for more than 2 years before the date of applying for permit to regulatory 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 provides an opportunity for minority shareholders to nominate persons with appropriate qualifications as directors to considering persons from the Directory of Occupation Directors. (Directory 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. The director must have qualifications as follows:

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 The qualifications of directory must appropriate as a director. The consideration is based on knowledge, experience, and specific talents that are consistent with the business operations of the company, which are in accordance with the skills necessary for the 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.

3. 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.

4. 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.

### **Scope of Duties and Responsibility of the Board of Directors**

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 and disclose in the Annual Report and company's website.

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 and disclosed in the Annual Report.

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's 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 of the Chairman of the Board of Directors**

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.

For the casting of votes, the majority vote of the meeting, 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 2019, 2 directors attended the training courses or participated in seminars to increase their knowledge of the operation, namely,

<b>Name - Surname</b>	<b>Training Courses/ Seminar of the institution</b>	<b>Institution</b>
Mr. Chaiwat Atsawintarakul	<ul style="list-style-type: none"><li>- All issues of TFRS in 2019, Batch 1/2019 (Course 6)</li><li>- Keep Up with the standards of new pattern of financial reporting will be using in 2019 and 2020, Batch 2/2019</li><li>- Implications and actions from Tax Act, Preventive measures Set transfer prices between companies or a juristic partnership with a relationship.</li><li>- Total Solutions for SMEs Project</li><li>- TFRS for NPAEs currently and listen to feedback for future improvements to TFRSs for NPAEs.</li><li>- Audit Committee of the Future Driving through the Era of Disruption</li><li>- Digital business sustainability: Know quickly – Know how to use</li></ul>	- FAP*
Miss Benjawan Sinkuknakorn	<ul style="list-style-type: none"><li>- All issues of TFRS in 2019, Batch 1/2019 (Course 6)</li><li>- Keep Up with the standards of new pattern of financial reporting will be using in 2019 and 2020, Batch2/2019</li><li>- Implications and actions from Tax Act, Preventive measures Set transfer prices between companies or a juristic partnership with a relationship.</li><li>- Total Solutions for SMEs Project</li><li>- TFRS for NPAEs currently and listen to feedback for future improvements to TFRSs for NPAEs.</li><li>- Strategic Audit committee: Beyond Figure and Compliance</li><li>- Investment final bend 2019</li></ul>	- FAP*

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, one audit committee who has sufficient knowledge, understanding or experience in accounting or finance to review the credibility of the financial statements. As of December 31, 2019, the Audit Committee consists of 3 independent directors as follows:

Director Name	Position	Type of Director
Mr. Chaiwat Atsawintarangkul	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 inter 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, which must have more than half of independent directors. The Chairman and the majority of members should be independent directors. As of December 31, 2019, 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. As of December 31, 2019, 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.

### **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. As of December 31, 2019, the Management Committee consists of 5 members as follows:

<b>Name</b>	<b>Position</b>	<b>Director Type</b>
Mr. Somchai Sirilertpanich	Vice Chairman	Executive director
Mrs. Angsana Munkongcharoen	Assistant Managing Director	Executive director
Mr. Jiramote Phahusutr	Managing Director	Executive director
Mr. Nayot Pisantanakul	Deputy Managing Director	Executive
Mr. Yot Laksanagosate	Company Consultant	Executive

Mr. Paiboon Chetchotiros is Secretary of the Management Committee.

### **Duties and Responsibilities**

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.

**Table showing No. of the Board of Directors, all Committees' Meetings in 2019**

Name-Surname	Table showing No. of the Board of Directors, all Committees' Meetings in 2019											
	AGM Meeting		Board of Directors		The Audit Committee		The Risk Management Committee		The Nomination and Remuneration Committee		The Management Committee	
	Org./ Join	%	Org./ Join	%	Org./ Join	%	Org./ Join	%	Org./ Join	%	Org./ Join	%
Mr. Somchai Sirilertpanich	1/1	100	13/13	100					4/4	100	45/44	97
Mr. Chaiwat Atsawintarangkul	1/1	100	13/13	100	7/7	100			4/4	100		
Miss Benjawan Sinkuknakorn	1/1	100	13/13	100	7/7	100			4/4	100		
Dr. Arichai Ractham	1/1	100	13/13	100	7/7	100	4/4	100	4/4	100		
Mr. Tavee Kullertprasert	1/1	100	13/12	92								
Mrs. Angsana Munkongcharoen	1/1	100	13/12	92					4/4	100	45/41	91
Mr. Paisarn Tangyuenyong	1/1	100	13/13	100								
Mr. Jiramote Phahusutr	1/1	100	13/13	100							45/40	88
Mr. Nayot Pisantanakul											45/38	84
Mr. Yot Luksanakoset											45/45	100
Mr. Paiboon Chetchotiros							4/4	100			45/41	91
Mr. Yothin Teerattanapun							4/4	100			45/37	82

### 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 2019 in group was 92.25 percent, and in an individual was 93.35 percent, counted as very good-excellent.

2. Nomination and Remuneration Committee The result of the evaluation in 2019 in group was 93.47 percent, and in an individual was 93.05 percent, counted as very good-excellent.

3. Audit Committee The result of the evaluation in 2019 in group was 93.75 percent, and in an individual was 94.25 percent, counted as very good-excellent.

4. Risk Management Committee The result of the evaluation in 2019 in group was 91.19 percent, and in an individual was 93.20 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 2019, 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: 330,000 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 2019**

Name	2019 Compensation and Meeting Fee (Baht)				
	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Management Committee	Total
Mr. Somchai Sirilertpanich	234,000	-	-	-	234,000
Mr. Chaiwat Atsawintarakul	234,000	330,000	-	-	564,000
Miss Benjawan Sinkuknakorn	234,000	330,000	-	-	564,000
Dr. Arichai Ractham	234,000	330,000	-	-	564,000
Mr. Tavee Kullertprasert	216,000	-	-	-	216,000
Mrs. Angsana Munkongcharoen	216,000	-	-	-	216,000
Mr. Jiramote Phahusutr	234,000	-	-	-	234,000
Mr. Paisarn Tangyuenyong	234,000	-	-	-	234,000
<b>Total</b>	<b>1,836,000</b>	<b>990,000</b>	<b>-</b>	<b>-</b>	<b>2,826,000</b>

### **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 December 31, 2019, there are 16 executives\* as follows:

<b>Name - Surname</b>	<b>Position</b>
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	Chief Financial Officer
Mrs. Chongchid Vitheekol	Director, Accounting Department
Mrs. Angsana Munkongcharoen	Assistant Managing Director
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.Kitti Phiriyawirut	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 2<sup>nd</sup> and 3<sup>rd</sup> ranks, the substitute candidates need not to be qualified as equally as the 1<sup>st</sup> 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 2019, the Company had paid of remuneration consisting of salary, bonus, welfare, living expenses, and social security fund to Top 4 executives, counting from the Chief Executive Officer and Chief Financial Officer totally 30,753,100 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. Rattapawee Lapnan as the official company secretary. From July 24, 2017 with the following qualifications.



#### Position

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

#### 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 March 16, 2018.



##### **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** 58-year-old

**Position** -Acting Chairman, Vice Chairman,  
-Director of Nomination and  
Remuneration Committee  
-Chief Executive Officer  
-Managing Director and the  
Authorized Signatory.

**Totally** 15 years (commencement date of being  
the board of director December 23, 2004)

**Educational**

-MBA Operation Management University of  
Scranton Pennsylvania, USA

**Shareholdings proportion** (on December 31, 2019)

-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**

-2019-present: SHG Management CO., LTD  
-2019-present: AN 8 CO., LTD  
-2018-present: PT Three CO., LTD  
-2018-present: JT 10 CO., LTD  
-2015-present: CSM Capital Partner CO., LTD  
-2013-present: Natural Ville Service apartment  
and Management CO., LTD  
-2012-present: SCR Asset Management CO., LTD  
-2000-present: Siam Syntech Planner CO., LTD

**Other current Positions :**

**Other registered companies**

- No -

**Other companies and organizations: Total 8**

- 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  
- Director, AN 8 CO., LTD  
- Director, SHG Management CO., LTD





**Mr. Chaiwat Atsawintarakul**

**Aged** 68-year-old

**Position** -Independent Director,  
-Chairman of The Audit Committee  
-Chairman of the Nomination and  
Remuneration Committee

**Totally** 16 years (commencement date of being  
the board of director October 30, 2003)

**Educational:**

- Master of Education (Curriculum and Teaching Methodology), Beijing Languages and Cultural University
- Master's Degree in Business Administration, Thammasat University
- Barrister-at-Law, Institute of Legal Under the Royal Patronage Education, Thai Bar Association
- Bachelor of Laws, Ramkhamhaeng University
- Bachelor of Science in Business Administration (Accounting), Ramkhamhaeng University

**Shareholdings proportion** (on December 31, 2019)

- 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**

- 2013-Present Eastern Polymer PCL.
- 2005-Present U City PCL.
- 2005-Present Eastern Printing PCL.
- 2005-Present Boathouse Hua Hin CO.,LTD
- 2004-Present Krungthai Car Rent and Lease PCL.
- 2000-Present Bright Lilly (Thailand) CO.,LTD
- 1997-Present Prospect Consulting CO.,LTD

**Other registered companies**

**Other companies and organizations: Total 4**

- Chairman of the Audit Committee, Eastern Polymer PCL.
- Chairman of the Audit Committee, Krungthai Car Rent and Lease PCL.
- Chairman of the Audit Committee, Eastern Printing PCL.
- Chairman of the Audit Committee, U City PCL.

**Other companies and organizations: Total 3**

- Director, Prospect Consulting CO.,LTD
- Director, Boathouse Hua Hin CO.,LTD
- Director, Bright Lilly (Thailand) CO.,LTD



**Miss Benjawan Sinkuknakorn**

**Aged** 62-year-old

**Position** -Independent Committee  
-Audit Committee  
-Director of the Nomination and Remuneration Committee

**Totally** 16 years (commencement date of being the board of director November 14, 2003)

**Educational**

- Literature Chinese Language (Economics and Trade), Beijing Language and Culture University  
- Master's Degree in Business Administration, Thammasat University  
- Bachelor of Accountancy, Thammasat University  
- Bachelor of Laws, Thammasat University  
- Barrister-at-Law, Institute of Legal Under the Royal Patronage Education, Thai Bar Association

**Shareholdings proportion** (on December 31, 2019)

-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**

-2016-Present: Wealth Magik Mutual Fund Brokerage CO., LTD  
-2006-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**

-Managing Director, Prospect Consulting CO., LTD  
-Director, Wealth Magik Mutual Fund Brokerage CO., LTD



**Dr. Arichai Ractham**

**Aged** 53-year-old

**Position** -Independent Director

- Director of the Audit Committee
- Director of the Nomination and Remuneration Committee
- Chairman of the Risk Management Committee

**Totally** 12 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, 2019)

-No for both direct and indirect

**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**

- 2016-Present More Return PCL.
- 2015-Present Advance Connection Corporation PCL.

**Other current Positions:**

**Other registered companies: Total 2**

- Independent Director, More Return PCL.
- Chairman of the Board/Independent Director/Chairman of Audit, Advance Connection Corporation PCL.

**Other companies and organizations: Total 1**

- Finance and Business Management Lecturer companies, Kasetsart University and Chulalongkorn University, College of Management Mahidol University



**Mr. Tawee Kullertprasert**

**Aged** 47-year-old

**Position** Independent Director

**Totally:** 15 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), 1<sup>st</sup> class honors, Chulalongkorn University
- Bachelor Degree of Financial, Thai Chamber of Commerce University

**Shareholdings proportion** (on December 31, 2019)

-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 Leadrship 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**

- 2014-Present Dark Horse Development CO., LTD
- 2008-Present Steel Plus Fabrication CO., LTD
- 2008-Present Steeler Steel Works CO., LTD
- 2007-Present Practicum Engineering CO., LTD
- 2000-Present Siam Syntech Planner CO., LTD
- 2000-Present Knight Club Capital Asset Management CO., LTD

**Other current Positions :**

**Other registered companies:**

-No-

**Other companies and organizations: Total 7**

- Director, Dark Horse Development CO., LTD
- Director, Steel Plus Fabrication CO., LTD
- Director, Steeler Steel Works CO., LTD
- Director, Practicum Engineering CO., LTD
- Director, Siam Syntech Planner CO., LTD
- Director, Knight Club Capital Asset Management CO., LTD
- Director Siam Syntech Planner CO., LTD





**Mr. Paisarn Tangyuenyong**

**Aged** 55-year-old

**Position** Independent Director

**Totally** 3 years (commencement date of being  
the board of director June 30, 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,  
2019)

-No for both direct and indirect

**Family Relationship between Executives**

-No-

**Training**

-Directors Accreditation Program (Batch 28/2004)

The Thai Institute of Directors Association

**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. Jiramote Phahusutr**

**Aged** 37-year-old

**Position** - Director,  
- Managing Director and the  
Authorized Signatory.  
- Managing Director

**Totally** 6 years (commencement date of being  
the board of director April 29, 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, 2019)**

-12.30% (196,822,160 shares)

**Family Relationship between Executives:**

Son of Mr. Sukum Phahusutr (Deputy Managing  
Director)

**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  
- Director AN 8 CO., LTD  
- Director SHG Management CO., LTD



**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.

**Mrs. Angsana Munkongcharoen**

**Aged** 68-year-old

**Position** - Director of the Nomination and Remuneration Committee  
- the Authorized Signatory  
- Assistant Managing Director

**Totally** 15 years (commencement date of being the board of director: April 29, 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

## 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 2019 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 2019: The Company was ranked in the level of "Excellence" or 5-star rating by the Thai Institute of Directors.



3. Certificate of ESG100 Company 2019 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 2019 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 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 2019, the meeting was held on 26 April 2019 meeting time between 09.00 – 12.00 hrs. The company has held Shareholders Meeting at Bu-Nga Room, 3<sup>rd</sup> 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, 2019 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](http://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 (18–20 April, 2019)

☐ 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 26 April 2019. There appear to be 8 directors, of the total number of directors' company. There were 142 shareholders attending the meeting both by themselves and by proxies whose shares were collectively amounted to 1,043,579,969 shares from the total sold shares of 1,600,000,000 or 65.2237% details of which are provided below: - 36 Shareholders attended the meeting by themselves whose shares were collectively amounted to 32,130,688 shares or 2.0081%. - 106 Shareholders were represented by their proxy holders whose shares were collectively amounted to 1,011,449,281 shares or 63.2154%. 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 Laktharn and Mr. Chaikrit Worrakitjaporn 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 Stock Exchange of Thailand is Ms. Jarunee Amornsamarnluk and Mr. Adison Gunchart 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 two 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 2019. The details are as follows:

Table of Directors' Remuneration

Remuneration	2019	2018	2017	2016	2015
1. Board of Directors					
- Meeting allowance (Baht / person / time)	18,000	18,000	16,000	14,000	11,000
2. Audit Committee					
- Gratuities (Baht / person / year)	330,000	350,000	300,000	250,000	220,000

Regarding the table displaying the remuneration of directors, it is evident that the allowance of the meeting of the board in the year 2019 does not change from the meeting allowance in the year 2018. The meeting amount of 18,000 baht per person per time. At the same time, the remuneration of Audit Committee also decreases from the year 2018 Amounting 20,000 or decreased 5.71 % the purpose to return the Audit Committee who have



the important role in providing useful opinions on business, legal, accounting, financial data review, internal control system and good governance principles.

#### **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 2019. The meeting considered and approved the appointment of Mr. Jadesada Hungsapruerk Certified Public Accountant (Thailand) Registration No. 3759 and Ms. Kannika Wipanurat Certified Public Accountant (Thailand) No. 7305 and Mr. Jirote Sirirorote Certified Public Accountant (Thailand) No. 5113, the auditors from Karin Audit Co., Ltd to be the Company's auditor for the year 2019. The remuneration is 4,315,000 baht. Other Service Fees - None -

Table of Audit Fee

Compensation type	2019	2018	2017
1. Audit Fee for the Company	3,277,500	3,465,000	3,300,000
2. Audit Fee for subsidiaries			
- Siam Syntec- Vjittaphan-Krung Thon Joint Venture	-	-	50,000
- C S M Capital Partners Co., Ltd.	420,000	420,000	400,000
- S C R Asset Management Co., Ltd	380,000	380,000	350,000
- Natural Ville Serviced Apartment and Management Co., Ltd.	52,250	50,000	50,000
- PT Three Co., Ltd.	52,250		-
- JT Ten Co., Ltd.	52,250		-
3. Other Service Fee	-	-	-
Other Service Fee	4,161,000	4,315,000	4,150,000

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](http://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 2019, 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 2019 he 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 2019, 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 2019, two activities were organized on 31 May, 2019 and 4 July, 2019.
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 2019: Company Visit total 3 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](mailto: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** (Details appear in Chapter 13 Social and Environmental Responsibility)
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	<a href="mailto:auditcommittee@synteccon.com">auditcommittee@synteccon.com</a>	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	<a href="mailto:legal@synteccon.com">legal@synteccon.com</a>	0-2381-6333 Ext.5922	
Corporate Secretary	<a href="mailto:rattapaweel@synteccon.com">rattapaweel@synteccon.com</a>	0-2381-6333 Ext. 5941	
Compliance Unit	<a href="mailto:compliance@synteccon.com">compliance@synteccon.com</a>	0-2711-7423	
HR. and Admin.	<a href="mailto:hrd@synteccon.com">hrd@synteccon.com</a>	0-2381-6333 Ext. 5151	
Internal Audit	<a href="mailto:internalaudit@synteccon.com">internalaudit@synteccon.com</a>	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 whistle-blowing, 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 2019, 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.



The company has always emphasized and adhered to good governance principles for listed companies in 2012. However, in 2019, there were still things that the company could not cover in the following areas:

1. Determining the term of service of the directors and independent directors for no more than 9 years.

The Board of Directors does not specify the terms of service for directors. Independent directors strictly for fixing the term of directorship Independent directors for not more than 9 years, because the Board considered that the appointment of directors The independent directors will continue to benefit the company more. Because the directors holding continuous positions are persons with knowledge, experience and ability That will help to run the company business smoothly.

2. Determining the method of voting for election of directors by cumulative voting.

Section 14 In voting for election of director, the director can be selected by counting the majority votes of total votes of the shareholders who convene the meeting with voting rights under the count of one vote per share for every shareholder with voting right.

3. The Chairman of the Board of Directors should be an independent director

Currently, the acting chairman of the company is Mr. Somchai Sirilertpanich, which is an executive director The Board of Directors foresees that Mr. Somchai Sirilertpanich is a knowledgeable person Business Expertise, work experience including good leadership characteristics. The Board has clearly specified the roles and responsibilities of the Chairman. By focusing on the interests of the company, shareholders and all stakeholders. Therefore, deems appropriate for Mr. Somchai Sirilertpanich will continue to be the acting chairman of the company.



## **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 has a policy to operate under fair competition. The Company is committed to operate the business follow as the Trade Competition Act B.E. 2542 and operate business with honesty, compliance with the laws and regulations of relevant agencies strictly, conduct business with responsibility to society and the environment.

Treatment for Partners; The Company has the policy to treat the trading partners equally and not requesting or receiving any benefits from business partners.

Treatment of business competitors; The Company will treat competitors under the framework of good competition and do not seek confidential information of competitors through inappropriate methods.

### **2. Human Right Esteem and Human Right of Children, Treatment of labor fairly and without discrimination**

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 and treat all of staffs and employees in accordance with labor laws and regulations. Support the employment of people with disabilities including companies that do not use or support child labor.

#### **○ Human Right to Children**

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.





In the year 2019, Baan Dek Foundation and UNICEF have worked together with the company's staff to implement the Chiang Mai framework (CMFA) framework to develop camps prototype beginning before April - December 2019, which has organized a training program for capacity building of community leaders for leaders of Kamphaeng Phet Camp 7, Rama 3 and Sukhumvit 71. The objective to improve the quality of life and promote access to basic services that are needed especially

in the areas of education, health and safety for underprivileged children living in construction site camps in Thailand. Baan Dek Foundation has organized many activities, including “Superhero” activities, “Sharing Smile Project” and “Happy Community Day” etc. The children and parents will have knowledge, understand and apply in daily life about how to access various health services, education, legal documents including knowledge about children's rights and child protection.

- Human Right Esteem Treatment of labor fairly and without discrimination
- The company has a policy of recruiting and paying compensation based on ethics. There is a standard system and procedures, no discrimination or deprivation due to differences and diversity of people, including race, religion, language, color, gender, political opinion and social status which covers women, the disabled, or other disadvantaged groups. Therefore, the company provides opportunities for those who are interested to work with the company which will consider the appropriateness of the responsibilities on a case-by-case basis. Including the company will support people with disabilities to live their lives equally with the general public and fully participate in society under an environment that people with disabilities can access and use.

In the year 2019, the company has 14 persons with disabilities, even though the company currently has employment the disabled but does not cover the proportion of employment as specified by law. Since the main business is construction and most operations will require movement in hazardous areas which may cause too many harmful effects to the disabled. However, the company will continue to provide opportunities and welcome people with disabilities that are suitable for their positions and responsibilities.





### 3. Anti-Corruption Policy

The company is committed to conducting business in accordance with the principles of good corporate governance, transparency, fairness, including anti-corruption in all forms.

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, 2<sup>nd</sup> 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.

#### Communication and education on anti-corruption and corruption policies and related policies

1. Disclose to all employees to be informed via the public relations board Communicate via LINE staff to answer various questions and reminded at the end of normal training.
2. Communicate with new employees through orientation and specifying various details in the employee's manual.
3. Training all employees who are at the construction site whereby the Internal audit department conducts a Site Visit.
4. Disclose to third parties via the company website.
5. Communicate with partners via letters of cooperation.





#### 4. 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.



Annual Staff Party 2019  
on 8<sup>th</sup> February 2019 Theme "Beauty, Luxurious and Elegant"



\* Picture's Credit by Mr.Prateep Phupatham



#### Annual Employee Relations Activities at Nakorn Nakok



Activities to build good relations of employees and partners.

Participated in the TOA CUP 2019 football competition, where came from leading construction companies and Property development In this year's competition, the winning team for 4 consecutive times was the team of Syntec Construction PCL.



## 5. 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.

## 6. 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.

## 7. 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.

### 7.1 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.



### 7.2 “My School”

Because of education is the foundation for creating quality people. The company therefore initiated “My School” project. The objective of the project is to promote education and provide better educational opportunities to students in wilderness areas.

In 2019, the Company delivered school building and teaching equipment including sports equipment to SRI PAR DAENG School, Khor Chaeng Sub-district, Maesai District, Chiangrai Province. My school project from the past to the present for a period of 12 years. The company provides better educational opportunities and support education for students in wilderness areas including doing activities to build schools for more than 15 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 that education is the key to the development of Thai children to become adults of the nation in the future.



Project delivery information with the following details:

No	Date's Deliver	Name's School
1	27/04/2008	Border Police School, Bankokesalang, Tamieng Sub-District, Phanom Dongruk, Surin
2	10/05/2009*	Mae Hong Son Primary Educational School Area 1, Yombanpangkramnoi, Pang Mapha District, Mae Hong Son
3	19/10/2009	Ubonratchathani Primary Educational School Area 2 Ban Kajub School, Kudyaluan Sub-District, Takarnpreudphon District, Ubonratchathani Banpailom School, Moo 8, Takdad Sub- District, Takarnpreudphon District, Ubonratchathani Banyangtheung School, yangsakkapoolum Sub- District, Muang sumsip District, Ubonratchathani
4	16/01/2011	Nuseplo School, Nupho branch of classroom, Sormakro branch of classroom, Maejun Sub-District, Umphang, Tak
5	19/05/2012	Nongkhamwittaya School, At Samat District, Roiet
6	18/05/2013	Maeklongyai School, Mokro Sub-District, Umphang District, Tak
7	29/05/2014	Banpongsawongkiriwan, Thaluang District, Lopburi
	29/05/2014	Banlumphongpet School, Thaluang District, Lopburi
8	22/05/2015	Baan Kumpai School, Kumpawapi District, Udon Thani
9	06/05/2016	Baan Sakard Tai School, Sub-District, Pouw District, Nan
10	16/05/2017	Wat Khoo Salord School, Samtoom Sub-District, Sena District, Ayutthaya
11	17/05/2018	HauyNamSai School, Khoo Yai Mee Sub-District, Sanam ChaiKet District, Chachoeng Sao
12	24/05/2019	Sri Par Daeng School, Khor Chang Sub-District, Mae Sai District, Chiang Rai



### 7.3 Construction Community Hall

President's Community Mr. Charn horawet ,Soi Nonthaburi 15, Bang Krasor Sub- district, Muang District, Nonthaburi Province, which is a neighboring community adjacent to the POLITAN AQUA project. He has requested courtesy from the company, construction of a community hall to be used for meeting the residents, Public health officers visit community health visits, and is a place to meet and socialize relax, community living.

The construction was completed at the end of 2019, The company expects that this community hall will be useful and be a part of the development of the community and society as a whole.



### 7.4 “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 wilderness areas who 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.

In this respect, the Company aims to give back to society in passing knowledge that is appropriate and correct in order to cooperate with communities and society to create effective personnel to enter the employment system of the next country. It also helps to solve the problem of labor shortage of the company and can reduce the unemployment rate in Thailand in the long run as well.

In the year 2019, the company organized a preliminary knowledge project for 7<sup>th</sup> year students by traveling to 1) Si Sa Ket Technical College 2) Surin Technical College 3) Buriram Technical College. 4) Roi Et Technical College 5) Phitsanulok Technical College 6) Sukothai Technical College. 7) Nakhonsawan Technical College 8) Nakhonratchasima Technical College. Focusing on students who are nearly to graduate in the construction department, power electrician and the mechanic department who are interested to join the company. Fill up the application form, submit documents and have an initial interview in order to recruit the most suitable person for the position that the company needs.







**Summarizing the project "Career Opportunity with Syntec Construction" for the past 7 years**

Position	Annual				Total	Resign	Balance
	2013-2016	2017	2018	2019			
Foreman	66	26	17	15	124	62	62
Draftsman	20	5	19	9	53	23	30
Surveyor	13	4	8	14	39	19	20
Foreman Mechanical	3	1	-	-	4	4	0
Foreman Electrical	7	8	1	-	16	11	5
Draftsman Mechanical	2	-	-	-	2	1	1
Draftsman Electrical	5	1	1	-	7	6	1
Mechanical	5	2	3	2	12	4	8
Electrician	4	5	1	-	10	2	8
<b>Total</b>	<b>125</b>	<b>52</b>	<b>50</b>	<b>40</b>	<b>267</b>	<b>132</b>	<b>135</b>

From the summary table found that since the company has started the project for 7 years, there are students interested in joining the recruitment. And passed the interview until he became a company employee in a total of 267 persons and in some parts resigned to study or do personal business causing a total of 135 employees, or 51% of the company from the project.

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



Due to the SYNTEC Innovation Awards, which has been in operation since 2017 until now. Organized for employees or departments to have creative expression and innovations related and beneficial to the operations of the organization.

In the year 2019, the company still wants to continue the innovation project in the form of creating technological processes or inventions continuously. This year, the topic will be set to outline the concepts to be more clear, create equal competition and not redundant with the original that has been done. Invention must be able to be used to work effectively and build the capability of the company to be ready to compete in the construction business especially taking the construction business to a dramatic change in the digital age

### “Naga Shoot Cement” (Gold Award)

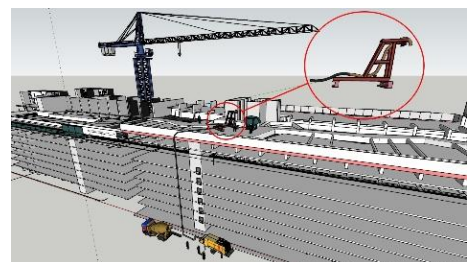
The idea is to pour the concrete post every time, must use Tower Crane to carry bucket of cement from the bottom to the position that is poured above, takes a lot of time to complete. Therefore, the idea is from the case of pouring concrete in the floor using a spider as a helper. Until leading to the work used in the same way as a spider.

#### Objective:

1. To be the concrete carrier on the top of the building.
2. Reduce the hire purchase of machinery for delivering concrete on the building.
3. Able to assist in work quickly and conveniently.

#### Benefits:

1. Shorten delivery time for concrete.
2. Reducing the cost of machinery leasing.
3. Reduce the risk and danger to the workers in carrying BUCKET concrete.
4. Reduce waste, falling of concrete during the lift.
5. Reduce damage to the work place, not dirty, not obstructing the work of other aspects.





### Supporting social development together with other agencies

In 2019, the Company supported the social development projects with other organizations covering 3 aspects.

(1) Education and Youth Development	amount	215,342 Baht
(2) Society and Environment	amount	1,394,550 Baht
(3) Religious and Culture	amount	129,000 Baht

The total supporting amount 1,738,892 Baht or 0.03% of total revenue.



## 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 the year 2019, the Board of Directors Audit Committee carried out in accordance with the internal control framework of The Committee of Sponsoring Organizations of Treadway Commission (COSO 2013). The internal audit section responsible for evaluating the sufficiency of the internal control system of the Office of the Securities and Exchange Commission (SEC) consisting of 5 elements: Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities.



The Board of Director, The Audit Committee 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 organized the organizational structure to allow the internal control system to operate in accordance with the specified objectives. The Company has arranged a good internal control activity consisting of financial examination and the operation according to relevant regulations, rules and laws. The separation of duties and responsibilities between the Board of Directors and the management Human resource management for sustainable skills and competencies, including continuously reviewing and improving the business ethics of the Company. Communication for all levels of employees to be informed as well as training for providing knowledge related. during the year 2019, the company established the policy of "No accepting" gifts, gifts or other benefits (No Gift Policy) to be a guideline for the management and employees of 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 by establishing a risk management plan covering assessment, analysis and review of risk management and risk reduction measures to ensure that risk are at the acceptable level. The following up must be regular reported, The Risk Management Committee will oversee, monitoring, providing additional suggestions. The Risk Management Committee will report the operating results to the Board of Directors for further acknowledgment.

### 3. Control Activities

These various items were prepared in writing: Internal control policies, procedures, and operating manuals including scope of duties Authority to approve with a review to be current. The company has considered the principles of good internal control such as separation of duties, approval, recording, information communication and take care of property storage both in finance, accounting, procurement and general administration. In order for every system to have sufficient internal control processes especially those with conflicts of interest or transactions that may have interests, etc., The introduced various information technology systems assist in the control and help evaluate the performance under the security of access and appropriate use of information.



The company also has a policy for those involved in the business operations of the company, including employees, customers, partners and all stakeholders, have participated in the whistleblowing measures (Whistleblower Policy) can report complaints or clues. Moreover, in order to ensure the complaint information will be kept confidential do not leak to unrelated parties, transparent operation can check and in accordance with the provisions of the law stipulated.

### 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](http://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 company provides channels of communication that are necessary for the operation to be sufficient and up to date, such as various policies, regulations work guide and important information in order for employees and executives to receive news and information up-to-date properly implemented.

## 5. Monitoring Activities

The company requires executives in every department to have a duty and responsibility to review the work of the department to be in accordance with the specified policy, including compliance with regulations and internal control systems. The management has held a follow-up meeting whole weekly and monthly regularly.



There is follow-up and monitor the important rule of compliance. The Compliance department has implemented and monitored the company to act correctly and sufficiently. The internal audit plans an annual audit plan by considering activities with risk as well as performing duties independently in terms of assurance and consulting, as well as providing suggestions and recommendations for improvement and development in accordance with the internal control system adequacy assessment form which has been considered by the management Audit Committee and the board of directors.

### **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. Pornanan 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 2019 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 Ms. Rattapawee Lapnan is a senior compliance officer of the rules and regulations to carry out the duties until, the nomination and appointment of the official further, qualifications of this position are as shown in the form of 2019 Annual Information Form (Form 56-1).





## Related Transactions

### 2019 Related Transactions

Interrelated transactions between the Company with subsidiaries and relevant people in 2019 made by new management. (Debt restructuring plan management and present management)

Name and Relations	Transactions	Transaction Value of 2019	Name and Relations
<u>SCR Asset Management Co., Ltd.</u> - Subsidiary - The Company hold the shares in SCR Asset Management Co., Ltd. representing 68 % of the Company's registered capital - Director (Mr. Jiramote Phahusutr and Mr. Somchai Sirilertpanich the Company's directors of SCR Asset Management Co., Ltd.	- Interest Receivable - Loans - Administrative Income - Administrative Income of Construction Management - Other Receivables - Retention Receivables	1.86 83.00 0.88 8.50 0.28 3.10	- During the year 2019, the company provided loans for the construction and real estate development for 2 project amount of Baht 83 million. The interest rate of MLR - 2.75 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 still having outstanding debt of Baht 83 million as of 31/12/2019. - The Company employs S C R Asset Management Co., Ltd. to manage the construction projects of both Project 1 and 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.
<u>PT Three Land Co., Ltd.</u> - Subsidiary - The Company hold the shares in PT Three Land Co., Ltd. representing 84.98% of the Company's registered capital - Director (Mr. Jiramote Phahusutr and Mr. Somchai Sirilertpanich the Company's director of PT 3 Land Co., Ltd.	- Interest Receivable - Other Receivables - Service Income	0.38 0.06 0.36	- During the year 2019, the company provided loans for the construction and real estate development to project "X2 Vibe Phuket Patong Center". It is cost of designing and assessing the environment before the project start in the amount of Baht 10 million with interest rate of MLR-2.75 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to Subsidiary) loan period of 2 years. Currently, the full amount has been paid during the year 2019.

Name and Relations	Transactions	Transaction Value of 2019	Name and Relations
<u>CSM Capital Partners Co., Ltd.</u> - Subsidiary - 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	1.22	- The Company have agreement with 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. The transaction considered as related transaction in normal business support types in general trading 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 2019, the company provided loans for the real estate development project "Eight Thonglor", with interest rate of MLR-2.75 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to Subsidiary) loan period of 2 years. During the year 2019, the company received a loan repayment of Baht 20 million and an additional Baht 5 million for loans, with a balance of 31 December 2019 amounting to 10 million baht.
	- Service income	7.37	
	- Administrative Expense	0.05	
	- Interest Receivable	0.51	
	- Short-term loans	10.00	
<u>JT 10 Co., Ltd.</u> - Subsidiary - 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	0.03	- During the year 2019, the company provided loans for the real estate development in the amount of Baht 5 million with interest rate of MLR-2.75 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to Subsidiary) loan period of 2 years.  - The Company has service agreement with JT 10 Co., Ltd to provide project consultant services, to coordinate with the project, preparing worksheet and various documents. The transaction considered as related transaction in normal business support types in general trading conditions.
	- Other Receivables	0.07	
	- Short-term loans	5.00	
	- Service income	0.36	

Name and Relations	Transactions	Transaction Value of 2019	Name and Relations
<u>AN 8 Co., Ltd</u> - Subsidiary - The Company hold the shares in AN8 Co., Ltd. representing 79.90% of the Company's registered capital - Director (Mr. Jiramote Phahusutr and Mr. Somchai Sirilertpanich the Company's director of AN8 Co., Ltd.	- Interest Receivable	0.04	- During the year 2019, the company provided loans for the real estate development in the amount of Baht 10.20 million with interest rate of MLR-2.75 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited offers to Subsidiary) loan period of 2 years. Currently, the full amount has been paid during the year 2019.
<u>Natural Ville Service Apartment and Management Co., Ltd.</u> - Subsidiary - 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 Phahusutr and Mr. Somchai Sirilertpanich the Company's director of Natural Ville Service Apartment and Management Co., Ltd.	- Administrative Fee - Other Receivables - Other creditors	26.88 16.46 16.08	- The Company employed Natural Ville Service Apartment and Management Co., Ltd. to manage serviced apartment. The transaction considered as related transaction in normal business support types in general trading conditions because the company compares management fees with other companies which the company has used the service. The management fee rate is close to the market rate which is in accordance with normal business practice.
<u>N &amp; 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	-Renting area building for office	2.78	- The Company have lease agreement to rent office space on 23 <sup>th</sup> Floor at 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 considered as related transaction in normal business support types in general trading conditions because The company have comparison pricing of rental office building in the same building and neighbor building. The average rental price elsewhere at 450 baht /sq.m which is higher than the average rental price of market.

Name and Relations	Transactions	Transaction Value of 2018	Name and Relations
<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	1.41  0.23	- The Company purchased from Tate Enterprise Co., Ltd. products used food and beverages to be used for meetings or banquets agenda. The transaction considered as related transaction in normal business support types in general trading conditions 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	9.20	- The Company purchased from Naraiphand Co., Ltd. products used as New Year gift and souvenir for other important occasions and festival. The transaction considered as related transaction in normal business support types in general trading conditions with credit term of 30 days in the same manner as other customers.
<u>N &amp; 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	0.71	- The Company purchased from N & J Hospitality Co., Ltd. products used food and beverages to be used for meetings or banquets agenda. The transaction considered as related transaction in normal business support types in general trading conditions 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 other customers.
<u>Safe series Co., Ltd.</u> - Related company - M.D.(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  - Retention payable for the guarantee	218.85  17.30  7.54	- 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. The transaction considered as related transaction in normal business support types in general trading 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 2019	Name and Relations
<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	16.07	- C S M Capital Partners Co. Ltd. hires Thonglor Management Co. , Ltd. to manage the serviced apartment The transaction considered as related transaction in normal business support types in general trading 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>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	129.49  7.79	- The Company and Subsidiary purchased Construction material from Chuaphaibul Steel Co., Ltd. and it is a part of the cost of building construction., The transaction considered as related transaction in normal business support types in general trading conditions because the Company compares the price of construction of material with other companies and found its prices is nearly similar to general trade.
<u>Rightman Corporation Co.,Ltd.</u> - 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  - Administrative fee  - Other creditors	0.58  6.58  0.02	- The Company made the lease agreement for office area, with monthly rental fee and other monthly service fee with the aim to be used as the Company's office building. The transaction considered as related transaction in normal business support types in general trading conditions. - The Company hires Rightman Corporation Co., Ltd. to manage the serviced apartment. The transaction considered as related transaction in normal business support types in general trading 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 2019	Name and Relations
<u>Rightman Restaurant Co., Ltd</u> - 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  - Administrative Fee  - Other Creditors  - Other Receivables	3.74  9.24  0.75  0.08	- The Company made the rental contract for office area with monthly rental fee and other monthly service fee. The objective is used for the Company's office building. And to provide food service. The transaction considered as related transaction in normal business support types in general trading conditions.  - The Company hires Rightman Restaurant Co., Ltd to provide food service to guests using the service. The transaction considered as related transaction in normal business support types in general trading 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>TRR property Co., Ltd</u> - 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 - Account Receivable	24.73  3.74  338.36  0.43	- The Company has construction agreement of TRR Building including the structural works, architecture and building systems. The transaction considered as related transaction in normal business support types in general trading conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.
Thai Roong Ruang Industry Co., Ltd - Related company - Director (Mr. Jiramote Phahusutr) 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	- Retention receivables for construction contracts - Account Receivable  - Advance received for construction  - Construction Revenue	23.50  73.91  6.49  387.35	- 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 The transaction considered as related transaction in normal business support types in general trading 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>Security consultant fee</u> -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	3.60	The company have safety security consulting system agreement, marketing, purchase and procurement. The objective of advising on the security system, marketing and procurement for the management of the company. The transaction considered as related transaction in normal business support types in general trading conditions. The Company compared the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.
<u>Land Rental</u> - Mr.Sukhum Phahusutr - Mr.Jiramote Phahusutr - Ms.Nichaya Phahusutr - Ms.Sujit Mungkongcharoen	- Land Rental	0.01 0.01 0.01 0.01	The Company has land lease agreement with a party or related business for renting land. The area was 3 rai 25 square wah. It is located at Chieng rak noi sub district, Bangsai District, Ayutthaya for the tenant to use the premises to carry out the equipment materials. The rental rate of 24,000 baht per month, period of 3 years renting from 1 July 2019 to 31 July 2021. Currently, the company has canceled the lease agreement during the year 2019.

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 fairly according to the market price and in accordance with normal trading business. The same price as a transaction made to a third party in which the company considered and approved various items Same as in the case of general customers.

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 (MD&A)

The operation results as described in the consolidate and separate financial statements of 2019 showed net profit for the amount of Baht 247.26 million the same period of 2018 showed net profit for the amount of Baht 590.84 million. This indicated that the profit decreased for Baht 343.58 million or 58.15 %. 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. In 2019, there were 31 suspending projects amounting to approximately 19,778 million baht. The total value of balance of work was equal to Baht 8,391 million. During 2019, 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 2019. Company has started construction of new project. There are 13 new projects as follows:

- Residential	6 projects	Value 2,925 million baht
- Hospital	3 projects	Value 1,831 million baht
- Commercial	2 projects	Value 462 million baht
- Retail	1 projects	Value 307 million baht
- Industrial	1 projects	Value 100 million baht
Total		13 projects Value 5,625 million baht

The revenue from construction was increased of Baht 1,132.25 million or 16.68%. It was Baht 7,921.61 million in 2019 while it was Baht 6,789.35 million in 2018. The Company having a construction project that started the project and is in the process of laying the foundation of the project in 2019 for 13 projects. The projects that generated main revenue are residential project, institutional project, commercial project, retail project and industrial project or 52.00%, 32.55%, 8.21%, 5.46% and 1.78%, respectively.

The revenue from service was increased of Baht 41.65 million or 9.92%, in 2019 it was Baht 461.41 million, in 2018 it was Baht 419.76 million. The main increase in revenue was from the increase of CSM Capital Partners Co., Ltd.(subsidiary). The increase of room service after the room renovation has been completed since the end of the year 2018. The second part, increased revenue from SCR Asset Management Co., Ltd (subsidiary) as a result of opening a new hotel service (Somerset Harbor View)

The 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 63.28 %.

The ratio of construction cost against construction revenue increased when compared with that of 2019 at 88.68% of 2018 at 84.80 % or 3.87 % 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 2019, such ratio was at 79.37% while in 2018 it was at 65.77% or increase of 13.60% because the company has gradually opened the area from renovating the service floor at CSM Capital Partners Co., Ltd. (subsidiary) and SCR Asset Management Co., Ltd (subsidiary) The opening of the said service area and the opening of a new hotel is the reason that the ratio of service costs to service income has increased. Nevertheless, the company has a good plan regarding cost management. 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 2019 amounted to Baht 543.82 million while in the same period of the year 2018 amounted to Baht 519.32 million, an increase of Baht 24.50 Million, representing an increase of 4.72 %. This is an increase in administrative expenses in the separate financial statements which increased by Baht 26.84 million. The main increased expenses were personnel expenses. However, if comparing the ratio of administrative expenses to total revenue in the financial statements decreasing in 2019, such proportion was 6.35%. For the year 2018, the proportion was 6.99% or decreased by 0.64 %.

### **Performance from Statements of comprehensive income – Consolidated financial statement Revenue**

Financial Statements for the year 2019 showed a total profit Baht 247.26 million. At the same period in 2018, it showed a total profit Baht 590.84 million, a decreased of 343.58 million baht or decreased at 58.15% by the reasons of changes are as follows:

- Revenue from construction increased, for the year 2019 was Baht 7,921.61 million, for the year 2018 was Baht 6,789.35 million, increased of 1,132.26 million baht or 16.68%, which can classify income from product lines by different types of construction as follows:

- ☐ Revenue from direct contractor for residential buildings, for the year 2019 was Baht 4,351.02 million, decreased of 408.57 million baht or 8.58 % from 2018, and decreased of Baht 1,381.81 million or 22.50 % when comparing to 2017 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, for the year 2019 was Baht 1,002.08 million, increased of Baht 287.09 million or 40.15 %, since there are 2 new construction projects started during the year 2019.
- ☐ Revenue from the direct contractor for hotel and resort for the year 2019. There is no additional project but it is a continuous income from the work in 2017 and 2018 was Baht 303.44 million, decreased of Baht 51.52 million or 14.47% from 2018, was Baht 354.76 million or decreased of Baht 525.69 million or 59.17% from 2017. Since 2018, has received a new construction project and started operation during 2018 and continuously in 2019.
- ☐ Revenue from the direct contractor for Retail/Super Market/Shopping mall from 2019 was Baht 548.75 million, decreased of Baht 33.26 million or 5.71 %, from 2018 was Baht 582.01 million and decreased of Baht 138.29 million or 31.17% from 2017 was Baht 443.72 million. As the company received the successful bidding and started construction of

the new project in 2018 and continued the construction until 2019 and received 1 additional construction project in 2019.

- Revenue from the direct contractor for Hospital from 2019 was Baht 742.19 million or increase of 100%. As the company received the successful bidding for the project and started the construction of 3 new projects in 2019.
- Revenue from the direct contractor for Institutional from 2019. There are no additional projects but income from ongoing work in the year 2018 of Baht 595.28 million, increasing Baht 384.86 million or 182.90%, from 2018 of Baht 210.42 million due to the company undertaking institutional projects during the year 2018 and completed construction during the year 2019.
- Revenue from the direct contractor for Industrial from 2019 of Baht 378.85 million, increased of Baht 211.27 million or 126.07, from 2018 of Baht 167.58 million, increase of 100% of 2017. As the company received the successful bidding and started construction of the new project in 2018 and continued the construction until 2019 and received 1 additional construction project in 2019.

The overall revenue structure is summarized as follows:

Unit: Million Baht

Products Line / Business Group	2019		2018		2017	
	Value	%	Value	%	Value	%
<b>Revenue from direct contractor</b>						
- Residential Buildings	4,351.02	50.82	4,759.59	64.07	6,141.40	67.07
- Office / Commercial Buildings	1,002.08	11.70	714.99	9.63	492.00	5.37
- Institutional	595.28	6.95	210.42	2.83	-	-
- Leisure	303.44	3.54	354.76	4.78	880.45	9.62
- Infrastructure	-	-	-	-	717.76	7.84
-Industrial	378.85	4.42	167.58	2.25	-	-
- Hospital	742.19	8.67	-	-	-	-
-Department store/Supermarket/Shopping Mall	548.75	6.42	582.01	7.84	443.72	4.85
<b>Total Construction Revenue</b>	<b>7,921.61</b>	<b>92.52</b>	<b>6,789.35</b>	<b>91.40</b>	<b>8,675.33</b>	<b>94.74</b>
Revenue from room rental services	461.41	5.39	419.76	5.65	389.26	4.25
Interest Income	18.89	0.22	3.61	0.05	6.42	0.07
Compensation	-	-	-	-	-	-
Reversal of estimate allowance for litigation cases	20.81	0.24	-	-	-	-
Gain on disposal and write off of assets	9.64	0.11	141.47	1.90	8.37	0.09
Other Revenues	129.87	1.52	74.11	1.00	77.31	0.84
<b>Total Revenue</b>	<b>8,562.23</b>	<b>100.00</b>	<b>7,428.31</b>	<b>100.00</b>	<b>9,156.69</b>	<b>100.00</b>

The company had net income (as consolidated financial statement) in 2019 for Baht 8,562.23 million t, in 2018 it was Baht 7,428.31 million, increased of Baht 1,133.92 million or 15.26%. The main income is income from being a direct contractor in amount Baht 7,921.61 million or 92.52% of total revenue which income from construction of residential, office and commercial, hospital, institutional, shopping mall, industrial, leisure respectively.

## Revenue from room service

The Company had revenues from room service with Baht 461.41 million in 2019 and Baht 419.76 million in 2018, increase of Baht 41.65 million or 9.92%. The main increase in revenue was from 2 main parts: 1) First part from CSM Capital Partners Co., Ltd.(subsidiary) opened more areas in early 2019 after the area was renovated. 2)The second part is revenue increased from SCR Asset Management Company Limited (subsidiary) as a result of the opening of a new hotel. (Somerset Harbor View). The increase in the above income is in accordance with the company's policy to expand operations into other related businesses in a way that expands forward and use the strategy of investing in real estate with potential. The location is also in the business area and has both Thai and foreign customers. Therefore, be able to conduct business and generate revenue for the company immediately.

CSM Capital Partners Co., Ltd.(subsidiary) bought Eight Thonglor Residence project on April 28, 2017 which is service apartment building with fully facilities in the middle of city and 148 guest rooms. It is located at Soi Sukhumvit 55 (Thonglor) Sukhumvit Road, Klongton, Prakanong Bangkok. The revenue from renting service apartment for 2019 was Baht 281.68 million, increased of Baht 34.51 million or 13.96% or equal to 61.04% of service income in the consolidated financial statements and in 2019, the occupancy rate of service apartment was at 79.24%.

SCR Asset Manangement Co.,Ltd (subsidiary)

□ Project 1 – Citadine Grand Central Sriracha 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 in year 2019, it generated the income of room service at Baht 56.88 million, decreased of Baht 1.46 million or 2.51% from 2017 of Baht 58.34 million or equal to 12.33 of service income in the consolidate financial statements. In 2019, the occupancy rate of service apartment was at 82.64%.

□ Project 2 – Sommerset Harbour View Sriracha has been officially started in March 2019 as the serviced apartment with full facilities for 176 rooms, it is located in Sriracha District, Chon Buri Province and in 2019, it generated the income of room service at Baht 19.33 million or equal to 4.19 %of service income in the consolidate financial statements. In 2019, the occupancy rate of service apartment was at 19.00%.

□ 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 in year 19, it generated the income of room service at Baht 103.58 million, decrease of 10.67 million baht or 9.34% from 2018, Baht 114.25 Million or equal to 22.45% of service revenue in consolidated financial statement. In 2019, the occupancy rate of service apartment was at 72.24%.

PT3 Land Co., Ltd. (a subsidiary) during the year 2019, 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.

JT 10 Co., Ltd. (a subsidiary) during the year 2019, the company provided loans for deposit for the lease of land used in real estate development. This project is located in Soi Na Chom Thian 10 Banglamung, Na Chom Thian Sub-district Chonburi province, 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.

### **Gain from selling and disposing of assets**

Gain on sales and write-off of assets amounted to Baht 9.64 million, an decrease of Baht 131.83 million from 2017, because during the year 2018 the parent company sold the investment property as a land resulting in a profit from decreasing sales and disposing of assets compared in 2018.



### **Reversal of estimated allowance for litigation cases**

The list of reversal of estimated allowance for litigation cases for the company in 2019 at Baht 20.81 million, increased of 100% since the court has the final verdict, as the Company has to pay less from the said case than the company estimated. Therefore, the reversal has to be reversed as revenue from reversal of the provision for lawsuits in the financial statements.

### **Interest Income**

The Interest generated income for the Company in 2019 at Baht 18.89 million , increased of 15.28 Baht million , while in 2018 it generated at Baht 3.61 million or equal to 423.87%. The company received interest from winning the lawsuit with Sino Thai Engineering and Construction Public Company Limited according to the judgment in the amount of Baht 12.92 million on 31 October 2019.

### **Cost of Construction**

Cost of construction per revenue fell by the year 2019 with a rate of 88.68 %, for the year 2018 with a rate of 84.80 % or a increasing rate of 3.87 %. The important cost included the construction materials, labor, wages, outsourcing including depreciation of machinery. The main cost of construction will vary with the increased revenue. However, the increasing ratio has a rate that is close to the year 2018 and the company has a plan to control the price of construction materials used in the construction mentioned above. The new technology has been utilized to increase the working efficiency 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. In 2019, the proportion of the cost of labor increases is the result of the wage of the company which is in accordance with the labor law that has to be increased every year. The company has a plan to control labor costs in the budget because labor cost is the main factor that is a variable for the project to receive profits or losses. The company is quite careful in planning and controlling expenses in this area very much. The Company still attentively emphasizes the quality of living for labors and plans to continually develop the capability and quality of living. (see details of labor capability development shown in Section 3: Risk factors).



### **Cost of Room Service**



The Company had capital from apartment service in 2019 for Baht 366.22 million, increasing from 2018 to Baht 276.10 million or increased of Baht 90.13 million or 32.64 %. Mostly, it was the cost of service for 2 part; 1) Eight Thonglor Project which was bought of ownership by CSM Capital Partners Co., Ltd. (subsidiary) which has increased costs from opening more space in the beginning of 2019 after closing the area to renovate the rooms. 2)The increased costs from SCR Asset Management Co, Ltd. (subsidiary) as a result of the opening of a new hotel (Summerset Harbor view Sriracha).

### Administrative expenses

Expenditure for management in 2019 was Baht 543.82 million and in 2018, it was Baht 519.32 million, increasing Baht 24.50 million or increase of 4.72% which is an increase of administrative expenses for the company, increased of Baht 26.84 million. There increasing were expense of personnel and 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 2019, 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 2019 were Baht 132.61 million, increasing from the same period of the year 2018 from Baht 17.74 million, increased of Baht 114.87 million or 647.46%. The main reason for the increase is an adjustment to the allowance for doubtful accounts in order to support the change in financial reporting standard no. 9 regarding financial instruments. The company therefore has a policy to set up an allowance for doubtful accounts in order to comply with the accounting standards that will be effective in 2020. Other expenses are bad debts and doubtful debt expense and estimate loss from liabilities from lawsuits.

### Income taxes

Income tax expense in 2019 was Baht 131.17 million, in 2018 of Baht 164.91 million or decreased of Baht 33.74 million or 20.46% which to compare the ratios of profitability in the form as follows:

Gross Profit Margin (%) Operating Profit Margin (%)	Consolidated FS			Separated FS		
	2019	2018	2017	2019	2018	2017
Net Profit Margin (%)	13.76%	16.31%	19.80%	11.40%	15.22%	19.24%
Gross Profit Margin (%)	5.18%	10.48%	13.93%	6.25%	11.98%	15.05%
Operating Profit Margin (%)	3.26%	7.95%	10.76%	4.53%	9.32%	11.82%

### 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 2019, it was 10,248 million baht decreasing from the same period in 2018 for Baht 46.66 million or 0.45%, causing from the change of assets items as follows:

The current asset was decreased Baht 252.29 million or 5.08 % with main reasons from

- The trade receivables decrease, the decrease of the company's trade receivables is a decrease according to the normal trade of the company. The company has the ability to receive payment faster than scheduled. In addition, the decrease in trade receivables is a result of the progress of the construction project to the completion of the work as specified in the contract

near the end of the year and receive payment within the year which is why the trade accounts receivable decreased when compared to the previous year.

- Other current receivables decreased as a result of other receivables of the parent company. In 2018, the company has paid the formwork which is used in construction on behalf of the subcontractor and recorded as other receivables. It is due for the payment of the subcontractor's work; the said item is deducted from the installment payment paid to the subcontractor.
- Retention receivables for construction work contracts increased due to being received from performance guarantees. The company receives payment from customers and the debtor, it will be due to the company received money from deduction during the year 2019 in the amount of Baht 130.27 million as shown in the statement of financial position.
- The value of unbilled construction in progress has been increased due to the progress of the construction progress which in the process of waiting for approval from the project consultant and employer. Nevertheless, once the project advisor and the employer have approved the successful stage, the company will continue to issue invoices from the employer.
- Advance payment to subcontractors increased as a result of planning for the construction cost control which is a deposit for the steel used for construction. The company has departments responsible for appraising prices of steel and other construction materials according to economic conditions, market prices, and the evaluation of the said material price trends. Price estimation of steel and other materials will be considered together with the construction plan and the amount of construction needed for the next 1 year in order to control the construction cost in accordance with the plan.

Non – Current Assets increased Baht 205.63 million or 3.46% with the main reason from:

- Available-for-sale investments increased by Baht 90.21 million or 12.37% 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 decreased Baht 19.38 million or decreased of 99.02%. As a result of the above long-term investments in fixed deposits due during the year 2019.
- Retention receivables for contractual work in non-current construction increased due to deductions when receiving payment from customers in accordance with the construction contract. However, the increase in the retention of the work under the construction contract is not in line with the increased income during the year 2019.
- Leasehold rights increased by Baht 70.76 million or increase of 18.48% as a result of the subsidiary, PT Three Land Co., Ltd., entered into a lease agreement for the right to construct a new hotel in Phuket with a contract 30 years lease right.
- The withholding tax increased as a result of the parent company and its subsidiaries requesting a tax refund and in the process of reviewing the documents to refund the income tax of the entire group.



## **Total liabilities and shareholders' equity**

### **Total liabilities**

The company had total liability in 2019 for Baht 4,008.11 Million decreasing from 2018 as the amount of Baht 222.04 Million or 5.25 % with following main transactions:

Current liabilities increased by Baht 16.31 million or comprising 0.63% with the main reason from:

- Bank overdrafts and short-term loans from financial institutions decreased by Baht 100.04 million or decrease of 100% as a result of bills of exchange issued by a customer and sold at a discount to a financial institution due in during the year 2019.
- Long-term loans due in 1 year increased Baht 629.71 million baht or 582.05% as a result of loans from financial institutions of CSM Capital Co., Ltd (subsidiary), credit line 2, in the amount of Baht 541.81 million, is due to pay full amount during the year 2019.
- The long-term loans that creditors are able to immediately return back reduced by Baht 497.48 million baht or equal to 100% as a result of SCR Asset Management Co., Ltd ( subsidiary) received a document from exemption from maintaining financial ratios from the bank for the year 2019, resulting in SCR Company Asset Management Co., Ltd. (subsidiary) classifies loans in accordance with normal loan agreements.

Non-current liabilities decreased by Baht 238.35 million or comprising 14.64 % with main reasons from:

- Long-term loans decreased Baht 250.70 million or decrease of 18.83 % as a result the loan classification of CS Capital Partners Co., Ltd from long-term loans is due for repayment in one year as previously described.
- Employee benefit liabilities increased by Baht 45.07 million or increase of 26.75% as a result of the change in the number of days used as a basis for calculating employee benefits in accordance with the labor law from the 300-day calculation base to 400 days, therefore employee benefit liabilities were increased.

Furthermore, the Company maintains Debt to Equity Ratio as of 31 December 2019 equal to 0.66: 1 time which was not over the specified standard of 2.5: 1 time.

### **Shareholders' equity**

Shareholder's equity in 2019 as Baht 6,240.05 Million, increasing from the same period in 2018 as a mount of Baht 175.38 Million or 2.89 %. It was an increase or decrease in the main components such as following;

- Profit from the operation in 2019 was Baht 247.26 Million.
- Non-controlling interests increased by Baht 34.15 million or increase of 6.05%.
  - Other components of equity increased Baht by 72.16 million or increase of 17.78% as a result of higher prices of securities held for sale compared to last year.

## Liquidity

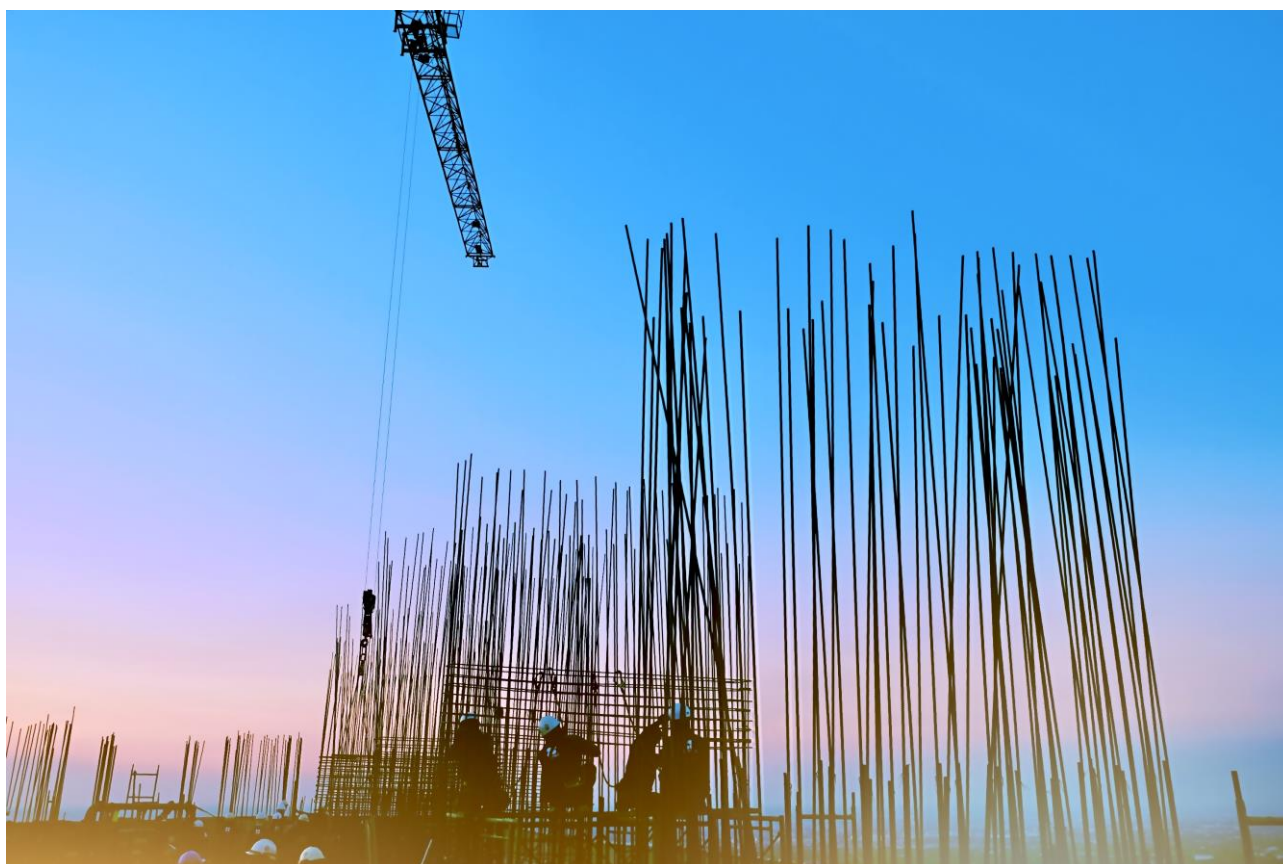
Overview of Operations in cash and cash equivalents of the year 2019 of Baht 926.50 Million, increasing from the year 2018 was Baht 756.46 Million or increase of 22.48%. The increased was from the operation performance during 2019 which the liquidity ratio can be compared in a variety of following formats:

Liquidity Raito (Unit: times)	Consolidated FS			Separated FS		
	2019	2018	2017	2019	2018	2017
Liquidity Ratio (times)	1.56	2.23	1.84	2.18	2.23	1.84
Quick Liquidity Ratio (times)	0.93	1.54	1.30	1.23	1.54	1.30

### 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 Comany's effective cost management sytem 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 2019 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 REPORTING**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**AND REPORT OF INDEPENDENT'S AUDITOR**

## **Independent Auditor's Report**

To the Board of Directors 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, which comprise the consolidated and separate statements of financial position as at December 31, 2019, 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 as at December 31, 2019, 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. I have determined the following matters to be investigated in order to communicate in my reports.

## **Recognition of revenue from construction**

### **Risk**

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 2019, the Group and the Company had contract revenues amounted to Baht 7,921.61 million and Baht 7,930.10 million (accounting for 93 percent and 97 percent, respectively of total revenues), contract costs amounted to Baht 7,024.56 million and Baht 7,027.76 million (accounting for 86 percent and 91 percent, respectively of total expenses), unbilled construction in progress amounted to Baht 917.09 million and Baht 917.09 million (net amount was 9 percent and 11 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 10.25 million and Baht 10.25 million (accounting for 0.26 percent and 0.49 percent, respectively of total liabilities). 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.

### **Audit Responses**

- Understand the process of construction contracting, hiring subcontractors about a detail 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:

- 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;
- Analyze and compare the stage of completion of the project from the actual construction cost and the estimated stage of completion. By the company's project engineers and client project consultants.
- Test the accuracy of purchasing construction materials, payment of labor 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
- Review the adequacy of disclosures in note to the financial statements

#### **Allowance for doubtful accounts**

##### **Risk**

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 December 31, 2019, the Group and the Company had those receivables totaling Baht 2,770.09 million and Baht 2,760.74 million, respectively, and allowance for doubtful accounts totaling Baht 166.19 million and Baht 163.28 million, respectively. (net amount was 25 percent and 33 percent of total assets, respectively)

Therefore, I pay particular attention to the adequacy of allowance for doubtful accounts of those receivables.

##### **Audit Responses**

- 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:

- 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 adequacy of disclosures in note to financial statements.

#### **Other matters**

The consolidated and separate statements of financial position for the year ended December 31, 2018, of Syntec Construction Company Limited and its subsidiaries, presented herewith for comparative purpose only, were audited by another auditor whose report dated on February 28, 2019, expressed an unqualified opinion on those financial statements the consolidated and separate.

#### **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**

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**

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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jadesada Hungsapruerk.

Mr. Jadesada Hungsapruerk

Certified Public Accountant Registration No. 3759

Karin Audit Company Limited

February 27, 2020



## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

(Unit : Baht)

	Notes	Consolidated			Separate	
		December 31, 2019	December 31, 2018	January 1, 2018	December 31, 2019	December 31, 2018
			"Restated"	"Restated"		
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents		926,504,515	756,455,476	436,374,051	743,394,541	674,797,266
Current investments	6	609,221,887	992,267,189	1,545,667,693	608,366,149	991,425,263
Trade accounts receivable	5,7	894,476,638	1,282,680,203	1,039,258,200	884,927,204	1,277,118,194
Other current receivables	5,8	106,979,903	124,342,457	66,904,623	70,432,576	94,166,102
Current retention receivables						
under construction contracts	9	130,268,705	114,230,589	126,013,524	130,268,705	114,230,589
Unbilled construction in progress	5, 10	917,085,566	730,136,325	806,735,574	917,085,566	730,136,325
Short-term loans	5	-	-	-	98,000,000	35,000,000
Inventories	11	133,581,989	140,471,998	115,716,631	132,842,589	139,361,809
Advance payments to subcontractors		379,127,229	208,952,514	125,137,171	379,127,229	208,952,514
<b>TOTAL CURRENT ASSETS</b>		<b>4,097,246,432</b>	<b>4,349,536,751</b>	<b>4,261,807,467</b>	<b>3,964,444,559</b>	<b>4,265,188,062</b>
<b>NON-CURRENT ASSETS</b>						
Available-for-sale investments	5	819,368,282	729,162,599	578,819,795	819,368,282	729,162,599
Investments in associate	12	130,360	187,053	235,417	-	-
Investment in subsidiaries	13	-	-	-	1,402,689,700	1,155,743,500
Other long-term investments		191,715	19,573,219	186,724	191,715	19,573,219
Non-current retention receivables						
under construction contracts	9	662,073,826	506,972,751	437,685,328	665,174,217	509,454,000
Investment properties	15	545,184,111	564,491,326	741,571,280	3,042,895	3,318,874
Property, plant and equipment	16	3,465,875,976	3,595,854,082	3,398,675,099	688,189,380	757,636,201
Leasehold right	17	453,704,620	382,946,321	309,979,465	269,672,196	289,825,831
Intangible assets	18	5,078,778	9,756,369	10,337,554	4,553,863	7,981,087
Withholding tax		124,127,559	34,205,746	41,874,310	114,381,993	24,092,947
Pledged deposit at bank		52,800,778	86,213,747	133,995,338	32,799,750	66,212,727
Other non-current assets		22,372,913	15,919,221	15,786,151	10,985,312	9,423,190
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,150,908,918</b>	<b>5,945,282,434</b>	<b>5,669,146,461</b>	<b>4,011,049,303</b>	<b>3,572,424,175</b>
<b>TOTAL ASSETS</b>		<b>10,248,155,350</b>	<b>10,294,819,185</b>	<b>9,930,953,928</b>	<b>7,975,493,862</b>	<b>7,837,612,237</b>

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

(Unit : Baht)

		Consolidated			Separate	
		December 31, 2019	December 31, 2018	January 1, 2018	December 31, 2019	December 31, 2018
		Notes	"Restated"	"Restated"		
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Bank overdrafts and short-term loans						
from financial institutions	19	-	100,040,341	100,501,702	-	99,140,187
Trade accounts payables	5,20	392,562,786	416,615,656	293,999,896	378,125,960	406,893,153
Other current payables	5,21	350,026,429	352,940,418	848,778,382	321,197,389	297,454,735
Current portion of long-term loans	23	737,900,514	108,189,353	119,600,000	-	-
Current provisions for employee benefits	25	6,620,914	-	-	6,532,749	-
Current portion of creditors under						
rehabilitation plan		-	-	25,216,606	-	-
Long-term in default	23	-	497,481,936	-	-	-
Advances received from customers						
under construction contracts	5, 10	635,438,055	650,029,888	615,358,276	635,438,055	650,029,888
Retention payables from subcontractors	5, 22	345,196,241	319,025,896	310,242,930	345,196,241	319,025,896
Undue value added tax		118,046,455	123,070,616	115,646,378	118,046,455	123,070,616
Current income tax payable		-	621,936	10,576,125	-	-
Other current provisions	26	10,254,642	8,023,917	22,969,122	10,254,642	8,023,917
Other current liabilities		22,699,781	26,394,484	27,777,433	7,308,039	7,498,851
TOTAL CURRENT LIABILITIES		2,618,745,817	2,602,434,441	2,490,666,850	1,822,099,530	1,911,137,243
NON-CURRENT LIABILITIES						
Long-term loans	23	1,080,703,706	1,331,402,022	1,604,958,301	-	-
Deferred tax liabilities	24	44,214,777	49,084,647	35,468,786	44,214,777	49,084,647
Non-current provisions for						
employee benefits	25	213,537,697	168,465,337	162,954,341	207,406,898	163,782,879
Other non-current provisions	26	28,209,958	58,465,404	54,743,552	28,209,958	58,465,404
Deposit from customers		22,696,978	20,296,669	18,452,712	-	-
TOTAL NON-CURRENT LIABILITIES		1,389,363,116	1,627,714,079	1,876,577,692	279,831,633	271,332,930
TOTAL LIABILITIES		4,008,108,933	4,230,148,520	4,367,244,542	2,101,931,163	2,182,470,173

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

(Unit : Baht)

	Notes	Consolidated			Separate	
		December 31, 2019	December 31, 2018	January 1, 2018	December 31, 2019	December 31, 2018
			"Restated"	"Restated"		
<b>LIABILITIES AND EQUITY</b>						
<b>SHAREHOLDER'S EQUITY</b>						
Share capital						
Authorized share capital		1,600,000,000	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	1,600,000,000
Treasury shares	28	(22,899,616)	(4,767,321)	-	(22,899,616)	(4,767,321)
Share premium						
Share premium on ordinary shares		23,744	23,744	23,744	23,744	23,744
Discount from changes in the ownership						
interests in subsidiary		(6,869,861)	(6,869,861)	(6,869,861)	-	-
Retained earnings						
Appropriated						
Legal reserve	27	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Treasury shares reserve	28	22,899,616	4,767,321	-	22,899,616	4,767,321
Unappropriated		3,409,801,632	3,340,740,550	2,984,005,581	3,635,442,421	3,489,186,330
Other components of shareholders' equity		478,096,534	405,931,990	285,657,747	478,096,534	405,931,990
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS</b>						
OF THE PARENT		5,641,052,049	5,499,826,423	5,022,817,211	5,873,562,699	5,655,142,064
Non-controlling interests	14	598,994,368	564,844,242	540,892,175	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>6,240,046,417</b>	<b>6,064,670,665</b>	<b>5,563,709,386</b>	<b>5,873,562,699</b>	<b>5,655,142,064</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
		<b>10,248,155,350</b>	<b>10,294,819,185</b>	<b>9,930,953,928</b>	<b>7,975,493,862</b>	<b>7,837,612,237</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

		(Unit : Baht)			
		Consolidated		Separate	
Notes		2019	2018	2019	2018
<b>Revenues</b>					
		7,921,605,725	6,789,351,236	7,930,104,617	6,815,680,593
		461,412,785	419,764,912	103,577,027	114,249,212
		9,640,536	141,474,899	13,202,985	146,684,876
		20,812,858	-	20,812,858	-
		18,888,406	3,605,558	21,431,334	4,793,905
		129,868,960	74,111,634	114,508,908	77,266,369
		<b>8,562,229,270</b>	<b>7,428,308,239</b>	<b>8,203,637,729</b>	<b>7,158,674,955</b>
<b>Expenses</b>					
		7,024,562,552	5,757,493,293	7,027,756,343	5,783,822,650
		366,223,303	276,096,283	90,295,981	91,302,401
		41,312,159	32,672,595	19,882,736	19,957,936
		543,821,287	519,324,600	439,261,376	412,418,611
		132,614,534	17,741,931	124,709,622	17,710,931
		75,210,221	69,183,595	8,148	2,974,206
		<b>8,183,744,056</b>	<b>6,672,512,297</b>	<b>7,701,914,206</b>	<b>6,328,186,735</b>
	12	(56,693)	(48,364)	-	-
		378,428,521	755,747,578	501,723,523	830,488,220
	32	131,165,745	164,907,091	130,362,064	163,559,845
		<b>247,262,776</b>	<b>590,840,487</b>	<b>371,361,459</b>	<b>666,928,375</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified</b>					
<b>subsequently to profit or loss :-</b>					
	5	90,205,680	150,342,804	90,205,680	150,342,804
	32	(18,041,136)	(30,068,561)	(18,041,136)	(30,068,561)
<b>Total items that will be reclassified</b>					
		<b>72,164,544</b>	<b>120,274,243</b>	<b>72,164,544</b>	<b>120,274,243</b>



SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

		(Unit : Baht)			
		Consolidated		Separate	
Notes		2019	2018	2019	2018
<b>Items that will not be reclassified</b>					
<b>subsequently to profit or loss :-</b>					
Gains on remeasurements of defined benefit plans	25	-	13,801,922	-	12,541,260
Income tax relating to item will not be reclassified					
subsequently to profit or loss	32	-	(2,508,252)	-	(2,508,252)
<b>Total items that will not be reclassified</b>					
<b>subsequently to profit or loss</b>					
		-	11,293,670	-	10,033,008
<b>Other comprehensive income for the period, net of tax</b>		<b>72,164,544</b>	<b>131,567,913</b>	<b>72,164,544</b>	<b>130,307,251</b>
<b>Total comprehensive income for the period</b>		<b>319,427,320</b>	<b>722,408,400</b>	<b>443,526,003</b>	<b>797,235,626</b>
<b>Profit (loss) attributable to :-</b>					
Owners of the parent		294,166,450	622,208,620	371,361,459	666,928,375
Non - controlling interests	14	(46,903,674)	(31,368,133)	-	-
<b>Profit for the period</b>		<b>247,262,776</b>	<b>590,840,487</b>	<b>371,361,459</b>	<b>666,928,375</b>
<b>Total comprehensive income (loss) attributable to :-</b>					
Owners of the parent		366,330,994	753,776,533	443,526,003	797,235,626
Non - controlling interests	14	(46,903,674)	(31,368,133)	-	-
<b>Total comprehensive income for the period</b>		<b>319,427,320</b>	<b>722,408,400</b>	<b>443,526,003</b>	<b>797,235,626</b>
<b>Earnings per share</b>					
Basic (in Baht)	33	<b>0.18</b>	<b>0.39</b>	<b>0.23</b>	<b>0.42</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

Consolidated												
Equity attributable to owners of the parent												
Retained earnings												
Appropriated												
Other components												
Total equity												
attributable to												
Non												
Controlling												
Total												
shareholders' equity												
Notes	Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Discount from changes in the ownership interests in subsidiary	Legal reserve	Treasury shares reserve	Unappropriated	Available-for-sale investments	of shareholders' equity	owners of the parent	interests	

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 DECEMBER 31, 2019

(Unit : Baht)

	Notes	Separate						
		Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity Available-for-sale investments	Total shareholders' equity
					Legal reserve	Treasury shares		
						reserve	Unappropriated	
<b>Balance as at January 1, 2018</b>		1,600,000,000	-	23,744	160,000,000	-	3,088,992,268	5,134,673,759
Treasury shares purchased		-	(4,767,321)	-	-	-	-	(4,767,321)
Dividends to owner of the company	34	-	-	-	-	-	(272,000,000)	(272,000,000)
Total comprehensive income (expense)								
for the year		-	-	-	-	-	676,961,383	797,235,626
Transfer to treasury shares reserve		-	-	-	-	4,767,321	(4,767,321)	-
<b>Ending balance as at December 31, 2018</b>		<u>1,600,000,000</u>	<u>(4,767,321)</u>	<u>23,744</u>	<u>160,000,000</u>	<u>4,767,321</u>	<u>3,489,186,330</u>	<u>5,655,142,064</u>
<b>Balance as at January 1, 2019</b>		1,600,000,000	(4,767,321)	23,744	160,000,000	4,767,321	3,489,186,330	5,655,142,064
Treasury stock reserve		-	(18,132,295)	-	-	-	-	(18,132,295)
Dividends to owner of the company	34	-	-	-	-	-	(206,973,073)	(206,973,073)
Total comprehensive income (expense)								
for the year		-	-	-	-	-	371,361,459	443,526,003
Allocation of treasury stock reserve		-	-	-	-	18,132,295	(18,132,295)	-
<b>Ending balance as at December 31, 2019</b>		<u>1,600,000,000</u>	<u>(22,899,616)</u>	<u>23,744</u>	<u>160,000,000</u>	<u>22,899,616</u>	<u>3,635,442,421</u>	<u>5,873,562,699</u>

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 DECEMBER 31, 2019

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit for the year	247,262,776	590,840,487	371,361,459	666,928,375
Adjustments to reconcile profit to cash receipts (payments)				
Reversal of allowance for doubtful accounts	(217,184)	(4,280)	(217,184)	(4,280)
Doubtful debts expense	131,175,608	6,058,978	123,270,696	6,058,978
Bad Debt expense	-	75,713	-	44,712
Reversal of allowance for devaluation				
of inventories	-	(844,084)	-	(844,084)
Depreciation and amortization	363,275,564	336,571,801	194,434,382	219,919,948
Reversal of creditors under rehabilitation plan	-	(25,216,606)	-	(25,216,606)
Interest income	(18,888,406)	(3,605,558)	(21,431,334)	(4,793,905)
Interest expense	75,210,221	69,183,595	8,148	2,974,206
Loss on write-off withholding tax paid	629,013	1,746,401	-	984,445
Unrealized gains from changes in fair value				
of current investments	(8,684,786)	(9,773,263)	(8,670,974)	(9,762,895)
Gain on disposal and write off of equipment	(9,640,536)	(141,474,899)	(13,202,985)	(146,684,876)
Share of loss of associate	56,693	48,364	-	-
Estimated costs of rectification in the period				
of guarantee work (reversal)	16,188,719	2,356,746	16,188,719	2,356,746
Reversal of provision for losses on litigation	(19,156,747)	11,611,521	(19,156,747)	11,611,521
Provision for employee benefit	57,492,836	22,726,598	55,638,989	21,030,159
Tax expense	131,165,745	164,907,091	130,362,064	163,559,845
	965,869,516	1,025,208,605	828,585,233	908,162,289
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivables	268,646,403	(249,367,390)	275,538,741	(240,453,836)
Other current receivables	16,703,788	(60,072,920)	23,358,617	(33,931,387)
Retention receivable under construction contract	(172,371,611)	(57,504,488)	(172,990,753)	(59,293,224)
Unbilled construction in progress	(192,118,083)	76,454,657	(192,118,083)	76,454,657
Inventories	6,890,008	(23,911,283)	6,519,220	(23,723,402)
Advance payments to subcontractors	(170,174,715)	(83,815,343)	(170,174,715)	(83,815,343)
Other non-current assets	(11,453,692)	(133,070)	(1,562,120)	867,985
Trade accounts payables	(24,052,871)	122,615,760	(28,767,194)	120,714,070
Advance received under construction contracts	(14,591,833)	34,671,612	(14,591,833)	34,671,612
Undue value added tax	(5,024,161)	7,424,238	(5,024,161)	7,424,238
Deposit receipt from customers	(1,103,581)	419,916	-	-

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 DECEMBER 31, 2019

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Retention payables from subcontractors	26,170,345	8,782,966	26,170,345	8,782,966
Other current payables	(4,851,042)	(496,474,292)	21,234,400	(490,540,865)
Other current liabilities	(190,810)	(65,557)	(190,812)	(65,557)
Payment of estimated costs of rectification in the period of guarantee	(13,957,994)	(17,301,951)	(13,957,994)	(17,301,951)
Payment of employee benefit	(5,799,562)	(3,413,680)	(5,482,221)	(3,413,680)
Payment of provisions for litigation	(11,098,700)	(7,889,669)	(11,098,700)	(7,889,669)
Net Cash generated from operation	657,491,405	275,628,111	565,447,970	196,648,903
Withholding tax received	-	33,089,342	-	33,089,342
Withholding tax paid	(242,741,262)	(220,989,411)	(241,053,866)	(216,576,121)
<b>Net cash from operating activities</b>	<b>414,750,143</b>	<b>87,728,042</b>	<b>324,394,104</b>	<b>13,162,124</b>
<b>Cash flows from investing activities</b>				
Interest received	19,539,024	3,226,006	21,798,095	4,054,247
Purchase of current investments	(1,776,435,586)	(1,742,738,861)	(1,776,435,586)	(1,742,738,861)
Proceeds from current investments	2,168,165,674	2,305,912,628	2,168,165,674	2,305,912,628
Purchase of investment in subsidiaries	-	-	(246,946,200)	(145,679,800)
Payment of short-term loans to related party	-	-	(108,200,000)	(190,000,000)
Proceeds from short-term loans to related party	-	-	45,200,000	155,000,000
Cash received from long-term investments	19,381,504	-	19,381,504	-
Pledged deposit at bank Increase(Decrease)	33,412,969	28,395,096	33,412,977	28,395,106
Purchase of investment property	(4,211,003)	-	-	-
Purchase of property, plant and equipment	(192,157,603)	(470,027,935)	(108,383,120)	(127,261,033)
Purchase of leasehold right	(95,000,000)	(93,120,491)	-	-
Payment of leasehold right in the process of registration	-	-	-	(9,000,000)
Proceeds from receiving advance on leasehold right				
in the process of registration	-	-	-	9,000,000
Purchase of intangible assets	(658,360)	(6,470,612)	(622,450)	(6,275,099)
Sale to investment property	-	261,428,969	-	261,428,969
Proceeds from the sale of equipment	21,596,549	20,608,467	21,077,832	19,560,198
<b>Net cash from (used in) investing activities</b>	<b>193,633,168</b>	<b>307,213,267</b>	<b>68,448,726</b>	<b>562,396,355</b>

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<b>Cash flows from financing activities</b>				
Interest paid	(75,773,273)	(65,573,061)	-	-
Dividend paid	(206,973,073)	(271,893,351)	(206,973,073)	(271,893,351)
Bank overdrafts Increase (Decrease)	(100,040,341)	(461,361)	(99,140,187)	-
Proceeds from short-term loans	-	2,500,000	-	-
Payment of short-term loans	-	(2,500,000)	-	-
Proceeds from long-term loans	31,800,000	303,200,000	-	-
Payment of long-term loans	(150,269,090)	(90,684,990)	-	-
Payment of treasury shares	(18,132,295)	(4,767,321)	(18,132,295)	(4,767,321)
Proceeds from non-controlling interests	81,153,800	55,320,200	-	-
Payment of non-controlling interests	(100,000)	-	-	-
<b>Net cash used in financing activities</b>	<b>(438,334,272)</b>	<b>(74,859,884)</b>	<b>(324,245,555)</b>	<b>(276,660,672)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>170,049,039</b>	<b>320,081,425</b>	<b>68,597,275</b>	<b>298,897,807</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>756,455,476</b>	<b>436,374,051</b>	<b>674,797,266</b>	<b>375,899,459</b>
<b>Cash and cash equivalents at the end of year</b>	<b>926,504,515</b>	<b>756,455,476</b>	<b>743,394,541</b>	<b>674,797,266</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 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 February 12, 1993.

The Company’s major shareholders who hold more than 10% of total paid share capital as at December 31, 2019 were as follows:

	<i>(% of total paid share capital)</i>
Phahusutr Group	30.04

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

Details of the Company’s subsidiaries were as follows:

			Ownership interest (%)	
			December	December
Name of entity	Type of business	Country of incorporation	31, 2019	31, 2018
Direct subsidiaries				
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	84.98
5) PT Three Land Co., Ltd. *	Service apartment or real estate development for rental	Thailand	79.98	69.98
6) AN 8 Co., Ltd. *	Service apartment or real estate development for rental	Thailand	79.90	-
7) SHG Management Co., Ltd *	Hotel business management and services	Thailand	70.00	-

\* Not commercial operations yet

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**2 Basis of preparation of interim financial statement**

**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 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 14 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 on the date which control is lost.

Associated companies and joint ventures

Interest in equity-accounted investees

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

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.



# SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized 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.

### 2.3 Basis of measurement

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

<u>Items</u>	<u>Measurement bases</u>
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 25 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**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 15	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 adjustment to the amount recognised in the financial statements is included in the following notes:

Note 12 and 13	Allowance for impairment of investments
Note 24	Current and deferred taxation and utilization of tax losses
Note 25	Assumptions relating to discount rate, salary increase rate, employee turnover rate, mortality rate and disability rate
Note 26	Estimation of construction project costs, provision for the estimating costs of rectification in the period of guarantee work
Note 35	Valuation of financial instruments
Note 37	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 management judgment.

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### NOTES TO INTERIM FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2019

##### 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.

##### Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgment to assess of 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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 categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized 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 recognizes 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 6	Measurement of current investments
Note 35	Financial instruments

- 2.7 The consolidated and separate financial statements for the years ended December 31, 2019 and 2018 included the investments and share of loss of an associate, which had been accounted for by equity method amounted to Baht 0.06 million and Baht 0.05 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 December 31, 2019 and 2018 in the amount of Baht 10 million and Baht 10 million, respectively, in the separate financial statements. Please also see note 12 to the financial statements. However, the value of the investments in the associate was immaterial.



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**3 Significant accounting policies**

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

**3.1 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.

**3.2 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.

**3.3 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**3.4 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 75 percent of the outstanding debt which is under litigation but it is a stable state.

**3.5 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.

**3.6 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 recognized 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 recognized, 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 recognized 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 recognized as an expense in profit or loss immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognized as an expense in profit or loss for the period in which they are incurred.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**3.7 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 recognized 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 amortized 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 recognized directly in equity. Impairment losses are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized 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 recognized 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**3.8 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.

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 -28	years
Condominium improvement	5 - 10	years
Furniture	3 - 5	years

No depreciation is provided on freehold land.

**3.9 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 labor, 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 capitalized 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 recognized in profit or loss.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

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 capitalized 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.

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.



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**3.10 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 amortization and accumulated impairment losses.

Amortization

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

Amortization is recognized 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.

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

**3.11 Intangible assets**

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

Amortization

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

Amortization is recognized 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

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

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

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### NOTES TO INTERIM FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2019

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

#### 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 amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

### **3.13 Interest-bearing liabilities**

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

### **3.14 Trade and other current payables**

Trade and other current payables are stated at cost.

**3.15 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 (Provided Fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

- 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 recognized 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 recognized in profit or loss in the period in which they arise.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

**3.16 Provisions**

A provision is recognized 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, labor 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 considered an effect of contractual changes on the price of the transaction and measuring the progress of completion of the completed workload to be recognized as an increase or decrease of income as at the contract change date.

An estimate of delay will be based on construction results and other factors that may be related to the probability of such damage.

- 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, labor and the current situation and historical experience of the project manager on such construction project.

# SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

#### 3.17 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.

#### 3.18 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 recognized when the company has complied with the obligation in the contract and transferred the control of the product to the customer.



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

**3.19 Expenses**

Expenses are recognized on the accrual basis.

**3.20 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.

**3.21 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.

## **SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

### **NOTES TO INTERIM FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

#### **3.22 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.

## **SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

### **NOTES TO INTERIM FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

#### **3.23 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.

#### **3.24 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.

#### **3.25 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 New financial reporting standards**

### **4.1 Financial reporting standards that became effective in the current period**

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

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**TFRS 15 Revenue from contracts with customers**

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

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

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

This standard does not have any significant impact on the Group's financial statements.

**4.2 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2020.**

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

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

**TFRS 16 Leases**

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

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at January 1, 2020 to be to increase the Group's assets by approximately Baht 579 million and the Company only approximately Baht 235 million, and the Group's liabilities by approximately Baht 579 million and the Company only approximately Baht 235 million.

**5 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Group's / Company's if the Group's / Company's 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's / Company's 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
<b>Subsidiaries</b>		
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, 79.98% shareholding and some common directors
6. AN 8 Co., Ltd.	Thailand	Subsidiary, 79.90% shareholding and some common directors
7. SHG Co., Ltd.	Thailand	Subsidiary, 70% shareholding and some common directors

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
<b>Associate</b>		
1. Natural Hotel Sukhumvit Co., Ltd	Thailand	Associate, 25% Shareholding
<b>Joint ventures</b>		
1. SVK Joint venture	Thailand	Joint venture, 51% portion of joint venture and registered to cease operations
<b>Related companies</b>		
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 Café 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
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

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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
<b>Related persons</b>		
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:

	<b><u>Pricing policies</u></b>
Sale of steel and others	As per Invoice (at cost)
Interest income	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
Service expenses	Contract price on the basis determined by the related concerned which was not higher than employment rate

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Pricing policies**

Consulting fee for security system	Contract price on the basis determined by the related concerned
Administrative expenses	Market price
Land rental	Contract price on the basis determined by the related concerned which approximated the market rate
Interest expenses	MLR – 2.75 per annum
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 December 31 were summarized as follows:

(Unit : Baht)

	Consolidated		Separate	
	2019	2018	2019	2018
<b>Revenue</b>				
<b>Subsidiaries</b>				
Contract revenues	-	-	8,498,892	26,329,357
Rendering of service and others	-	-	8,967,200	7,468,475
Interest income	-	-	2,825,472	1,525,127
<b>Related companies</b>				
Contract revenues	725,709,613	297,753,561	725,709,613	297,753,561
Rental and service expenses	4,230,073	4,390,745	4,320,073	4,380,994
Other service expenses	-	-	-	-
Other income	800,000	700,000	-	-
<b>Expenses</b>				
<b>Subsidiaries</b>				
Cost of service	-	-	26,882,710	29,001,453
Administrative expenses	-	-	45,501	-

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<b>Related companies</b>				
Contract costs	218,854,673	126,250,445	218,854,673	126,250,445
Cost of service	31,892,415	39,747,502	15,817,274	22,992,004
Space rental and services	2,777,106	2,777,106	2,777,106	2,777,106
Other service expenses	11,320,831	10,016,194	11,320,831	10,016,194
Purchase of steel	129,492,649	109,309,270	129,492,649	109,289,095
<b>Related Persons</b>				
Consulting fee for security system	3,600,000	3,460,000	3,600,000	3,460,000
Land rental expense	38,400	445,200	38,400	445,200
Interest expenses	-	29,212	-	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	70,857,534	64,157,696	56,507,063	55,862,342
Post-employment benefits	5,134,907	2,797,096	5,134,907	2,746,871
Total key management personnel compensation	75,992,441	66,954,792	61,641,970	58,609,213

Key management compensation for the years ended December 31, 2019 and 2018, separately shown as follows

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Construction cost	13,607,800	13,152,750	13,607,800	13,152,750
Cost of service	10,975,727	10,410,880	-	-
Cost of distribution	3,169,800	2,979,800	3,169,800	2,979,800
Administrative expenses	43,239,114	40,411,362	44,864,370	42,476,663
	75,992,441	66,954,792	61,641,970	58,609,213



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance as at December 31, with related parties were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<b><u>Assets</u></b>				
<b><u>Trade accounts receivables - related parties</u></b>				
Subsidiaries	-	-	-	4,039,308
Related companies	74,343,976	32,356,462	74,343,976	32,356,462
Total	74,343,976	32,356,462	74,343,976	36,395,770
<b><u>Retention receivables under construction contracts - related parties</u></b>				
Subsidiaries	-	-	3,100,391	2,481,249
Related companies	48,234,251	13,664,419	48,234,251	13,663,419
Total	48,234,251	13,664,419	51,334,642	16,144,668
<b><u>Other current receivables and advances</u></b>				
Subsidiaries	-	-	18,095,326	22,196,059
Related companies	83,397	703,929	83,397	94,827
Related persons	1,651,000	5,257,879	1,651,000	4,794,903
Total	1,734,397	5,961,808	19,829,723	27,085,789
<u>Less</u> allowance for doubtful accounts	-	-	-	-
Net	1,734,397	5,961,808	19,829,723	27,085,789
<b><u>Unbilled construction in progress - related parties</u></b>				
Related companies	-	1,621,479	-	1,621,479
<b><u>Short-term loans to related parties</u></b>				
Subsidiaries	-	-	98,000,000	35,000,000

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)			
	Consolidated and separate financial statements			
	2019		2018	
	Cost	Fair value	Cost	Fair value
<b><u>Available - for - sale investments</u></b>				
Related companies	221,747,612	819,368,282	221,747,612	729,162,599
Add Adjustment from revaluation	597,620,670	-	507,414,987	-
Net	819,368,282	819,368,282	729,162,599	729,162,599
	Consolidated		Separate	
	2019	2018	2019	2018
<b><u>Liabilities</u></b>				
<b><u>Trade accounts payable - related parties</u></b>				
Related companies	25,321,143	23,362,082	25,321,143	23,102,082
<b><u>Other current payables - related parties</u></b>				
Subsidiaries	-	-	16,084,598	15,556,553
Related companies	2,566,797	12,391,802	768,733	10,305,937
Total	2,566,797	12,391,802	16,853,331	25,862,490
<b><u>Advance received from customers under</u></b>				
<b><u>construction contracts - related parties</u></b>				
Related companies	10,239,312	57,016,104	10,239,312	57,016,104
<b><u>Retention payables from subcontractors -</u></b>				
<b><u>related parties</u></b>				
Related companies	7,544,275	3,917,264	7,544,275	3,917,264

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Movement of short-term loans to related parties for the year ended December 31, 2019 are as follows

		(Unit : Baht)			
		Separate			
Relationship		Balance as at	During the period		Balance as at
		January, 1	Increase	Decrease	December, 31
		2019			2019
<b><u>Loan to related parties</u></b>					
CSM Capital Partners Co., Ltd.	Subsidiary	25,000,000	5,000,000	(20,000,000)	10,000,000
PT Three Land Co., Ltd.	Subsidiary	10,000,000	5,000,000	(15,000,000)	-
SCR Asset Management Co., Ltd.	Subsidiary	-	83,000,000	-	83,000,000
AN 8 Co., Ltd.	Subsidiary	-	10,200,000	(10,200,000)	-
SHG Co., Ltd	Subsidiary	-	5,000,000	-	5,000,000
		<u>35,000,000</u>	<u>108,200,000</u>	<u>(45,200,000)</u>	<u>98,000,000</u>

As at December 31, 2019 and 2018, the Company's had short-term loans to a subsidiary ("CSM Capital Partners Co., Ltd.") of Baht 10 million and Baht 25 million, respectively, 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.

As at December 31, 2019 the Company's had short-term loans to a subsidiary ("SCR Asset Management Co., Ltd.") of Baht 83 million, represented short-term loans under 14 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 December 31, 2019, the Company's had short-term loans to a subsidiary ("JT Ten Co., Ltd.") of Baht 5 million represented short-term loans under 1 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at MLR-2.75% per annum.

**The commitments with related parties**

The Ordinary General Meeting of Shareholders of the Company held on April 26, 2019 resolved the approval of Directors' remunerations for the year 2019 which were represented the meeting allowance of Baht 18,000 per time per head, and the annual audit committee directors' remunerations of Baht 330,000 per head.

The Ordinary General Meeting of Shareholders of the Company held on April 27, 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.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

6 Current investments

	(Unit : Baht)			
	Consolidated			
	2019		2018	
	Cost	Fair value	Cost	Fair value
<b>Current investments</b>				
Premium savings	22,487,384	22,487,384	22,091,719	22,091,719
Mutual fund – debt securities	578,049,717	586,734,503	960,402,207	970,175,470
<b>Total</b>	<b>600,537,101</b>	<b>609,221,887</b>	<b>982,493,926</b>	<b>992,267,189</b>

	(Unit : Baht)			
	Separate			
	2019		2018	
	Cost	Fair value	Cost	Fair value
<b>Current investments</b>				
Premium savings	22,487,384	22,487,384	22,091,719	22,091,719
Mutual fund – debt securities	577,207,791	585,878,765	959,570,649	969,333,544
<b>Total</b>	<b>599,695,175</b>	<b>608,366,149</b>	<b>981,662,368</b>	<b>991,425,263</b>

As at December 31, 2019 and 2018, current investments in mutual fund – debt securities of the Company amounted to Baht 162 million and Baht 161 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

7 Trade accounts receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Related companies	74,343,976	32,356,462	74,343,976	36,395,770
Other parties	951,815,177	1,262,943,458	939,360,832	1,253,342,141
Total	1,026,159,153	1,295,299,920	1,013,704,808	1,289,737,911
<u>Less</u> allowance for doubtful accounts	(131,682,515)	(12,619,717)	(128,777,604)	(12,619,717)
<b>Net</b>	<b>894,476,638</b>	<b>1,282,680,203</b>	<b>884,927,204</b>	<b>1,277,118,194</b>

Aging analyses for trade accounts receivables were as follows:

	(Unit :Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Within credit terms	605,518,018	839,328,998	599,256,290	833,553,935
Still litigation	155,994,053	109,136,984	155,994,053	109,136,984
Overdue:				
- Less than 3 months	148,575,714	229,715,612	147,270,042	228,021,918
- Over 3 months to 6 months	24,528,117	92,691,515	24,415,592	91,755,322
- Over 6 months to 12 months	85,332,493	23,086,751	82,748,331	25,929,692
- Over 12 months	6,210,758	1,340,060	4,020,500	1,340,060
Total overdue	264,647,082	346,833,938	258,454,465	347,046,992
<b>Total</b>	<b>1,026,159,153</b>	<b>1,295,299,920</b>	<b>1,013,704,808</b>	<b>1,289,737,911</b>

The normal credit term granted by the Group/Company ranges from 15 days to 45 days.



SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

8 Other current receivables

	(Unit :Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Other receivables	32,215,019	52,938,356	50,104,177	73,689,861
Accrued income	4,758,052	4,952,105	3,536,315	3,794,948
Prepaid expenses	14,650,057	15,704,984	9,603,123	10,769,738
Input tax not due	6,716,134	7,115,018	6,394,114	6,916,242
Advances	6,481,376	6,238,126	5,749,624	5,291,611
Prepaid value added tax	48,465,239	43,801,453	1,351,197	111,287
Total	113,285,877	130,750,042	76,738,550	100,573,687
<u>Less</u> allowance for				
doubtful Accounts	(6,305,974)	(6,407,585)	(6,305,974)	(6,407,585)
<b>Net</b>	<b>106,979,903</b>	<b>124,342,457</b>	<b>70,432,576</b>	<b>94,166,102</b>
Related parties	83,397	703,929	18,178,723	22,290,886
Key management personnel	1,651,000	5,257,879	1,651,000	4,794,903
Other parties	111,551,480	124,788,234	56,908,827	73,487,898
Total	113,285,877	130,750,042	76,738,550	100,573,687
<u>Less</u> allowance for				
doubtful Accounts	(6,305,974)	(6,407,585)	(6,305,974)	(6,407,585)
<b>Net</b>	<b>106,979,903</b>	<b>124,342,457</b>	<b>70,432,576</b>	<b>94,166,102</b>
Bad debt and doubtful debts				
expense for the year	119,774,346	-	116,869,433	-
Reversal of allowance for				
doubtful accounts for the year	(217,184)	(11,103,346)	(217,184)	(11,103,346)
<b>Total</b>	<b>119,557,162</b>	<b>(11,103,346)</b>	<b>116,652,249</b>	<b>(11,103,346)</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

9 Retentions receivables under construction contracts

	(Unit :Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Related companies	48,234,251	13,663,419	51,334,642	16,144,668
Other parties	764,270,780	626,470,002	764,270,780	626,470,002
Total	812,505,031	640,133,421	815,605,422	642,614,670
<u>Less</u> allowance for doubtful accounts	(20,162,500)	(18,930,081)	(20,162,500)	(18,930,081)
<b>Net</b>	<b>792,342,531</b>	<b>621,203,340</b>	<b>795,442,922</b>	<b>623,684,589</b>
Current	130,268,705	114,230,589	130,268,705	114,230,589
Non-current	662,073,826	506,972,751	665,174,217	509,454,000
<b>Total</b>	<b>792,342,531</b>	<b>621,203,340</b>	<b>795,442,922</b>	<b>623,684,589</b>

10 Unbilled construction in progress

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Related companies	-	1,621,479	-	1,621,479
Other parties	931,428,138	737,688,575	931,428,138	737,688,575
Total	931,428,138	739,310,054	931,428,138	739,310,054
<u>Less</u> allowance for doubtful accounts	(14,342,572)	(9,173,729)	(14,342,572)	(9,173,729)
<b>Net</b>	<b>917,085,566</b>	<b>730,136,325</b>	<b>917,085,566</b>	<b>730,136,325</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	(Unit : Million Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Construction project contracts amount	<u>44,995</u>	<u>39,038</u>	<u>44,995</u>	<u>39,038</u>
Contract revenue recognized as revenue since commencing date to present	36,395	30,155	36,395	30,155
<u>Less</u> progress billings (as invoices)	<u>(35,565)</u>	<u>(29,461)</u>	<u>(35,565)</u>	<u>(29,461)</u>
Unbilled construction in progress	829	694	829	694
Unbilled construction in progress (in litigation)	102	45	102	45
Unbilled construction in progress at the end of year	931	739	931	739
<u>Less</u> allowance for doubtful accounts	<u>(14)</u>	<u>(9)</u>	<u>(14)</u>	<u>(9)</u>
<b>Net</b>	<b>917</b>	<b>730</b>	<b>917</b>	<b>730</b>
Excess of progress billing over work in progress	(635)	(650)	(635)	(650)
<b>Net</b>	<b>282</b>	<b>80</b>	<b>282</b>	<b>80</b>

**11 Inventories**

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Construction materials	118,201,007	128,732,341	118,201,007	128,732,341
Spare parts and supplies	15,380,982	11,739,657	14,641,582	10,629,468
<u>Less</u> allowance for devaluation of inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Spare parts and supplies, net	15,380,982	11,739,657	14,641,582	10,629,468
<b>Total</b>	<b>133,581,989</b>	<b>140,471,998</b>	<b>132,842,589</b>	<b>139,361,809</b>
The cost of inventories is recorded as expense: and included in the construction cost accounting (Million Baht).	<u>2,037</u>	<u>1,679</u>	<u>2,037</u>	<u>1,679</u>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**12 Investments in associate**

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
At January 1, 2019	187,053	235,417	9,375,000	9,375,000
Share of loss from investment				
Under equity method	(56,693)	(48,364)	-	-
	130,360	187,053	9,375,000	9,375,000
<u>Less allowance for devaluation</u>				
of investments	-	-	(9,375,000)	(9,375,000)
<b>At December 31, 2019</b>	<b>130,360</b>	<b>187,053</b>	<b>-</b>	<b>-</b>

No purchase and sales of investments in associated companies during the years ended December 31, 2019 and 2018

Summary of significant financial information of Natural Hotel Sukhumvit Company Limited

Summary of the financial status list

	(Unit: Million Baht)	
	At as December 31	
	2019	2018
Total assets	0.56	0.84
Total liabilities	0.05	0.12
<b>Net assets</b>	0.51	0.72
Investment proportion (%)	25	25
<b>Carrying amount of interest in an associated company</b>	<b>0.13</b>	<b>0.18</b>

Summary of income statement

	(Unit: Million Baht)	
	At as December 31	
	2019	2018
Income	0.0001	0.0001
Profit	(0.23)	(0.19)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

13 Investments in subsidiaries

Company's name	(Unit : Baht)			
	Paid-up Share Capital		Cost	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	Million Baht	Million Baht		
SCR Asset Management Co., Ltd.	600	600	408,064,000	408,064,000
Natural Ville Service Apartment and Management Co., Ltd.	2	2	1,999,700	1,999,700
CSM Capital Partners Co., Ltd.	1,175	1,100	705,000,000	660,000,000
PT Three Land Co., Ltd.	120	1	95,976,000	699,800
JT Ten Co., Ltd.	100	100	84,980,000	84,980,000
AN 8 Co., Ltd.	130	-	103,870,000	-
SHG Co., Ltd.	4	-	2,800,000	-
<b>Total</b>			<b>1,402,689,700</b>	<b>1,155,743,500</b>

On September 27, 2019, the Board of Directors meeting passed a resolution to establish one subsidiary named SHG Management Co., Ltd. has a registered capital of Baht 4 million to operate the hotel and service business Which, on October 21, 2019, the Company was registered with the company holding 70%.

On September 18, 2019, the Extraordinary general meeting of shareholders (PT Three Land Co., Ltd.) approved to increase the registered capital of the Company from Baht 1 million to Baht 120 million to rent the land for construction the hotel and subsidiary also registered the increases of shares with Ministry of Commerce on September 30, 2019.

On August 7, 2019, the Extraordinary general meeting of shareholders of subsidiary (AN 8 Co., Ltd.) approved to increase the registered capital of the Company from Baht 0.10 million to Baht 130 million to invest in real estate development for rental and subsidiary also registered the increases of shares with Ministry of Commerce on August 19, 2019.

On May 13, 2019, the Board of Directors meeting passed a resolution to establish one subsidiary named AN 8 Co., Ltd has a registered capital of Baht 0.10 million for the real estate business for rent Which, on May 28, 2019, the Company was registered with the company holding 79.90%.

On March 19, 2019, the Extraordinary general meeting of shareholders of subsidiaries (CSM Capital Partners Co., Ltd.) approved to increase the registered capital of the Company from Baht 1,100 million to Baht 1,175 million to pay back Principal according to the terms of the loan with a local commercial bank and subsidiary company registered the capital increase with the Ministry of Commerce on April 1, 2019.



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

The Extraordinary Meeting of Shareholders of subsidiary (JT Ten Co., Ltd.) held on July 3, 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 July 20, 2018.

The Board of Directors Meeting of the Company held on May 15, 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 June 13, 2018 and June 25, 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 April 20, 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 May 4, 2018.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

14 Non-controlling interests

The following table summarizes the information about each subsidiary of the group of companies with significant non-controlling interests.

(Unit : Million Baht)

	SCR Asset		Natural Ville		CSM Capital		PT Three Land		JT Ten Co., Ltd.		AN 8 Co., Ltd.		SHG		Total	
	Management Co.,		Service apartment		Partners Co., Ltd.		Co., Ltd.		Co., Ltd.		Co., Ltd.		Management			
	Ltd.		Co., Ltd.										Co., Ltd.			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Percentage of non-controlling interests	32.00	32.00	0.03	0.03	40.00	40.00	20.02	30.02	15.02	15.02	20.10	-	30.00	-		
Current assets	65	67	22	20	43	64	7	4	4	8	125	-	4	-		
Non-current assets	1,022	1,023	-	1	2,321	2,421	106	8	97	96	-	-	-	-		
Current liabilities	(606)	(546)	(18)	(19)	(749)	(192)	-	(11)	(5)	(4)	-	-	-	-		
Non-current liabilities	-	(1)	(3)	(2)	(660)	(1,353)	-	-	-	-	-	-	-	-		
Net assets	481	543	1	-	955	940	113	1	96	100	125	-	4	-		
Carrying amounts of non-controlling interests	154	174	-	-	382	376	23	0.3	14	15	25	-	1	-	598	565

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Million Baht)

	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.		AN 8 Co., Ltd.		SHG Management Co., Ltd.		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income	77	59	28	30	282	245	-	0.09	-	-	-	-	-	-		
Profit (Loss)	(63)	(11)	2	4	(59)	(69)	(7)	-	(3)	-	(5)	-	-	-		
Other comprehensive income	-	-	-	1	-	1	-	-	-	-	-	-	-	-		
<b>Total comprehensive income</b>	<b>(63)</b>	<b>(11)</b>	<b>2</b>	<b>5</b>	<b>(59)</b>	<b>(68)</b>	<b>(7)</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Profit (loss) allocated for Non-controlling interests</b>	<b>(20)</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>(24)</b>	<b>(27)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47)</b>	<b>(31)</b>
Cash flows from operating activities	(10)	(12)	2	(1)	109	79	(6)	-	(3)	3	(10)	-	-	-		
Cash flows from investing activities	(54)	(253)	-	-	(15)	(74)	(99)	(8)	(5)	(96)	-	-	-	-		
Cash flows from financing activities	60	268	-	-	(114)	2	108	11	5	100	130	-	4	-		
<b>Cash and equivalent Net increase (decrease) in cash</b>	<b>(4)</b>	<b>3</b>	<b>2</b>	<b>(1)</b>	<b>(20)</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>(3)</b>	<b>7</b>	<b>120</b>	<b>-</b>	<b>4</b>	<b>-</b>		

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

15 Investment properties

	(Unit : Baht)			
	Consolidated			
	Land	Condominium	Furniture	Total
<b>Cost</b>				
At January 1, 2019	-	7,555,522	-	7,555,522
Reclassification	306,571,138	307,521,499	2,424,701	616,517,338
At January 1, 2019 (Revise)	306,571,138	315,077,021	2,424,701	624,072,860
Additions	-	3,353,161	857,842	4,211,003
Disposals	-	(2,030,000)	-	(2,030,000)
<b>At December 31, 2019</b>	<b>306,571,138</b>	<b>316,400,182</b>	<b>3,282,543</b>	<b>626,253,863</b>
<b>Accumulated depreciation</b>				
At January 1, 2019	-	4,236,648	-	4,236,648
Reclassification	-	53,933,155	1,411,731	55,344,886
At January 1, 2019 (Revise)	-	58,169,803	1,411,731	59,581,534
Depreciation charge for the year	-	21,971,857	534,538	22,506,395
Disposals	-	(1,018,177)	-	(1,018,177)
<b>At December 31, 2019</b>	<b>-</b>	<b>79,123,483</b>	<b>1,946,269</b>	<b>81,069,752</b>
<b>Net book value</b>				
<b>At December 31, 2018</b>	<b>306,571,138</b>	<b>256,907,218</b>	<b>1,012,970</b>	<b>564,491,326</b>
<b>At December 31, 2019</b>	<b>306,571,138</b>	<b>237,276,699</b>	<b>1,336,274</b>	<b>545,184,111</b>
<b>Fair value measurement</b>				
Appraised price	516,971,862	406,132,191	2,253,363	
Evaluation criteria	Income Approach	Market Approach and Income Approach	Income Approach	
Depreciation was included in:				(Unit: Baht)
			Consolidated	
			2562	2561
Room service costs			22,230,416	20,790,923
Administrative expenses			275,979	277,540
<b>Total</b>			<b>22,506,395</b>	<b>21,068,463</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)		
	Separate		
	Land	Condominium	Total
<b>Cost</b>			
At January 1, 2019	-	7,555,522	7,555,522
Disposals	-	-	-
<b>At December 31, 2019</b>	<b>-</b>	<b>7,555,522</b>	<b>7,555,522</b>
<b>Accumulated depreciation</b>			
At January 1, 2019	-	4,236,648	4,236,648
Depreciation charge for the year	-	275,979	275,979
<b>At December 31, 2019</b>	<b>-</b>	<b>4,512,627</b>	<b>4,512,627</b>
<b>Net book value</b>			
<b>At December 31, 2018</b>	<b>-</b>	<b>3,318,874</b>	<b>3,318,874</b>
<b>At December 31, 2019</b>	<b>-</b>	<b>3,042,895</b>	<b>3,042,895</b>
<b>Fair value measurement</b>			
Appraised price		<b>11,143,000</b>	
Evaluation criteria		Market Approach	

	(Unit: Baht)	
	Separate	
	2562	2561
Depreciation for the year is included in administrative expenses	275,979	277,540



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

On January 11, 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 property as of December 31, 2019, appraised by independent valuers According to the report dated February 27, 2020 and February 20, 2020, the fair value measurement of investment properties is organized in the hierarchy of fair value measurements at level 2.

Investment property as of December 31, 2019, appraised by independent valuers According to the report dated February 2, 2020, the fair value measurement of investment properties is organized in the hierarchy of fair value measurements at level 3.

**Pledge**

As of December 31, 2019, the subsidiary company used the investment property which is a condominium in Eight Thonglor Project, with a book value of Baht 541 million, as collateral for loans from a domestic commercial bank amount of Baht 1,550 million and Please also see note 23 to the financial statements

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

16 Property, plant and equipment

Purchase, sale and transfer of property, plant and equipment during the year ended December 31, 2019 are as follows:

	(Unit : Baht)						
	Consolidated						
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress Total
<b>Cost</b>							
<b>At January 1, 2019</b>	<b>1,601,757,548</b>	<b>2,322,450,257</b>	<b>1,063,425,761</b>	<b>182,748,340</b>	<b>320,065,496</b>	<b>193,810,769</b>	<b>5,734,746,486</b>
Reclassification	(306,571,138)	(307,521,499)	-	-	(2,424,701)	-	(616,517,338)
At January 1, 2019 (Revise)	1,295,186,410	2,014,928,758	1,063,425,761	182,748,340	317,640,795	193,810,869	5,118,229,148
Additions	-	35,612,464	67,274,197	10,032,534	20,769,861	-	192,157,603
Transfers	-	77,170,990	5,908,120	-	135,170	-	(83,214,280)
Adjustment	-	-	-	-	(771,094)	-	(771,094)
Disposals/write-off	-	(7,951,980)	(26,544,841)	(21,571,818)	(6,387,344)	(38,503,919)	(100,959,902)
<b>At December 31, 2019</b>	<b>1,295,186,410</b>	<b>2,119,760,232</b>	<b>1,110,063,237</b>	<b>171,209,056</b>	<b>331,387,388</b>	<b>155,306,950</b>	<b>5,208,655,755</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Consolidated							
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
Accumulated depreciation								
At January 1, 2019	-	455,683,911	709,284,262	103,439,378	177,611,903	131,700,498	-	1,577,719,952
Reclassification	-	(53,933,155)	-	-	(1,411,731)	-	-	(55,344,886)
At January 1, 2019 (Revise)	-	401,750,756	709,284,262	103,439,378	176,200,172	131,700,498	-	1,522,375,066
Depreciation charge for the year	-	108,135,831	73,790,043	25,956,450	82,036,815	18,835,508	-	308,754,647
Transfer	-	-	-	-	-	-	-	-
Disposals	-	318,186	-	-	1,347,590	-	-	1,665,776
Disposals/write-off	-	(4,848,930)	(23,678,263)	(20,072,420)	(6,225,498)	(35,190,599)	-	(90,015,710)
At December 31, 2019	-	505,355,843	759,396,042	109,323,408	253,359,079	115,345,407	-	1,742,779,779
Net book value								
Owned assets	1,295,186,410	1,613,178,002	354,141,499	79,308,962	141,440,623	62,110,371	50,488,215	3,595,854,082
Total at December 31, 2018	1,295,186,410	1,613,178,002	354,141,499	79,308,962	141,440,623	62,110,371	50,488,215	3,595,854,082
Owned assets	1,295,186,410	1,614,404,389	350,667,195	61,885,648	78,028,309	39,961,543	25,742,482	3,465,875,976
Total at December 31, 2019	1,295,186,410	1,614,404,389	350,667,195	61,885,648	78,028,309	39,961,543	25,742,482	3,465,875,976

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)						
	Separate						
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress Total
<b>Cost</b>							
<b>At January 1, 2019</b>	<b>85,869,331</b>	<b>269,939,494</b>	<b>1,063,425,761</b>	<b>197,257,159</b>	<b>216,622,289</b>	<b>192,603,393</b>	<b>-</b> <b>2,025,717,427</b>
Additions	-	9,958,291	67,274,197	10,032,534	14,380,374	-	6,737,724 108,383,120
Transfers	-	-	5,908,120	-	-	-	(5,908,120) -
Disposals/write-off		(1,861,980)	(26,544,841)	(21,571,818)	(6,233,482)	(38,503,919)	- (94,716,040)
<b>At December 31, 2019</b>	<b>85,869,331</b>	<b>278,035,806</b>	<b>1,110,063,236</b>	<b>185,717,875</b>	<b>224,769,179</b>	<b>154,099,475</b>	<b>829,604</b> <b>2,039,384,505</b>
<b>Accumulated depreciation</b>							
<b>At January 1, 2019</b>	<b>-</b>	<b>169,487,345</b>	<b>709,284,263</b>	<b>117,948,198</b>	<b>140,562,063</b>	<b>130,799,357</b>	<b>-</b> <b>1,268,081,226</b>
Depreciation charge for the year	-	24,769,288	73,790,043	25,956,450	26,608,271	18,831,042	- 169,955,094
Transfer	-	-	-	-	-	-	- -
Disposals/write-off	-	(1,794,399)	(23,678,263)	(20,072,420)	(6,105,512)	(35,190,599)	- (86,841,193)
<b>At December 31, 2019</b>	<b>-</b>	<b>192,462,234</b>	<b>759,396,041</b>	<b>123,832,227</b>	<b>161,064,822</b>	<b>114,439,800</b>	<b>-</b> <b>1,351,195,127</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)						
	Separate						
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress Total
<b>Net book value</b>							
Owned assets	85,869,331	100,452,149	354,141,498	79,308,961	76,060,226	61,804,036	- 757,636,201
<b>Total at December 31, 2018</b>	<b>85,869,331</b>	<b>100,452,149</b>	<b>354,141,498</b>	<b>79,308,961</b>	<b>76,060,226</b>	<b>61,804,036</b>	<b>- 757,636,201</b>
Owned assets	85,869,331	85,573,571	350,667,194	61,885,647	63,704,359	39,659,674	829,604 688,189,380
<b>Total at December 31, 2019</b>	<b>85,869,331</b>	<b>85,573,571</b>	<b>350,667,194</b>	<b>61,885,647</b>	<b>63,704,359</b>	<b>39,659,674</b>	<b>829,604 688,189,380</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Depreciation was included in:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Contract costs	145,802,413	169,134,540	145,802,413	169,134,540
Room service costs	147,817,035	95,002,112	9,021,949	9,015,211
Distribution costs	138,624	202,229	138,624	202,229
Administrative expenses	14,996,575	23,959,025	14,996,575	17,140,872
<b>Total</b>	<b>308,754,647</b>	<b>288,297,906</b>	<b>169,955,094</b>	<b>195,492,852</b>

Borrowing cost capitalized in a part of cost of construction in progress:

	(Unit : Baht)	
	Consolidated financial statements	
	2019	2018
Interest capitalized for the year	1,210,472	7,959,427
Accumulated interest capitalized	9,257,493	8,047,021
Capitalization rate (% per annum)	MLR-2.375	MLR-2.375
	And MLR-2.75	And MLR-2.75

As at December 31, 2019 and 2018, buildings and equipment of the group companies at cost of Baht 755 million and Baht 655 million, respectively, have been fully depreciated but still in use.

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 Poe, Prachinburi Province (Project 3), amounted to Baht 550 million. Actual cost incurred to December 31, 2019 in the amount of Baht 6 million, (recorded as construction in progress of Baht 6 million), remaining amounted to Baht 544 million.



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Pledge:

As at December 31, 2019, land, buildings and building improvement of the Company in the carrying amount of Baht 105 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 December 31, 2019, land with existing structures of the subsidiary (SCR Asset Management Co., Ltd.) in the carrying amount of Baht 796 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 December 31, 2019, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co., Ltd.) in the carrying amount of Baht 1,700 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.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

17 Leasehold right

	(Unit : Baht)	
	Consolidated	Separate
<b>Cost</b>		
At January 1, 2018	395,000,000	395,000,000
Addition	93,120,491	-
<b>At December 31, 2018 and January 1, 2019</b>	<b>488,120,491</b>	<b>395,000,000</b>
Addition	95,000,000	-
<b>At December 31, 2019</b>	<b>583,120,491</b>	<b>395,000,000</b>
<b>Accumulated amortization</b>		
At January 1, 2018	85,020,535	85,020,535
Amortization charge for the year	20,153,635	20,153,635
<b>At December 31, 2018 and January 1, 2019</b>	<b>105,174,170</b>	<b>105,174,170</b>
Amortization charge for the year	24,241,700	24,153,635
<b>At December 31, 2019</b>	<b>129,415,870</b>	<b>125,327,804</b>
<b>Net book value</b>		
<b>At December 31, 2018</b>	<b>382,946,321</b>	<b>289,825,831</b>
<b>At December 31, 2019</b>	<b>453,704,620</b>	<b>269,672,196</b>

Depreciation was included in:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Room service costs	20,153,635	20,153,635	20,153,635	20,153,635
Administrative expenses	4,088,065	-	-	-
<b>Total</b>	<b>24,241,700</b>	<b>20,153,635</b>	<b>20,153,635</b>	<b>20,153,635</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

- On February 6, 2018, the Company (“the lessee”) entered into a memorandum to lease land for the real estate development project with another 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 August 1, 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 October 22, 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 October 21, 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 November 1, 2048 onwards.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

- On October 10, 2019, the subsidiary (“PT Three Land Co., Ltd.”) has entered into land lease agreements to develop real estate with a related company. In which the subsidiary company agreed to lease 4 plots of Phuket land with a total area of 3 rai 2 Ngan 3.90 square wah. In order to developing hotels, resorts and other real estate development projects on leased land, for a period of 30 years. From the date of the contract signing on October 9, 2019, the subsidiary company must complete the project development and operating within 3 years from the date of the lease contract. The subsidiary agrees to pay whole land fee in the amount of Baht 95 million and the rental fee to be collected in the 4th year at the rate of Baht 0.80 million per month. The rental shall be adjusted increasingly every 3 years throughout the lease term. The subsidiary company had made full payment of the land fee on October 31, 2019.

**18 Intangible assets**

	(Unit : Bath)		
	Consolidated		
	List of customers and existing business	Software license	Total
<b>Cost</b>			
At January 1, 2018	<b>8,000,000</b>	<b>36,993,457</b>	<b>44,993,457</b>
Additions	-	6,444,439	6,444,439
Transfer in	-	797,240	797,240
Deductions	-	(125,000)	(125,000)
<b>At December 31, 2018 and January 1, 2019</b>	<b>8,000,000</b>	<b>44,110,136</b>	<b>52,110,136</b>
Additions	-	658,360	658,360
<b>At December 31, 2019</b>	<b>8,000,000</b>	<b>44,768,496</b>	<b>52,768,496</b>
<b>Accumulated amortization</b>			
At January 1, 2018	<b>4,478,539</b>	<b>30,177,364</b>	<b>34,655,903</b>
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)
<b>At December 31, 2018 and January 1, 2019</b>	<b>7,145,206</b>	<b>35,208,561</b>	<b>42,353,767</b>
Amortization charge for the year	854,794	4,481,157	5,335,951
<b>At December 31, 2019</b>	<b>8,000,000</b>	<b>39,689,718</b>	<b>47,689,718</b>
<b>Net book value</b>			
<b>At December 31, 2018</b>	<b>854,794</b>	<b>8,901,575</b>	<b>9,756,369</b>
<b>At December 31, 2019</b>	<b>-</b>	<b>5,078,778</b>	<b>5,078,778</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	(Unit : Bath)	
	Separate	
	Software license	Total
<b>Cost</b>		
At January 1, 2018	<b>35,724,834</b>	<b>35,724,834</b>
Additions	6,275,100	6,275,100
Deductions	(125,000)	(125,000)
<b>At December 31, 2018 and January 1, 2019</b>	<b>41,874,934</b>	<b>41,874,934</b>
Additions	622,450	622,450
<b>At December 31, 2019</b>	<b>42,497,384</b>	<b>42,497,384</b>
<b>Accumulated amortization</b>		
At January 1, 2018	<b>30,022,924</b>	<b>30,022,924</b>
Amortization charge for the year	3,995,922	3,995,922
Deductions	(124,999)	(124,999)
<b>At December 31, 2018 and January 1, 2019</b>	<b>33,893,847</b>	<b>33,893,847</b>
Amortization charge for the year	4,049,674	4,049,674
<b>At December 31, 2019</b>	<b>37,943,521</b>	<b>37,943,521</b>
<b>Net book value</b>		
<b>At December 31, 2018</b>	<b>7,981,087</b>	<b>7,981,087</b>
<b>At December 31, 2019</b>	<b>4,553,863</b>	<b>4,553,863</b>

Amortization for the year was included in:

	(Unit: Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Cost of rendering of services	153,388	46,795	153,388	46,794
Room service costs	1,717,390	3,486,987	449,473	449,472
Administrative expenses	3,465,173	3,518,015	3,446,813	3,499,655
<b>Total</b>	<b>5,335,951</b>	<b>7,051,797</b>	<b>4,049,674</b>	<b>3,995,922</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

19 Bank overdrafts and short-term loans from financial institutions

	(Unit: Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Bank overdrafts	-	900,154	-	-
Short-term loans from financial institutions	-	99,140,187	-	99,140,187
<b>Total</b>	<b>-</b>	<b>100,040,341</b>	<b>-</b>	<b>99,140,187</b>

20 Trade accounts payables

	(Unit: Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Related parties	25,321,143	23,362,082	25,321,143	23,102,082
Related parties	367,241,643	393,253,574	352,804,817	383,791,071
<b>Total</b>	<b>392,562,786</b>	<b>416,615,656</b>	<b>378,125,960</b>	<b>406,893,153</b>

21 Other current payables

	(Unit: Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Related persons and companies	2,566,797	12,391,802	16,853,331	25,862,490
Other parties	347,459,632	340,548,616	304,344,058	271,592,245
<b>Total</b>	<b>350,026,429</b>	<b>352,940,418</b>	<b>321,197,389</b>	<b>297,454,735</b>
<b>Other parties</b>				
Other payables	22,853,753	51,843,846	5,048,006	4,455,232
Accrued value added tax	2,292,415	6,642,941	297,490	5,461,817
Accrued withholding tax	12,266,663	14,164,605	11,950,597	9,826,729
Other accrued expenses	156,764,363	167,546,084	133,765,527	151,497,327
Accrued estimated construction cost	153,282,438	100,351,140	153,282,438	100,351,140
<b>Total</b>	<b>347,459,632</b>	<b>340,548,616</b>	<b>304,344,058</b>	<b>271,592,245</b>



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**22 Retention payables from subcontractors**

	(Unit: Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Related companies	7,544,275	3,917,264	7,544,275	3,917,264
Other parties	337,651,966	315,108,632	337,651,966	315,108,632
<b>Total</b>	<b>345,196,241</b>	<b>319,025,896</b>	<b>345,196,241</b>	<b>319,025,896</b>

**23 Long-term loans**

	(Unit: Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
At January 1, 2019	1,937,073,311	1,724,558,301	-	-
Addition	31,800,000	303,200,000	-	-
Deduction	(150,269,091)	(90,684,990)	-	-
Balance as at December 31, 2019	1,818,604,220	1,937,073,311	-	-
<u>Less</u> Current portion of long-term loans	(737,900,514)	(108,189,353)	-	-
<u>Less</u> Long-term in default	-	(497,481,936)	-	-
<b>Net</b>	<b>1,080,703,706</b>	<b>1,331,402,022</b>	<b>-</b>	<b>-</b>

**Loans from domestic financial institution**

On December 2, 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 December 31, 2019, it was fully withdrawn, 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 December 15, 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

On September 23, 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 December 31, 2019, loan was completely drawdown in the amount of Baht 206 million because the project is completed, 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 June 12, 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 event 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 <u>agreement</u>	Financial ratio as at <u>December 31, 2019</u>
Financial ratio (DSCR)	Not less than 1.1	0.17

On November 27, 2019, the subsidiary received a letter notifying except for the conditions of DSCR under the loan agreement for the year 2019.

On April 7, 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.

Under the above loan agreement contains certain restrictive conditions such as increasing authorized shares, opening an DSRA account (Debt Service Reserve Account) with the 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 <u>agreement</u>	Financial ratio as at <u>December 31, 2019</u>
Debt to equity ratio	Not more than 2:1	1.47:1

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

**24 Deferred income tax**

Deferred tax assets and liabilities as at December 31 were as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Deferred tax assets	81,449,496	63,616,416	81,449,496	63,616,416
Deferred tax liabilities	(125,664,273)	(112,701,063)	(125,664,273)	(112,701,063)
<b>Net</b>	<b>(44,214,777)</b>	<b>(49,084,647)</b>	<b>(44,214,777)</b>	<b>(49,084,647)</b>

Movements of deferred tax assets and liabilities during the year were as follows:

	(Unit: Million Bath)			
	Consolidated and separate			
	(Charged) / credited to			At
	At		Other	At
	January 1, 2019	Profit or loss	comprehensive income (loss)	December 31, 2019
<b>Deferred tax assets</b>				
Estimated cost of construction	21	10	-	<b>31</b>
Non - current provisions for employee benefits	30	12	-	<b>42</b>
Provisions	13	(4)	-	<b>9</b>
<b>Total</b>	<b>64</b>	<b>18</b>	-	<b>82</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	1	-	-	<b>1</b>
Financial lease liabilities	8	(3)	-	<b>5</b>
Non - current provisions for employee benefits	2	-	(2)	-
Gain from change in fair value of available-for-sale	102	-	18	<b>120</b>
<b>Total</b>	<b>113</b>	<b>(3)</b>	<b>16</b>	<b>126</b>
<b>Net</b>	<b>(49)</b>	<b>21</b>	<b>(16)</b>	<b>(44)</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit: Million Bath)			
	Consolidated and separate			
	(Charged) / credited to			
	At		Other	At
	January 1, 2018	Profit or loss	comprehensive income (loss)	December 31, 2019
<b>Deferred tax assets</b>				
Other current receivables	2	(2)	-	-
Estimated cost of construction	-	21	-	21
Non - current provisions for employee benefits	32	(2)	-	30
Provisions	16	(3)	-	13
<b>Total</b>	<b>50</b>	<b>14</b>	<b>-</b>	<b>64</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	3	(2)	-	1
Financial lease liabilities	10	(2)	-	8
Non - current provisions for employee benefits	-	-	2	2
Gain from change in fair value of available-for-sale	72	-	30	102
<b>Total</b>	<b>85</b>	<b>(4)</b>	<b>32</b>	<b>113</b>
<b>Net</b>	<b>(35)</b>	<b>18</b>	<b>(32)</b>	<b>(49)</b>

Deferred tax assets arising from temporary differences that have not been recognized in the financial statements were

(Unit: Million Bath)				
	Consolidated		Separate	
	2019	2018	2019	2018
Deductible temporary differences	14	13	13	13
Tax losses	42	39	-	-
<b>Total</b>	<b>56</b>	<b>52</b>	<b>13</b>	<b>13</b>

The tax losses will be expired 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**25 Non-current provision for employee benefits**

The Group/Company operates post-employment benefits based on the requirement of the Thai Labor 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 December 31 was as follows:

	(Unit: Bath)			
	Consolidated		Separate	
	2019	2018	2019	2018
Post-employment benefits: -				
Legal severance payments plan	220,158,611	168,465,337	213,939,647	163,782,879
<u>Less</u> Current provision for				
employee benefits	6,620,914	-	6,532,749	-
Non-current provision for				
employee benefits	<u>213,537,697</u>	<u>168,465,337</u>	<u>207,406,898</u>	<u>163,782,879</u>

Movement in the present value of the defined benefit obligations

	(Unit: Bath)			
	Consolidated		Separate	
	2019	2018	2019	2018
Defined benefit obligations				
at January 1	168,465,337	162,954,341	163,782,879	158,707,660
<b>Recognized in profit or loss</b>				
Past cost	28,370,606	-	27,848,101	-
Current service costs	24,182,868	19,030,026	22,996,636	17,438,331
Interest on obligations	4,939,362	3,696,572	4,794,252	3,591,828
	<u>57,492,836</u>	<u>22,726,598</u>	<u>55,638,989</u>	<u>21,030,159</u>
<b>Recognized in the other comprehensive income</b>				
Actuarial (gains) loss	-	(13,801,922)	-	(12,541,260)
<b>Other</b>				
Employee benefit paid	<u>(5,799,562)</u>	<u>(3,413,680)</u>	<u>(5,482,221)</u>	<u>(3,413,680)</u>
<b>Non - current provisions for employee benefit at</b>				
<b>December 31</b>	<u><b>220,158,611</b></u>	<u><b>168,465,337</b></u>	<u><b>213,939,647</b></u>	<u><b>163,782,879</b></u>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Actuarial gains and losses recognised in the other comprehensive income at the reporting date arising from:

	(Unit: Bath)			
	Consolidated		Separate	
	2019	2018	2019	2018
Financial assumptions	-	(16,849,451)	-	(16,491,140)
Demographic assumptions	-	14,119,640	-	14,008,712
Experience adjustment	-	(11,072,111)	-	(10,058,832)
<b>Total</b>	<b>-</b>	<b>(13,801,922)</b>	<b>-</b>	<b>(12,541,260)</b>

Expense recognized in profit or loss

	(Unit: Bath)			
	Consolidated		Separate	
	2019	2018	2019	2018
Past cost	28,370,606	-	27,848,101	-
Current service costs	24,182,868	19,030,026	22,996,636	17,438,331
Interest on obligation	4,939,362	3,696,572	4,794,252	3,591,828
<b>Total</b>	<b>57,492,836</b>	<b>22,726,598</b>	<b>55,638,989</b>	<b>21,030,159</b>

The above expense is recognized in the following line items:

	(Unit: Bath)			
	Consolidated		Separate	
	2019	2018	2019	2018
Contract costs	38,061,405	14,024,309	38,061,405	14,024,309
Administrative expenses	19,431,431	8,702,289	17,577,584	7,005,850
<b>Total</b>	<b>57,492,836</b>	<b>22,726,598</b>	<b>55,638,989</b>	<b>21,030,159</b>

Principal actuarial assumptions at the reporting date

	Consolidated	
	2019	2018
	(%)	
Discount rate	2.46-2.93	2.46 -2.93
Salary increase rate	3.00-5.00	3.00-5.00
Staff turnover rate	0-23.00	0-23.00
Mortality rate (Thai Mortality Ordinary Table)	TMO 2017	TMO 2017
Disability rate	5% of mortality rate	5% of mortality rate



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Separate	
	2019	2018
	(%)	
Discount rate	2.46	2.46
Salary increase rate	5.00	5.00
Staff turnover rate	0-21.00	0-21.00
Mortality rate (Thai Mortality Ordinary Table)	TMO 2017	TMO 2017
Disability rate	5% of mortality rate	5% of mortality rate

**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.

	(Unit : Million Bath)			
	Consolidated			
	December 31, 2019		December 31, 2018	
	Increase	Decrease	Increase	Decrease
1 percent change				
Discount rate	(11.88)	13.51	(8.80)	9.99
Salary increase rate	14.64	(13.06)	9.24	(8.31)
Employee turnover rate	(12.68)	7.49	(9.11)	5.40
Mortality table (1 year)	0.62	(0.62)	0.45	(0.45)

	(Unit : Million Bath)			
	Separate			
	December 31, 2019		December 31, 2018	
	Increase	Decrease	Increase	Decrease
1 percent change				
Discount rate	(11.31)	12.86	(8.39)	9.51
Salary increase rate	13.96	(12.53)	8.82	(7.95)
Employee turnover rate	(12.08)	7.22	(8.95)	5.21
Mortality table (1 year)	0.59	(0.59)	0.44	(0.44)

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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Amounts of defined benefit obligations for the current and previous four years were as follows:

	(Unit : Million Bath)			
	Defined benefit obligations		Experience adjustments	
	Consolidated	Separated	Consolidated	Separated
	financial	financial	financial	financial
	statements	statements	statements	statements
Year 2019	220	214	-	-
Year 2018	168	164	(11)	(10)
Year 2017	163	159	-	-
Year 2016	140	137	(7)	(6)
Year 2015	117	115	-	-

On April 5, 2019, The Labour Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019 that the change is considered a project amendment for the post-employment benefits plan.

The Company recognizes the impact of these changes by recognizing past service costs as an immediate expense in the statements of income in the period that the said law has been effective.

**26 Provisions**

	(Unit : Bath)	
	Consolidated	
	December	December
	31, 2019	31, 2018
Provision for the estimating costs of rectification		
and guarantee work	10,254,642	8,023,917
Provision for litigation	28,209,958	58,465,404
<b>Total</b>	<b>38,464,600</b>	<b>66,489,321</b>
Current	10,254,642	8,023,917
Non-current	28,209,958	58,465,404
<b>Total</b>	<b>38,464,600</b>	<b>66,489,321</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Movements for the years ended December 31, 2019 and 2018 were as follows:

	(Unit : Million Bath)					
	Consolidated and Separate					
	Provision for the estimating costs of rectification and guarantee work		Provision for litigation		Total	
	2019	2018	2019	2018	2019	2018
<b>At January 1</b>	8	23	58	55	66	78
Provision made	18	24	2	29	20	53
Reversal	(2)	(22)	(21)	(18)	(23)	(40)
Payment of provision	(14)	(17)	(11)	(8)	(25)	(25)
<b>At December 31</b>	<b>10</b>	<b>8</b>	<b>28</b>	<b>58</b>	<b>38</b>	<b>66</b>

**27 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. At present, the Company has fully provided legal reserve.

**28 Treasury shares and Treasury shares reserve**

**Treasury shares**

The treasury shares account within equity comprises the cost of the Company’s own shares held by the Company.

As at December 31, 2019 the Company held 9.04 million of the Company’s shares, comprising 0.57% of the Company’s issued share capital, at a total cost of Baht 22.90 million.

As at December 31, 2018 the Company held 1.74 million of the Company’s shares, comprising 0.11% of the Company’s issued share capital, at a total cost of Baht 4.77 million.

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 could purchase the shares through the SET during the period from December 17, 2018 to June 16, 2019. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**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.

**29 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 and rental business.
- Segment 3: Operate the management business for hotel, service apartment and other properties.

**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:**

		(Unit: Million Baht)							
		Segment 1		Segment 2		Segment 3		Total reportable segment	
		2019	2018	2019	2018	2019	2018	2019	2018
Revenues from customer									
- External		8,088	6,999	473	428	1	1	8,562	7,428
- Inter - segments		2	35	-	-	27	29	29	64
- Eliminated		(2)	(35)	-	-	(27)	(29)	(29)	(64)
<b>Total revenue</b>		<b>8,088</b>	<b>6,999</b>	<b>473</b>	<b>428</b>	<b>1</b>	<b>1</b>	<b>8,562</b>	<b>7,428</b>
<b>Segment profit (loss)</b>									
<b>before income tax</b>		<b>516</b>	<b>831</b>	<b>(114)</b>	<b>(51)</b>	<b>(24)</b>	<b>(24)</b>	<b>378</b>	<b>756</b>
Interest income		19	3	-	-	-	-	19	4
Interest expense		-	3	75	66	-	-	75	69
Depreciation and amortization		165	190	198	146	-	-	363	336

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit: Million Baht)							
	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Segment assets</b>	<b>6,243</b>	<b>6,273</b>	<b>3,996</b>	<b>4,017</b>	<b>9</b>	<b>5</b>	<b>10,248</b>	<b>10,295</b>
<b>Investment properties</b>	-	-	545	564	-	-	545	564
<b>Property, plant and equipment</b>	656	717	2,810	3,440	-	-	3,466	4,157
<b>Leasehold right</b>	-	-	454	383	-	-	454	383
<b>Segment liabilities</b>	<b>2,075</b>	<b>2,154</b>	<b>1,928</b>	<b>2,071</b>	<b>5</b>	<b>5</b>	<b>4,008</b>	<b>4,230</b>

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	(Unit: Million Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<b>Revenues</b>				
Total revenue from reportable segments	8,419	7,260	8,035	6,930
Other revenue	172	232	170	229
Elimination of inter-segment revenue	(29)	(64)	(2)	-
<b>Consolidated revenue</b>	<b>8,562</b>	<b>7,428</b>	<b>8,203</b>	<b>7,159</b>
<b>Profit or loss</b>				
Total profit for reportable segments	379	756	502	830
Elimination of inter-segment profits	-	-	-	-
<b>Profit before income tax</b>	<b>379</b>	<b>756</b>	<b>502</b>	<b>830</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	(Unit: Million Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<b>Assets</b>				
Total assets for reportable segments	6,782	6,699	5,884	5,924
Investment in subsidiaries	-	-	1,403	1,156
Property, plant and equipment	3,466	3,596	688	758
<b>Total assets</b>	<b>10,248</b>	<b>10,295</b>	<b>7,975</b>	<b>7,838</b>
<b>Liabilities</b>				
Total liabilities for reportable segments	4,008	4,230	2,102	2,182
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>4,008</b>	<b>4,230</b>	<b>2,102</b>	<b>2,182</b>

	(Unit: Million Baht)		
	Reportable	Consolidated	
	segment totals	Adjustments	totals
<b>Other material items</b>			
<b>2019</b>			
Interest income	22	(3)	19
Interest expense	78	(3)	75
Depreciation and amortization	363	-	363
<b>2018</b>			
Interest income	5	(1)	4
Interest expense	70	(1)	69
Depreciation and amortization	337	(1)	336

**Major customers**

Revenue from one customer of the Company's segment 1 for the years 2019 and 2018 approximately Baht 1,318 million and Baht 919 million, respectively.



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**30 provident fund**

The Group/Company has established a provident fund for staff of the Group/Company on a voluntary basis for employees being members of the fund. In which the employees contribute 3 - 5 percent of their monthly salary. And the Group/Company contributes at the rate of 3 to 5 percent of the monthly salary of the employees. Provident fund Registered as a provident fund in accordance with the regulations of the Ministry of Finance and managed by a licensed fund manager.

**31 Expenses by nature**

Certain accounts included in calculating profit (loss) from operations for the years ended December 31 have been classified by nature as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Raw material and consumables used	2,037	1,652	2,037	1,679
Room service costs	121	94	61	62
Subcontractor cost	2,993	1,981	2,993	1,981
Employee and workers expenses	1,629	1,666	1,551	1,612
Depreciation and amortization expenses	363	337	194	220
Management benefit expenses	76	71	61	63
Bad debt and doubtful debts expense	131	6	123	6
Other expenses	759	797	682	702
Finance costs	75	69	-	3
<b>Total expenses</b>	<b>8,184</b>	<b>6,673</b>	<b>7,702</b>	<b>6,328</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**32 Income tax**

Income tax for the years ended December 31, 2019 and 2018 are summarized as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
<b>Current income tax</b>				
For the current year	152	184	151	183
<b>Deferred income tax:</b>				
Changes in temporary differences	(21)	(19)	(21)	(19)
<b>Income tax presented in the income statement</b>	<b>131</b>	<b>165</b>	<b>130</b>	<b>164</b>

The amount of income tax related to components in the statements of comprehensive income for the years ended December 31, 2019 and 2018 are summarized as follows:

	(Unit: Million Baht)					
	Consolidated and Separate					
	2019			2018		
	Income			Income		
	BEFORE	(expense)	Net of	BEFORE	(expense)	Net of
	INCOME	income	income	INCOME	income	income
	TAX	tax	tax	TAX	tax	tax
Available-for-sale investments	90	18	72	150	(30)	120
Loss from actuarial estimation	-	-	-	14	(3)	11
<b>Total</b>	<b>90</b>	<b>18</b>	<b>72</b>	<b>164</b>	<b>(33)</b>	<b>131</b>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Reconciliation to find the effective tax rate

(Unit: Million Baht)				
Consolidated				
2019		2018		
Tax rate (Percent)	Amount	Tax rate (Percent)	Amount	
Profit before income tax	20	378	20	756
Tax amount according to income tax rate		75		151
Expenses that have the right to deduct increased		(6)		(8)
Expenses not deductible for tax purposes		19		8
Losses in the current year that are not recognized as assets		42		29
Other		-		(15)
<b>Total</b>		<b>131</b>		<b>165</b>

(Unit: Million Baht)				
Separate				
2019		2018		
Tax rate (Percent)	Amount	Tax rate (Percent)	Amount	
Profit before income tax	20	502	20	830
Tax amount according to income tax rate		100		166
Expenses that have the right to deduct increased		(6)		(6)
Expenses not deductible for tax purposes		20		6
Losses in the current year that are not recognized as assets		42		27
Other		(26)		(29)
<b>Total</b>		<b>130</b>		<b>164</b>

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**33 Earnings per share**

The calculation of basic earnings per share for the years ended December 31, 2019 and 2018 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:

	Consolidated		Separate	
	2019	2018	2019	2018
Profit for the year attributable to shareholders of the Company				
(comprehensive income) (basic) (Baht)	294,166,450	622,208,620	371,361,459	666,928,375
Weighted average number of numbers of ordinary shares outstanding	1,593,205,284	1,599,982,690	1,593,205,284	1,599,982,690
<b>Basic earnings per share (Baht)</b>	<b>0.18</b>	<b>0.39</b>	<b>0.23</b>	<b>0.42</b>

**34 Dividends**

Year 2019:

The Board of Directors Meeting of the Company held on August 9, 2019 resolved to pay an interim dividend for the period from January 1, 2019 to June 30, 2019 at the rate of Baht 0.04 per share totaling Baht 64 million, which the Company made the payment on September 6, 2019.

On April 26, 2019, the annual general meeting of shareholders approved the payment of dividend at the rate of Baht 0.09 per share, totaling Baht 144 million, which the Company made the payment on May 24, 2019.

Year 2018: -

The Board of Directors Meeting of the Company held on August 10, 2018 resolved to pay an interim dividend for the period from January 1, 2018 to June 31, 2018 at the rate of Baht 0.04 per share totaling Baht 64 million, which the Company made the payment on September 7, 2018.

The Ordinary General Meeting of Shareholders of the Company held on April 27, 2018 resolved the approval of dividend from the Company's result of operations for the period from 1 January 2017 to December 31, 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 January 1, 2017 to June 30, 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 May 22, 2018.

**35 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

The effective interest rates of deposit at the banks, debt securities and interest-bearing financial liabilities as at December 31 and the periods in which those liabilities mature or re-price were as follows:

(Unit : Million Bath)				
	Consolidated			
	Effective	After 1	After 5	Total
	Interest rate (%)	year but	years	
	per annum)	within 5	years	
		year	years	
<b>2019</b>				
<b>Current</b>				
Cash and cash equivalents	0.71			926
Current investments	-	609	-	609
Long-term loans	4.12	(738)	-	(738)
<b>Non-current</b>				
Pledged deposit at banks	0.01	-	53	53
Long-term loans	4.12	-	(581)	(1,081)
<b>Total</b>		<b>797</b>	<b>(528)</b>	<b>(231)</b>
<b>2018</b>				
<b>Current</b>				
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)
<b>Non-current</b>				
Pledged deposit at banks	1.52	-	86	86
Long-term loans	3.98	-	(946)	(1,331)
<b>Total</b>		<b>1,043</b>	<b>(860)</b>	<b>(202)</b>



SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Million Bath)				
	Separate				
	Effective	After 1			
	Interest rate	year but			
	(% per	Within 1	within 5	After 5	
	annum)	year	years	years	Total
<b>2019</b>					
<b>Current</b>					
Cash and cash equivalents	0.74	743	-	-	743
Current investments	-	608	-	-	608
Short-term loans	4.43	98	-	-	98
<b>Non-current</b>					
Pledged deposit at banks	0.01	-	33	-	33
<b>Total</b>		<b>1,449</b>	<b>33</b>	<b>-</b>	<b>1,482</b>
<b>2018</b>					
<b>Current</b>					
Cash and cash equivalents	0.29	674	-	-	674
Current investments	0.19	991	-	-	991
Short-term loans	3.85	35	-	-	35
Short-term loans from financial institution	3.0	(100)	-	-	(100)
<b>Non-current</b>					
Pledged deposit at banks	1.64	-	66	-	66
<b>Total</b>		<b>1,600</b>	<b>66</b>	<b>-</b>	<b>1,666</b>

**Foreign currency risk**

The Company has no exposure on foreign currency risk due to the number 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

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 7 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 Company's accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair value means the price that will be received from the sale of assets or will pay to transfer the liabilities in the normal transaction between the market participants at the measurement date the purpose of measurement and / or fair value disclosure is determined by the following methods.

The fair value of cash and cash equivalents Trade and other current receivables Retention receivable for work in progress, unbilled construction in progress Short-term loans Deposit pledged as collateral Bank overdrafts and short-term loans Trade and other current payables and other current liabilities which are close to the price recorded in the account.

The fair value of investments in available-for-sale equity securities is determined by reference to the quoted price at the reporting date.

The fair value of temporary investments - mutual funds is based on investment unit prices announced by fund managers on the last business day of the end of the reporting period.

The fair value of long-term loans is close to the price recorded in the account, since most of the instruments These financial instruments bear interest at market rates.

For financial assets and liabilities other than the above, the book values and fair values are as follows:

	(Unit : Million Bath)				
	Consolidated				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
December 31, 2019:					
Financial assets/Financial liabilities					
measured at fair value					
Current investments	609	609	-	-	609
Other equity securities	819	819	-	-	819
	1,428	1,428	-	-	1,428

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Million Bath)

	Consolidated				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>December 31, 2018:</b>					
<b>Financial assets/Financial liabilities</b>					
<b>measured at fair value</b>					
Current investments	992	992	-	-	992
Other equity securities	729	729	-	-	729
	<b>1,721</b>	<b>1,721</b>	<b>-</b>	<b>-</b>	<b>1,721</b>

(Unit : Million Bath)

	Separate				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>December 31, 2019:</b>					
<b>Financial assets/Financial liabilities</b>					
<b>measured at fair value</b>					
Current investments	608	608	-	-	608
Other equity securities	819	819	-	-	819
	<b>1,427</b>	<b>1,427</b>	<b>-</b>	<b>-</b>	<b>1,427</b>

**December 31, 2018:****Financial assets/Financial liabilities****measured at fair value**

Current investments	991	991	-	-	991
Other equity securities	729	729	-	-	729
	<b>1,720</b>	<b>1,720</b>	<b>-</b>	<b>-</b>	<b>1,720</b>

The above fair value measured at the quoted prices in active markets.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**36 Commitments with non-related parties**

As at December 31, 2019 the Group/Company had commitments as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
<b>Capital commitments: -</b>		
Not provide for	4	1
Condominium	4	4
Camp and other buildings	586	4
Cost of construction building for service room	-	-
<b>Total</b>	<b>594</b>	<b>9</b>
<b>Commitments under non- cancellable operating leases</b>		
Within one year	17	17
After one year but within five years	71	71
Over five years	158	158
<b>Total</b>	<b>246</b>	<b>246</b>
<b>Other commitments: -</b>		
Subcontractor agreements	2,004	2,004
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,929	1,929
<b>Total</b>	<b>4,773</b>	<b>4,188</b>

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 agreements.

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 December 31, 2019, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 5,243 million.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**37 Contingent liabilities and assets**

**Litigations**

As at December 31, 2019, contingent liabilities 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 September 23, 2013, onwards and monthly damages of Baht 5,000 onwards until the demolition will be completed. On November 3, 2018, the Company has filed a petition to the Supreme Court, which the case has been in the process of consideration by the Court, the result has not been finalized. However, as at December 31, 2019, the Company already recorded the provision on the above lawsuits amounting to Baht 0.52 million.
- On June 28, 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 September 7, 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 July 7, 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 August 10, 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 July 7, 2015, until the settlement was completed and ordered the National Housing Authority returned three letters of guarantee to the Company. On September 6, 2018, the Company filed an appeal with the Court. As of February, 2019, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at December, 2019, the Company already recorded the provision on the above lawsuits amounting to Baht 27.69 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 December 28, 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 August 26, 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 February 1, 2011, onwards.

## **SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

### **NOTES TO INTERIM FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED DECEMBER 31, 2019**

Subsequently, on May 15, 2014, the Company filed a petition to the Supreme Court. On June 28, 2018, the Supreme Court sentenced the Company to settle of Baht 14.49 million with interest rate 7.5% per annum from February 1, 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 March 14, 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 others person on September 21, 2018.

- On November 24, 2014, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 3 million. Subsequently, on June 21, 2016, the Court of First Instance adjudged the Company to settle to that person in the amount of Baht 8.60 million. The Company appealed to the Court on August 23, 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. The Company filed a petition to the Supreme Court. Subsequently, on April 4, 2019, the Supreme Court sentenced the Company to pay Baht 9.68 million with interest rate 7.5 % per annum form November 24, 2014, onwards until the debt payment is completed. And ordered another company, co-defendant, jointly liable for the payment. The Company settled Baht 10.13 million on April 24, 2019.
- On December 27, 2018, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 50 million baht with interest rate 7.5 % per annum from the filing date onwards until the payment was completed. Subsequently, on February 22, 2019, the company has submitted an answer to the court. On February 12, 2020 the Court of First Instance ruled dismiss.
- On March 13, 2019, the Company was sued by one customer claiming a compensation of construction due to breach of contract amounting to Baht 247.65 million with interest rate 7.5 % per annum from the filing date onward. Subsequently, on June 20, 2019, the Company submitted an answer to the court and counterclaimed the plaintiff with amounting to Baht 78.55 million. the court of First Instance appointed the plaintiff and defendant's witnesses on April 23-24, 2020, and April 28-29, 2020, respectively.

#### **38 Pledged assets**

As at December 31, 2019 and 2018, the Group/Company's cash at banks of Baht 53 million and Baht 86 million in consolidated financial statements and Baht 33 million and Baht 66 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.



## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### NOTES TO INTERIM FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2019

As at December 31, 2019 and 2018, current investments in mutual fund - debt securities amounted to Baht 162 million and Baht 161 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

As at December 31, 2019 and 2018, 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 85 million and Baht 109 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.

#### 39 Operating lease

Leases as lessee

On October 15, 2013, the Company (“lessee”) entered into a lease agreement with the Crown Property Bureau (“lessor”) whereas:

- Lesser is the ownership of land and a residential building located at Langshan 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.
- 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 October 15, 2013 to May 31, 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**40 Reclassification of accounts**

As of December 31, 2019, the subsidiary has reclassified the comparative figures to be in line with Item classification in the current year

The effects of reclassifications to the consolidated statements of financial position as at December 31, 2018 and January 1, 2018 are summarized as follows:

	(Unit: Bath)		
	Consolidated		
	Increase (decrease)		
	As previously reported	From Reclassify	after Reclassification
<b>Statement of financial position as of 31 December 2018</b>			
<b>Non-current assets</b>			
Investment property	3,318,874	561,172,452	564,491,326
Property, plant and equipment	4,157,026,534	(561,172,452)	(3,595,854,082)
<b>Statement of financial position as of 1 January 2018</b>			
<b>Non-current assets</b>			
Investment property	103,239,914	638,331,366	741,576,280
Property, plant and equipment	4,037,006,465	(638,331,366)	(3,398,675,099)

**41 Subsequent event**

The Extraordinary Meeting of Shareholders of subsidiary (JT Ten Co., Ltd.) held on January 21, 2020 approved the increase of the company's authorized share capital from Baht 100 million to Baht 140 million. The subsidiary also registered the increases of shares with Ministry of Commerce on February 3, 2020.

**42 Approval of financial statements**

These interim financial statements have been approved for issue by the Company's Board of Directors on February 27, 2020.



## **บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)**

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เขตวัฒนา กรุงเทพมหานคร 10110

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