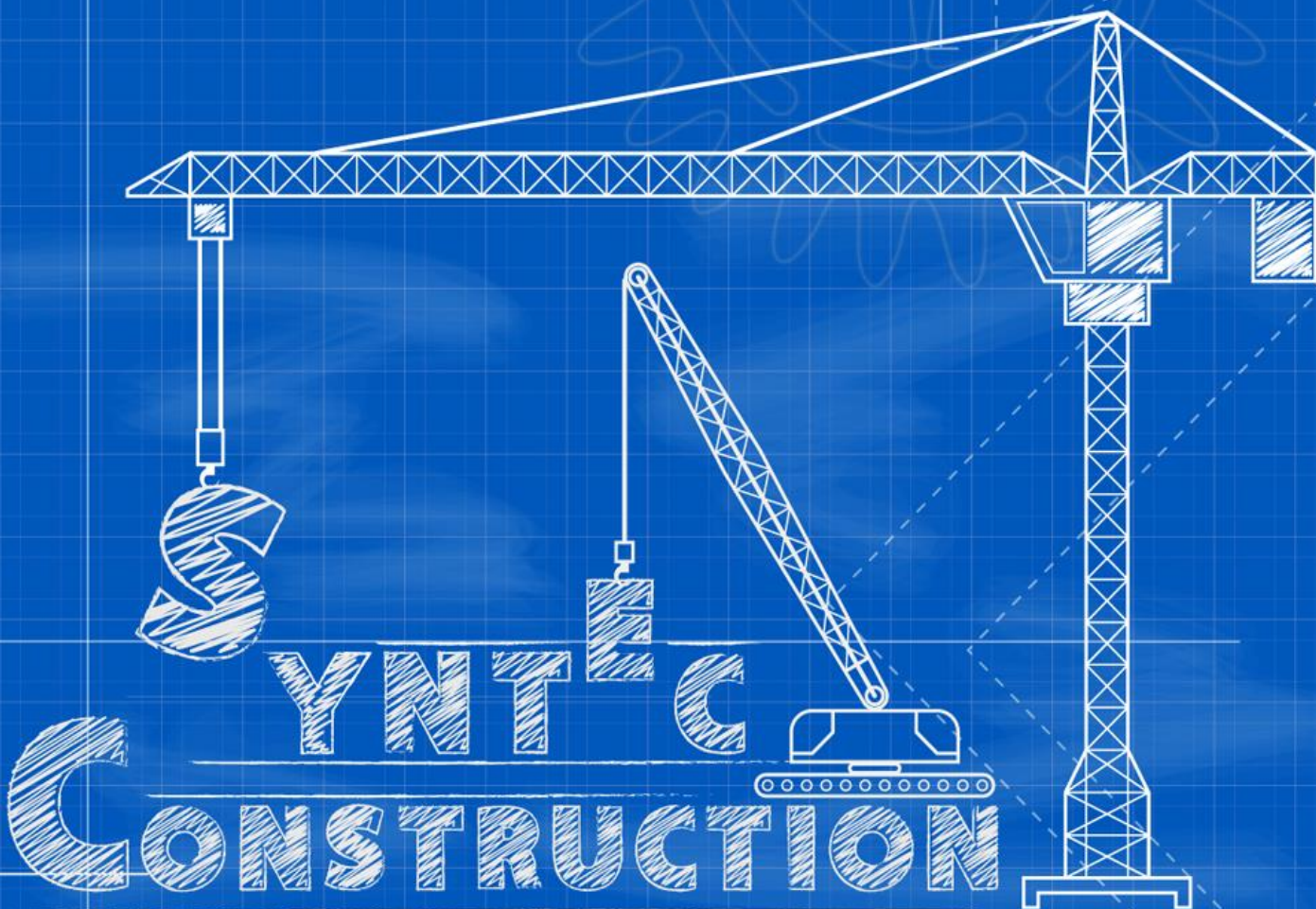




Annual Report 2020
(Form 56-1 One Report)
As of 31 December 2020
Syntec Construction PCL.



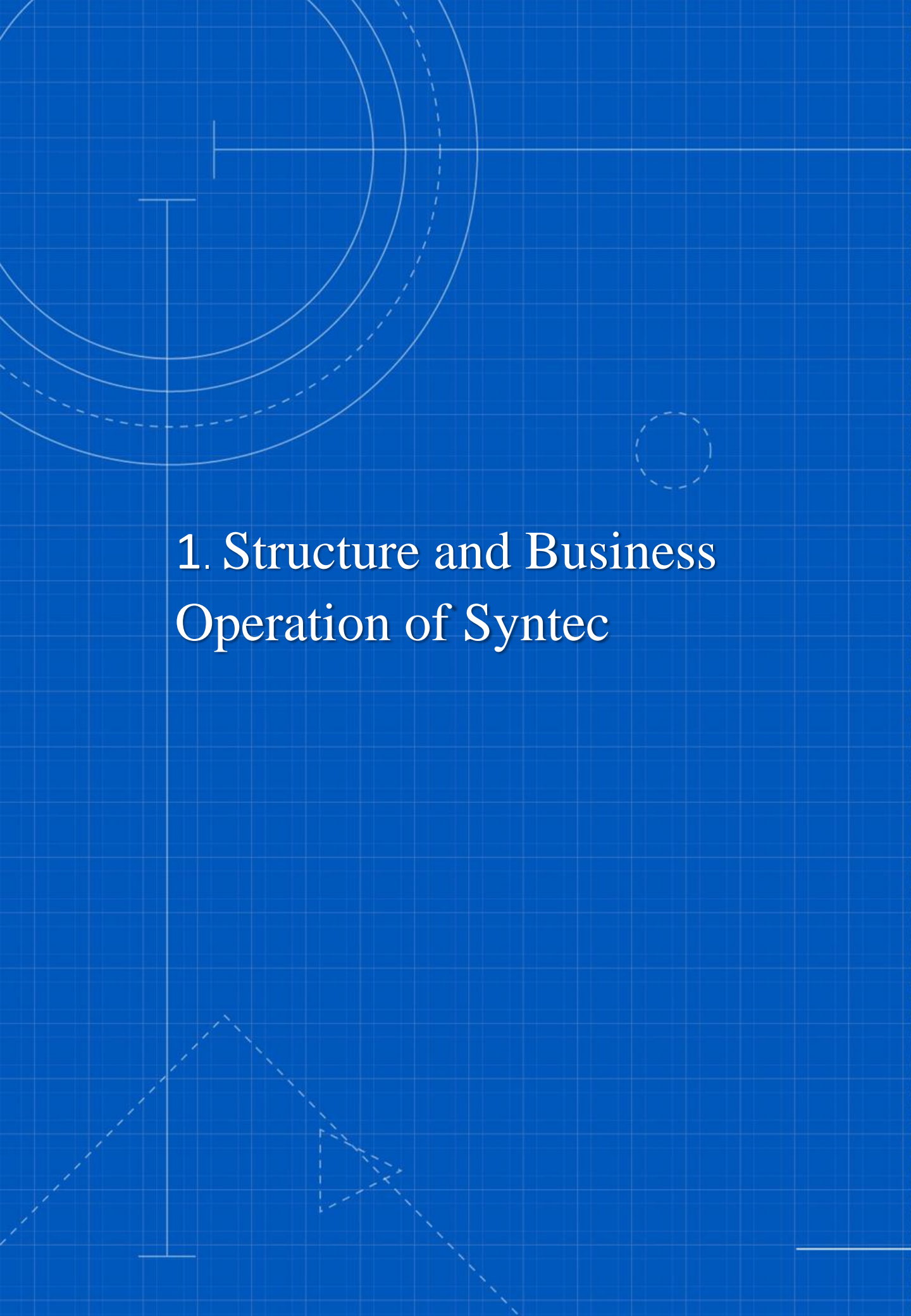
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Section 1

Business Operation and Performance

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1. Structure and Business Operation of Syntec

Part 1

Business Operations and Operating Results

1. Group structure and operation

1.1) Policy and Business Overview

● General Information

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 December 1988. It was registered for transformation to become a public company on 14 October 1992. Later on 12 February 1993, it was listed 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.

The integrated 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 Service” 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 acceptance of construction work is duly and suitably preceded according to the procedure in all cases of hirers, who are a government bureau, state enterprise or private sector, with different procedures, processes, bid 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.

The Company is generally the main contractor. However, if the project is big and requires specialization, the Company will consider co-operation as a joint venture with other company which causes an exchange of techniques in the work, learning and transfer of modern technologies, knowledge in various fields promoting innovation development which is considered to expand working potential of the Company to provide opportunities to participate in bidding for major projects in the government and private sectors in the future.

For the construction workers, the Company has its own daily workers and those from hiring a properly registered subcontractor with qualifications meeting the criteria set by the Company. The advantage in this section is that the workforce can be provided according to the needs of each period properly resulting in effective cost control as well.

1.1.1) Vision, mission, culture, values and operating strategies of the Company

Vision

To be a leader in the construction industry with continual development on quality, time, cost, safety, social and environmental responsibility.

Mission

1. Develop personnel to have skills, knowledge, capability, expertise in construction work to get high-quality work.
2. Develop work methods using innovation to create leadership.
3. Manage costs effectively to increase competitiveness.
4. Keep the commitment to build confidence and satisfaction among customers
5. Conduct construction with regard to safety, social and environmental responsibility with standard.

Culture

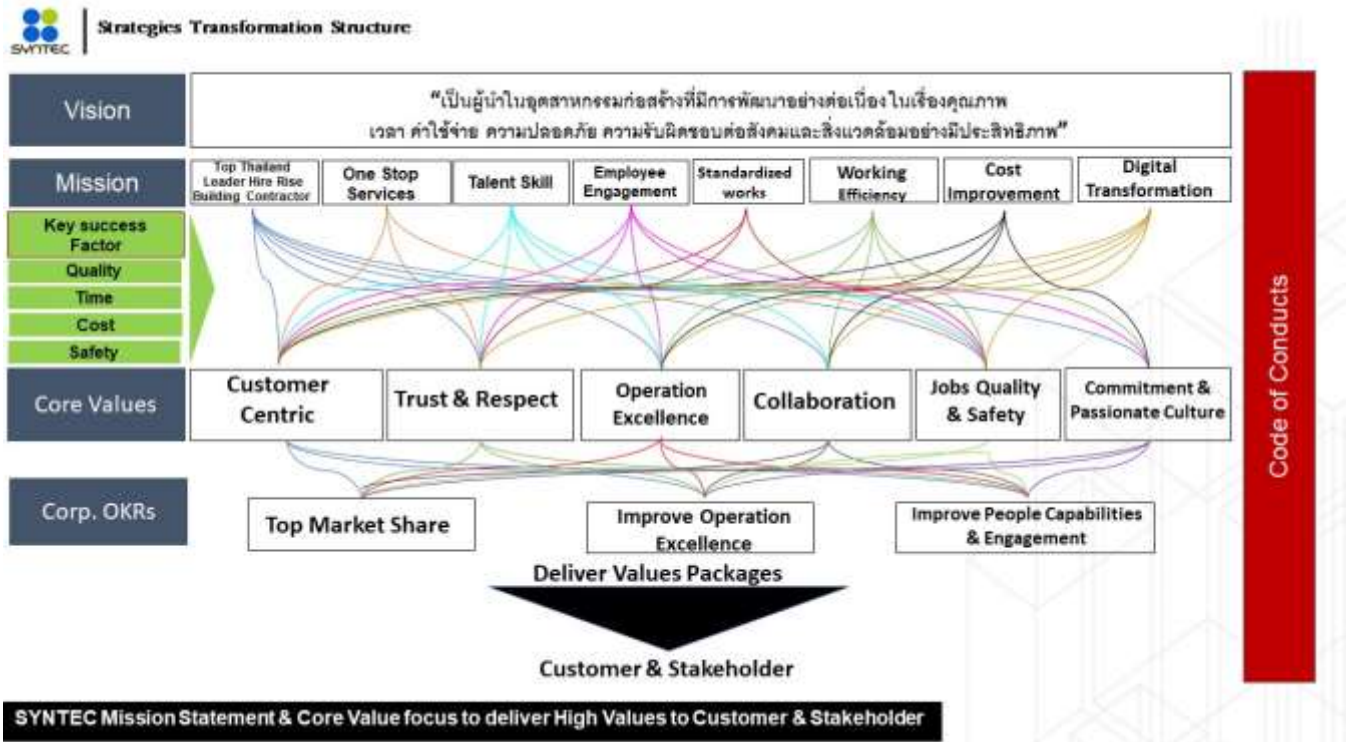
The Company has built and followed the Company culture for a long period. Like building a tall building, the important thing is to build a solid foundation, similar to the Company culture. When it has been followed and passed from generation to generation, it can unite everyone to create new ideas and overcome obstacles together to maximize efficiency and effectiveness in work.

Long-term objectives and goals

The company strives to be a contractor with expertise in all types of building construction and accepting a integrated construction services with an objective to carry out construction with thighest safety. And over the next 3-5 years, the Company aims to have income as one of top five companies listed on the Stock Exchange of Thailand in construction industry.

Business strategy

The company uses strategied to operate business intensively with the strategy of internal management restructuring for two consecutive years from 2020-2021, focusing on human resource management and information system management to be more efficient to increase the competitiveness of the Company as follows:



1. Quality: by focusing on the construction that is correct to professional principles, providing a full range of services and creating quality work along with taking care of safety of the workers by using modern technology and promoting innovation in all aspects of work.

2. Time: by ensuring that customers will receive on-time delivery of work in full accordance with the construction contract.

3. Expenses: by managing project costs and construction costs appropriately according to the plan so that customers can compete in business.

4. Social and environmental responsibility: by operating based on good corporate governance principles, encouraging all employees to abide by the code of conduct and jointly protecting the environment, in particular, minimizing the environmental impacts to the community, society and residents surrounding the construction.

1.1.2) Significant development in the past 3 years

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.

2020

- January 20, - Increase registered capital in proportion to JT10 Company Limited (subsidiary) from the original registered capital 100,000,000 baht, 1,000,000 shares, par value of 100 baht per share, additional 40,000,000 baht, 400,000 shares, 140,000,000 baht, 1,400,000 shares, with the company holding 84.98% of the shares or equivalent to a total investment value of 118,972,000 baht, 1,189,720 shares.
- February 1, - The Board of Directors' meeting resolved to appoint the Company's top executives as follows: Ms. Sangduen Sornbali to be the Chief Financial Officer and Ms. Nuchanart Siri Supanimit to be a Chief of Account.
- April 15, -Increase registered capital in proportion to CSM Capital Company Limited (subsidiary) from the original registered capital 1,175,000,000 baht, 11,750,000 shares, par value of 100 baht per share, additional 50,000,000 baht, 500,000 shares, 1,225,000,000 baht, 12,250,000 shares, with the company holding 60.00% of the shares or equivalent to a total investment value of 735,000,000 baht, 7,350,000 shares
- July 13, - Establishment of 1 subsidiary, namely Delta Infra One Company Limited (subsidiary) to provide consulting services, procurement, installation of sanitary systems, electrical systems, water supply systems and air conditioning systems with a registered capital of 4,000,000 baht, 40,000 shares with a par value of 100 baht each. The company holds 90.00% of shares or equivalent to the investment value of 3,599,800 baht, 35,998 shares.
- September 28, -Increase registered capital in proportion to SHG Management Company Limited (subsidiary) from the original registered capital 4,000,000 baht, 40,000 shares, par value of 100 baht per share, additional 5,000,000 baht, 50,000 shares, 9,000,000 baht, 90,000 shares, with the company holding 70.00% of the shares or equivalent to a total investment value of 6,300,000 baht, 63,000 shares

1.1.3) Use of funds from fundraising

As of 2020, the company has not raised any type of fund.

1.2) Business Description

1.2.1) Revenue Instruction

Income structure table separate companies and subsidiaries according to the consolidated financial statements for the past 3 years.

Company	Shareholding Ratio	2020		2019		2018	
		Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
1. Syntec Construction PCL.		7,698.56	96.38	8,200.58	95.78	7,125.86	95.93
2. Subsidiaries							
- SCR Asset Management Co., Ltd.	68.00	77.96	0.98	77.33	0.90	58.64	0.79
- Natural Ville Service Apartment and Management Co., Ltd.	99.97	0.19	-	1.77	0.02	4.65	0.06
- CSM Capital Partners Co., Ltd.	60.00	209.09	2.62	282.44	3.30	239.16	3.22
- PT3 Land Co., Ltd.	79.98	0.01	-	0.11	-	0.09	-
- JT10 Co., Ltd.	84.98	0.03	-	-	-	-	-
- AN8 Co., Ltd	79.90	0.20	-	-	-	-	-
- SHG Co., Ltd	70.00	2.08	0.02	-	-	-	-
- DELTA INFRA ONE Co., Ltd	90.00	-	-	-	-	-	-
TOTAL		7,988.12	100.00	8,562.23	100.00	7,428.31	100.00

From the income structure table, separate companies and subsidiaries, it will be found that the total income of the company is much higher than that of its subsidiaries. It shows that the company is still committed to operating the business in the core business direction The income from subsidiaries has continued to grow. Promote financial strength and build stability with stable income for the company in the future.

Income structure table Classified by account type according to the consolidated financial statements for the past 3 years

Business Group	2020		2019		2018	
	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
1. Revenue from Construction	7,623.87	95.44	7,921.61	92.52	6,789.35	91.40
2. Revenue from services	308.17	3.86	461.41	5.39	419.76	5.65
3. Gain from selling and disposing of assets	1.69	0.02	9.64	0.11	141.47	1.90
4. Other						
- Interest Income	5.40	0.07	18.89	0.22	3.60	0.05
- Reverse of estimated allowance for Litigation	-	-	20.81	0.24	-	-
- Other Revenues	48.99	0.61	129.87	1.52	74.11	1.00
Total	7,988.12	100.00	8,562.23	100.00	7,428.31	100.00

From the table showing the income structure Classified by business group, it is found that revenue from construction is the main business of the company. The business of real estate development for rent has started to grow steadily. According to a strategic plan that focuses on expanding other businesses involved in a way to grow forward. Create sustainability for the organization and it works well in parallel with the core business plan, although in 2020 it may be partially affected by the Covid-19 situation.

Construction business revenue structure table according to the consolidated financial statements for the past 3 years

Type of Construction	2020		2019		2018	
	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
Residential	4,442.97	58.28	4,351.02	54.93	4,759.59	70.10
Hospital	1,061.12	13.92	742.19	9.37	-	-
Retail	693.80	9.10	548.75	6.93	582.01	8.57
Commercial	505.17	6.63	1,002.08	12.65	714.99	10.53
Leisure	484.81	6.36	303.44	3.83	354.76	5.23
Industrial	345.41	4.53	378.85	4.78	167.58	2.47
Institution	90.59	1.18	595.28	7.51	210.42	3.10
Total	7,623.87	100.00	7,921.61	100.00	6,789.35	100.00

From the table showing the structure of the business According to the consolidated financial statements for the past 3 years, it can be found that the income from construction of residential buildings or condominiums is still a much higher proportion of income than other types of construction. Shopping Mall, Shopping Mall, Office Building Commercial buildings, hotels, resorts, factories and institutions, respectively, show that the company always continues to be the leader in high-rise building trusted by project owners.

Type of Construction	2020		2019		2018	
	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
Private sector	7,545.87	98.98	7,910.45	99.86	7,910.45	99.86
State enterprise jobs	-	-	-	-	-	-
Government work	78.00	1.02	11.16	0.14	11.16	0.14
Total	7,623.87	100.00	7,921.61	100.00	7,921.61	100.00

Construction business revenue structure table sources of income for the past 3 years, it is found that the construction income of the company is the most source of income from private sector work. This is in line with the type of construction that the company undertakes to mainly undertake residential construction. The project of this type takes about 2-3 years to complete.

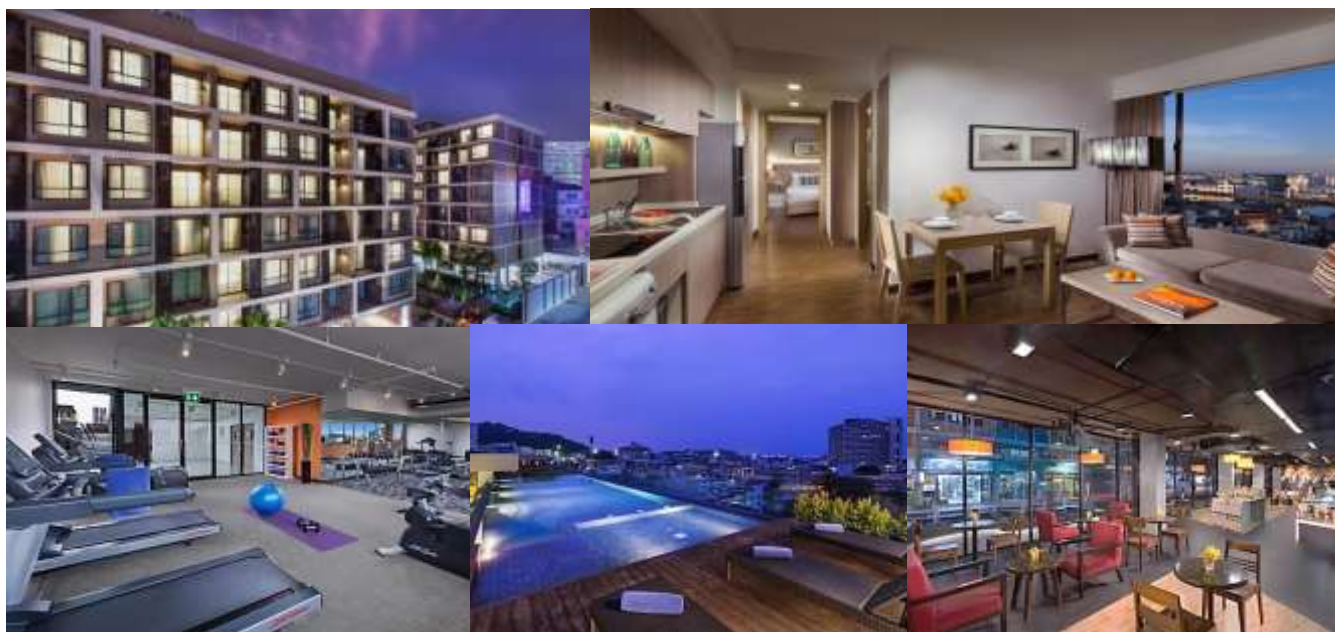
1.2.2 Information of Business

(1) Characteristics of products or services

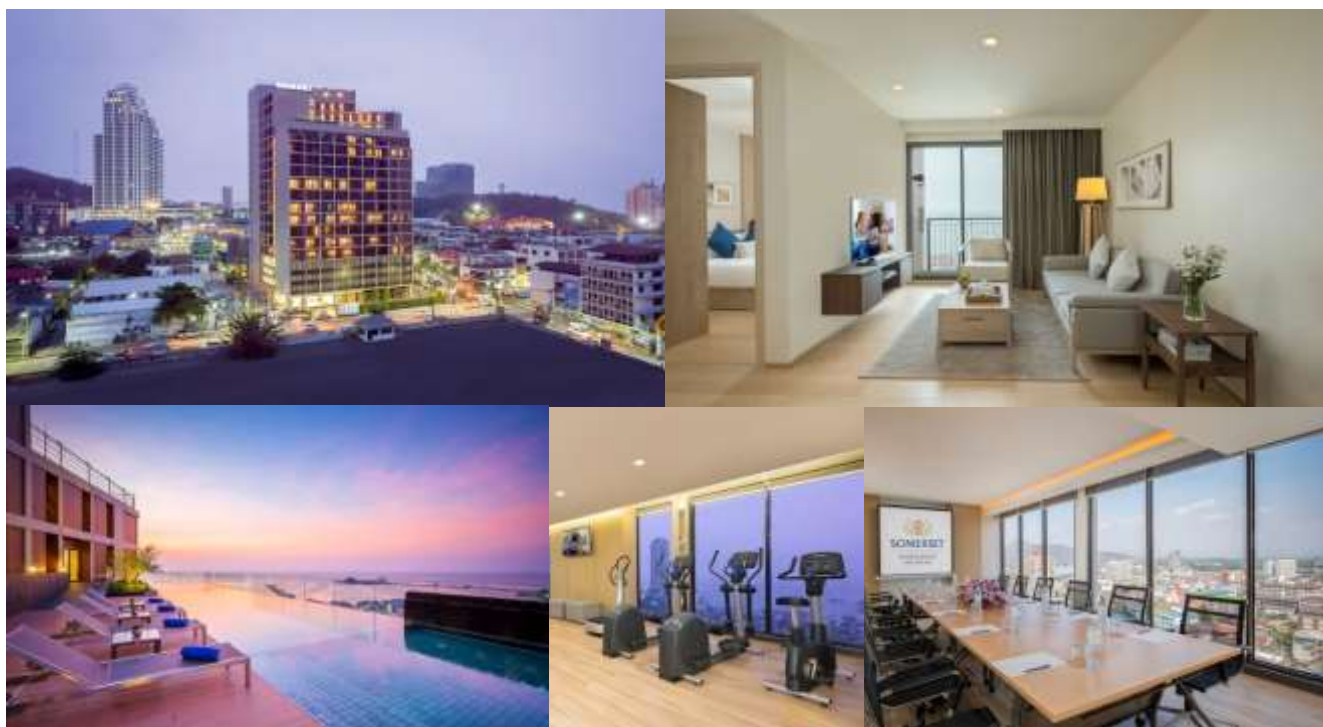
The company has 3 types of products or services as follows:

1) **Hospitality business (Hotel & Resort)**, which is regarded as a secondary business of the company, generated a stable income ratio, although in 2020 all projects have encountered the affects of coronavirus pandemic (COVID-19). The projects are operating through companies and subsidiaries which can be categorized by type of ownership as follows:

1.1 As a Developer: Operated by S.C.R Asset Management CO., LTD, currently holding 2 properties which are under operation 2 properties:



- Citadines Grand Central Sriracha is located at 99/9 Thetsaban 1 Road, Sriracha Sub-district, Sri-racha District Chonburi Province, opened in March 2015, it is an 8-storey apartment hotel project with 136 rooms, total area 9,492 square meters providing short stay and long stay room rentals. Major guests are foreigner especially Japanese expats who work in the industrial estates in Chonburi and Rayong provinces. And with the convenient location of the hotel in Chonburi province which is the top destination of travelers' choice that guests will be able to travel further to various locations. Citadines guests are given excellent service standards of Ascott International, the hotel offers facilities available in-house i.e. free Wi-Fi in all guestrooms and public areas, 24-hour front desk, non-smoking rooms, car park and airport transfer service etc. with the full access to a comprehensive list of amenities for example; fitness room, sauna, and outdoor swimming pool etc. For year 2020 the average occupancy rate was at 45% and forecast the average occupancy rate at 64% in year 2021.



- Somerset Harbourview Sriracha is located at 88 Surasak Sanguan Road, Sriracha Sub-district, Sriracha District, Chonburi Province which is not far from Citadines the first project. It is the 19-floor apart' hotel with 1 basement and 176 guestrooms, total area 19,442 square meters providing short and long term rental services. Major guests are foreigners particularly Japanese expats who work in the industrial estates in Chonburi and Rayong provinces. According Sriracha District is the largest industrial estate area ranked at the forefront of Thailand and has many Japanese factories resulting Sriracha District is one of the districts having high numbers of Japanese expats in Thailand, currently approximately 10,000 people and is likely to increase year by year. Somerset guests are given excellent service standards of Ascott International, the hotel offers facilities available in-house i.e. free Wi-Fi in all guestrooms and public areas, 24-hour front desk, non-smoking rooms, car park and airport transfer service etc. with the full access to a comprehensive list of amenities for example; fitness room, sauna, and outdoor swimming pool and so on. In year 2020, the average occupancy rate was at 44% and expected that the average occupancy rate will increase to 54% in year 2021.

Regarding to year 2020 tourism and hotel businesses have been severely impacted by the Coronavirus outbreak (COVID-19) that has spread across all regions of the world since the end of Q4 2019 and the heavily pandemic in Thailand in the Q2 of 2020 onwards causing many countries, including Thailand to impose Lockdown measures to contain the pandemic. It caused tourists cancelled all travel plans due to they were unable to travel out of their countries which are directly affected both hotels. While Thai tourists recently were able to travel across provinces in July 2020 after the release of the 3-months inter-provincial travel ban. Therefore, the hotel performance for the year 2020 of 2 projects did not meet the budget which Citadines Grand Central Sriracha set a target for 2020 average occupancy at 85%, however the actual average occupancy was at 45% lower than the target 40% and lower than the previous year 38%. Whilst Somerset Harbourview Sriracha forecasted the average occupancy for 2020 at 61% which is the first year of full operation but the actual average year-round occupancy rate was at 44% lower than the target, 17%, although the average occupancy was down from the

previous year and from the target however the average annual occupancy rate under the COVID-19 crisis (COVID-19) both projects still have a fairly good level of occupancy resulting from sales and marketing strategies that focuses on Japanese expats whose offices are located close to the hotels' locations to stay at the hotel for a long stay monthly and yearly together with the promotion for short stay to boost domestic travelers to travel on holidays and the campaign from the government "We Travel Together" program and also the additional holidays approval that came out in the Q3 and Q4 resulting this year average occupancy 40-50% as expected.

Following to the new epidemic of COVID-19 in Thailand at the end of Q4 2020 and continued into the Q1 of 2021 resulting in a forecast of economic recovery. The tourism sector deteriorated from the previous forecast to recover in 2022 expanding to 2024 which is a factor of occupancy forecast in the 2021 for both projects. The figures are close to the 2020 average total occupancy. Citadines Grand Central Sriracha project is expected to have an average of 64% occupancy rate in 2021 while Somerset Harborview Sriracha project is expected to have average occupancy rate 68% in 2021.

1.2 As a Developer operated by PT THREE Land Company Limited (PT THREE Land) currently has 1 project in progress as follows.



- X2 Vibe Phuket Patong Center is located in Patong Sub-district, Kathu District, Phuket province located on Pracha-Unit 100 Pee Road, 300 meters distant away from Jungceylon shopping mall. It is an 8-story hotel project with 323 rooms, with a total area of 22,144 square meters. Major target customers are foreigners, especially Australian, Chinese and European who like travelling the southern islands of Thailand. With the convenient location of the hotel about 500 meters away from Patong Beach that tourists are able to go through the beach very easily. The property is also located near Soi Bangla which is the famous nightlife of Patong as well.

The hotel has a variety of facilities i.e. free Wi-Fi in all guestrooms and Public areas, 24-hour front desk, non-smoking rooms, parking and airport transfer etc. There are also various recreational facilities such as fitness room, sauna, public Park and outdoor swimming pool.

As a result of the coronavirus outbreak (COVID-19) in Thailand since March 2020 causing the construction has been postponed from the original schedule to evaluate the situation and expected to start construction in Q3 of 2020. The project has been approved for the Environmental Impact Assessment (EIA) procedure and the project is expected to commence the construction in the 4th quarter of 2021. The structural work will be completed in Q3 of 2022 and the architectural work will be completed in the Q2 of 2023 and upon receiving the building permit documents. It will fully operate by the end of 2023.

1.3 As the developer managed by JT 10 CO., LTD. has been holding 1 property under construction.



Muu Pattaya Resort is located in Soi NaJomtien 10, Bang Lamung District, Chonburi Province is a hotel project 6-floor with approximately 120 rooms, a total area of 15,000 square meters to provide short-term rental services. Major guests are Thai, Chinese and European families who prefer to relax by the beach not far from Bangkok. The hotel is located by the beach in Najomtien Pattaya 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 who like to travel years old.

The hotel will provide who like to travel a variety of facilities for the comfort and convenience of guests and offers free Wi-Fi in all guestrooms, public areas, reception 24 hours, non-smoking room Bedroom with balcony, sea-view bedroom, parking and shuttle service to the airport etc. There is also a completed range of recreational facilities i.e. gym, sauna, park, restaurant, beach bar and an outdoor swimming pool.

As a result of the coronavirus outbreak (COVID-19) in Thailand since March 2020 causing the construction has been postponed from the original schedule to evaluate the situation and expected to start construction in Q1 of 2020.

The project was in the process for the Environmental Impact Assessment (EIA) procedure and the project is expected to commence the construction in the 2nd quarter of 2021. The structural work will be completed in Q3 of 2022 and the architectural work will be completed in the Q1 of 2023 and upon receiving the building permit documents. It will fully operate by the end of 2023. and after receiving the building permit; the hotel will be able to fully operate in Q4 of 2022.

1.4 As a Freehold property operated by CSM Capital Partners Limited, engaged in the property development business for rent in condominium type of building at Eight Thonglor Residences on 26th April 2016.



Nua Sub-district, Wattana District, Bangkok. It is a 15-story building with a mixture of 47 store rooms under the name “Eight Thonglor”, a lifestyle mall in the heart of Thonglor which is another source of shopping, tasting and chill in the city. There is a complete variety of retail shops in the mall including restaurants, bars, cafes, Thai and international fashion designers, as well as yoga studios and a full-service beauty salon for men and women under the private atmosphere, comfort, luxury, meet the needs of customers of all ages. And designed Apart-hotel 148 guest rooms, total area of 23,626 square meters under the name The akrya Thonglor Bangkok with full facilities i.e. an elevator, car parking, 24-hour security guards, CCTV, swimming pool, sauna, fitness, roof garden, and barbecue area. Guests will find a comfortable lifestyle anywhere nearby whether 5-minute walk to the sky train station, shops, high-end restaurants, convenience stores, leading department stores, hospitals, international schools, universities, museums, and nightlife.

In year 2020, the occupancy rate of retail was at 95% and in year 2021 was at 93% while the occupancy rate of hotel in 2020 was at 52% and forecast occupancy 2021 at 66%.

In 2020 tourism and hotel businesses were severely impacted by the coronavirus outbreak (COVID-19) that spread across all regions of the world since the end of Q4 2019 and the heavily epidemic in Thailand in Q2 of 2020 onwards which caused many countries including Thailand to lock their borders and impose restrictions to contain the epidemic, causing tourists to cancel all travel plans which the hotels were directly affected because foreign tourists are unable to travel out of their countries while Thai tourists have just traveled across the province in July 2020 after the release of the inter-provincial travel ban for 3 months. The performance for year 2020, The akrya Thonglor Bangkok project has not met its business goals as it is a pre-estimate of the COVID-19 epidemic situation. It has set a 2020 average occupancy target of 89%, but has an average occupancy of 52%, lower than the target 37% and lower than the previous year 27%.

Although the average occupancy for the whole year has decreased from the previous year and from the set target. However, the average annual occupancy rate, the hotels still have a fairly good level of occupancy from the advantages of

a hotel that offers serviced apartment style of various sizes room categories i.e. 1-3 bedrooms with sales and marketing policy that focuses on long-term stay monthly and yearly of many foreign expats in Thonglor area especially Japanese market and also meet the needs of family customers. In addition to promotional campaigns and short-stay marketing for domestic market to boost holiday travel and the campaign from government to promote domestic tourism i.e. "We travel together" continuously and the approval for more consecutive holidays. Furthermore, the project takes advantage of every inch by developing a "restaurant" that generates revenue along with the room to provide in-house a place for dining which makes it possible to maintain an average 50% occupancy rate as expected.

The performance of the Eight Thonglor retail was able to achieve the target business goal of 2020 average retail space occupancy at 94% with an average occupancy rate of 95%, 7% higher than the previous year despite encountered with Covid-19. Bangkok metropolitan Administration has ordered the closure of department stores (except supermarkets) for 2 months from late March until mid of May 2020 to control the spread of Covid-19 which the project was directly affected but still maintain a good level of occupancy as the policy to manage and develop the retailed rental spaces in order to have leading retail aligned with the lifestyle of Thonglor area which it is the center in the heart of Thonglor which is outstandingly modern, luxurious and comfortable. Within the project are retailed shops that have the potential to rent spaces and have premium products and services that meet the needs of customers who come to use the service and marketing the rental space to attract more people come to use the service area resulting the rental price much higher that will generate income for the rental space because there are full tenants.

Following to the new epidemic of COVID-19 in Thailand at the end of Q4 2020 and continued into the Q1 of 2021 resulting in a forecast of economic recovery. The tourism sector deteriorated from the previous forecast to recover in 2022 expanding to 2024 which is a factor of occupancy forecast in the 2021 the hotel project has a similar figure to the average annual occupancy rate. The occupancy rate is expected to be 66%, while the retail project is expected to have an average retail occupancy rate of 93%.

1.5 As a leasehold owner, operated by Natural Ville Management Company Limited, engages in personnel management business for hotels, serviced apartments and other real estate businesses. The Company manages the leasehold rights of land and buildings for The Duchess Hotel, which has been leased for 19 years, 7 months, 17 days by taking ownership of the rights from October 15, 2013 until May 31, 2033.



The Duchess Hotel is located in Soi Lang Suan. Opened since October 2013, it is a 4-star hotel with 29 floors, 166 rooms with an area of 21,507 square meters, known for its spacious rooms well-equipped with all necessary amenities in the room. The atmosphere is quiet and private within location in the heart of the bustling business area which is ideal for both short and long stays. The hotel also offers a variety of services for business travelers i.e. outdoor swimming pool, sauna, fitness center, restaurant, free wireless internet in all rooms and public areas, 55-square meter common area and event venue, concierge service, complimentary newspapers in the lobby, airport transfer 24 hours, car parking inside the building. The Duchess is located on convenient location which the guests can travel to many destination; shops, restaurants, shopping and the entertainment or if you want to go to another point of Bangkok There are a variety of travel options by BTS Skytrain which the nearest station Chidlom can walk from the hotel to the station in just 10 minutes with the average occupancy 31% in 2020 and expect an average 2021 occupancy rate of 38%.

In 2020, the tourism and hotel business has been severely impacted by the coronavirus outbreak (COVID-19) that has spread across all regions of the world of 2020 onwards causing many countries including Thailand to lock down measures Lockdown to contain the epidemic, causing tourists cancelled all travel plans that the project was directly affected due to foreign tourists are unable to travel outside their countries while Thai tourists recently traveled across the provinces in July 2020 after the release of the three-month ban on travel between provinces, including the situation of domestic unrest due to political problems that have rallied in the vicinity of the hotel in the end of Q2 to Q3 and the risk of uncontrollable external factors for instance; high competitive regarding to a new competing hotel opened as a 5-star foreign chain that

lowered the room rate to close to the selling price of the hotel. The hotel has network restrictions that cannot be matched with foreign chain companies, thus resulting in the Company's performance in the year 2020 of The Duchess Hotel. The business target has yet to be achieved, as it is a pre-forecast of the coronavirus outbreak (COVID-19), which has set an average 2020 occupancy target of 83%, but the average occupancy was 31% lower than the target, 53% and drop from the previous year 41%.

Although the average occupancy for the whole year has decreased from the previous year and from the set target. However, the occupancy performance was in satisfactory level regarding the advantages of the hotel location on Langsuan Road, which is the center of economics (super prime area) in Bangkok and the place where there are hotels, residences and shopping malls. There are various sizes of room categories for choice selection i.e. 1 - 2 bedroom suite with 52-100 square meters, together with the sales and marketing policy that focuses on long-term stays, both monthly and yearly (Long Stay) for Japanese expats whose offices are located nearby the hotel, also the embassy staff. In addition the hotel launched the promotion of short-stay rooms for domestic market to stimulate holiday travel and the campaign from government to boost domestic tourism such as the project "We travel together" continuously.

Regarding the situation of the new coronavirus outbreak (COVID-19) in the country at the end of Q4 of 2020 and it continued into the Q1 of 2021 resulting in a forecast of economic recovery which the tourism sector slows down from the previous forecast and it is likely to recover more clearly in 2022 extending to 2024, which is a factor in the yearly occupancy forecast of 2021. The Duchess expected 38% occupancy that is very close to the average occupancy of 2020.

2. Hotel and Hospitality Management Business under SHG Management Company Limited (SHG Management: Syntec Hospitality Group Management), a subsidiary for hotel management and hospitality business specialist.

SHG Management Company Limited has been in operation since October 2019 and is based at 61 Soi Lang Suan, Lumpini sub-district, Pathumwan district, Bangkok. The company aims to provide consulting services to hotel owners, business developers and professional investors to ensure a good return on investment. SHG Management has long-term planning to provide hotel management services, consulting services, and management systems planning services before they are available to those interested in running a service business. SHG Management started with first management of the hotel business under Syntec Construction Public Company Limited. The company has a goal to implement a centralization system to expand sales and marketing potential to minimize cost saving in Sales, Marketing, Advertising and Public Relations. SHG Management Company Limited currently operates 2 hotels, VIC3 and The Duchess and in the future the company targets to increase the number of managed hotels in order to increase the hotel group network and management fee income. This makes it is possible to increase more revenues and reduce costs, administrative expenses, policy formulation, centralized management system (Centralization) in other areas such as Human resources, Finance and Accounting and Information Technology etc to minimize duplication of work, delay resulting in effective cost and Human Resources management.

The outlook of hotel business in 2020 due to the tourism and hotel businesses suffer from a significant economic impact from the coronavirus outbreak (COVID-19) that spreads in every region of the world. Beginning at the end of the 4th quarter of 2019 and a severe epidemic in Thailand since March 2020 in many countries worldwide, including Thailand, have issued a lockdown measure to control the epidemic that caused tourists to gradually cancel all travel plans then all hotel-affiliated businesses have been directly affected regarding the customers who made room reservation in advance canceled because they are unable to travel out of the country while being exposed to uncontrollable external factors for example: higher of hotel competitors.

In addition, the hotel business is vulnerable to various impacts which comprises of economic, political, domestic unrest, war and plague which the main factors are causing the performance of all hotels to fail to meet their goals. However, the management of the company constantly assesses the situation has adjusted sales and marketing plans and focuses on the long stay business model of foreign business customers.

promote marketing to increase income and enable efficient cost management and providing various services to impress customers and return to use them again and management guidelines in many areas with prudence and caution in order to maintain this group of customer and to increase the customer base of domestic traveler to achieve the objective of the shareholders to get the most benefits.

The direction of the hotel and tourism sector in 2021 from the summary of the Monetary Policy Committee Meeting No. 8/2020 on December 23rd, 2020 that the impact of the prolonged COVID-19 epidemic globally and the start of a new outbreak in Thailand slows down the recovery of tourism sector, nevertheless there have been studying the development of the vaccine against COVID-19 is clearer but the distribution of vaccines is probably to take longer. It is expected that the tourism sector will recover more clearly in 2022, causing the economy to expand strongly in that year. However after the COVID-19 situation spread a new wave at the end of Q4 / 2020, it is likely to be difficult to contain the outbreak rapidly. Thai Hotel Association predicted that this new pandemic will take severely affect on the hotel and tourism businesses in Thailand and tourists are expected to delay their travel plans in 2021 further, such a factor is expected to lead the hotel business to recover in 2024 slower than previously expected to recover by 2021.

3. Energy Management business under the management of Delta Infra One Company Limited, a subsidiary for the energy management system.

Delta Infra One Company Limited is a subsidiary of Syntec Construction Public Company Limited established in July 2020. Syntec Construction has a long experience and expertise in Energy efficient solutions for example: LED lighting (Light-Emitting Diode), air-conditioning systems (Air-Conditioning) and solar power generating system (Solar Rooftop and Power Plant). In order to develop the business and provide more direct support to customers. Syntec Construction has developed a team under Delta Infra One Company Limited with the main goal to provide a comprehensive range of energy management services for all types of buildings both small and large from office buildings to factories. The objectives of the turnkey project for our clients start from 1) project design 2) financial provision 3) implementation 4) monitoring and

management. After implementation, the customers can witness energy saving results from the 1st month after completing the installation of the new system which require no investment from the customer side rather it will share a profit of the energy savings between the customer and Delta Infra One over the definitive agreement and after the agreement expired, the customer will receive a proportion of the savings in electricity and all installed equipment. After opening the operation in 2020, the company is in the process of coordinating with the companies that have been registered with Provincial Electricity Authority (PEA) to participate in bidding from different agencies both public and private sectors. It is anticipated that in 2021 Delta Infra One's project will enter into a consortium agreement with the company registered with PEA in order to participate in the bidding and sign the agreement as the contractor of PEA in the management project for energy saving LED lighting (Light-Emitting Diode), air-conditioning systems. (Air-Conditioning) as well as offering post-installation maintenance and system warranties.

2. 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.

2.1) 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.

2.2) 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.

2.3) 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.

Considering the revenue structure from the past Will be able to categorize the type of construction according to the job type as follows

1) The construction works of basic public utility project are the construction works relating to basic public utilities and all construction works are under the responsibility of the government agencies realizing the significance of country development, the company focused on carrying out the construction works to meet the objective of each type of work; the construction of man-hole and cable tube, water waste treatment project, reinforced concrete wall acting as barrier against floodwater. The company planned to participate in the auction of basic public utility project by probably considering the cooperation with the potential, domestic and international alliances. This is to support the development of basic structure that the government sector must undertake according to National Economic and Social Development.

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

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

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

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

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

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

(2) Marketing and Competition

a) 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 2020, the Company was trusted to sign the construction contract as below lists:

Unit: Baht

No.	Project Name	Project Owner	Construction Value as contract*
1	Pattaya discovery beach hotel	Boonroj construction Co.,Ltd	263,000,000.00
2	Oakwood sukhumvit 36	Boutique bangkok sukhumvit 36 Co.,Ltd	174,410,000.00
3	Grande center point pattaya 2	LH Mall & Hotel Co.,Ltd	878,000,000.00
4	Ratchawat hotel	Sc Expedition Co.,Ltd	56,000,000.00
5	Supalai icon sathorn	Supalai pcl.	1,010,000,000.00
6	Niche mono chaeng wattana phase1	Sena HHP11 Co.,Ltd	324,800,000.00
7	The Extro Phayathai-rangnam	S Park Property Co.,Ltd	533,000,000.00
8	Supalai City Resort	Supalai pcl.	320,000,000.00
9	Plan B Office Building	Plan B Office Building Co.,Ltd	615,000,000.00
10	The Crest Park Residence	SC NNR1 Co.,Ltd	475,000,000.00
11	Supalai Premier Si Phraya-Samyan	Supalai pcl.	316,000,000.00
12	Phrasamutchedi Sugar Warehouse	Thai Ruam Toon Warehouse Co.,Ltd	43,000,000.00
TOTAL 13 PROJECTS			5,084,710,000

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

Total number of projects that the company has been entrusted to sign construction contracts in 2020, total 13 projects, total value 5,084,710,000 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.

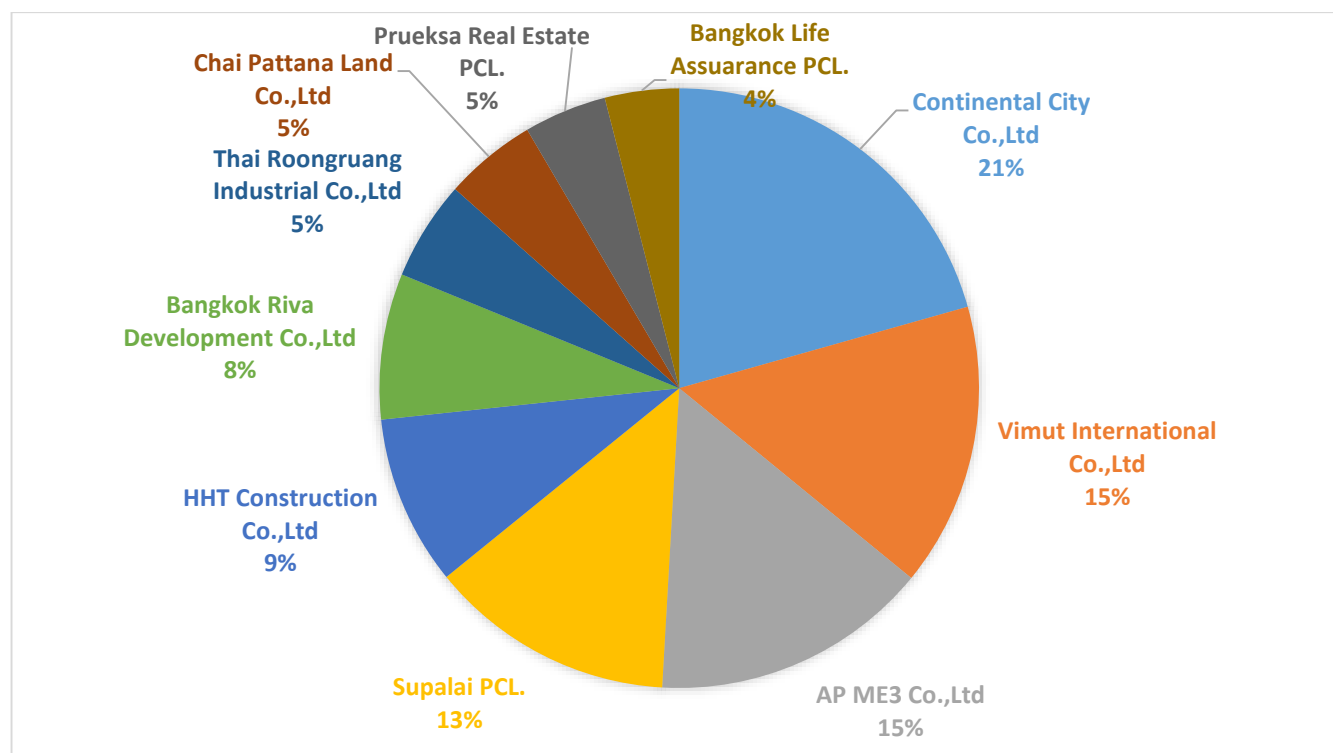
Distribution and Distribution Chanel

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.

Target Customers

The business operation in 2020 would still focus on the private sector. The company will select project development companies listed both on the stock exchange and outside the stock exchange. It was evidenced that the Company gain the trust from the leading project developers. In addition, the company also accepts construction projects by customers who are limited companies. The company considers its customers based on reputation, customer's financial status is the main one.

The top-ten customers of the Company in the last year (as of 31 December 2020) were below.



(B) Summary of Thai Industrial Economic Situations in 2020 and Outlook for 2021

For an overview in 2020, on the situation of the COVID-19 epidemic, it caused the construction industry to adapt to work and sudden costs occurred on the construction site. This is the result of preventive measures to reduce the spread of the epidemic causing the cost incurred from the operation to increase, such as the transportation cost, labor transfer Workers' accommodation and preventive equipment costs. Therefore, the epidemic prevention measures would result in a 0.2-0.5% increase in construction costs of contractors during the epidemic or from March 2020 until widespread use of the vaccine. In addition, there is a cost from increase in labor cycle to reduce construction site congestion, and higher wage due to construction labor shortage. As a result, operators may have a 0.83% increase in construction cost. In 2020, the total cost may increase by approximately 1.03-1.33% per project.

In 2021, inhibiting the epidemic has also led to volatility in construction material prices due to iron ore supply shortage in Brazil, which is the world's largest exporter. With iron ore smelters shut down due to a significant spike in infections, along with China's rapid control of the epidemic and the fact that Chinese government has released stimulus measures through infrastructure construction, it caused higher global steel demand leading to higher steel prices. The situation is likely to be resolved in the second quarter of 2021 as the Chinese authorities launched a policy to reduce the iron ore shortage by allowing the import of scrap to be used as a raw material for casting iron along with the use of iron ore. For this situation, the Kasikorn Research Center opined that in the first half of 2021, construction costs should increase by

1.41-1.94% from 2020, mainly due to higher steel prices. If the situation of iron ore shortage improves or if the vaccine is widely used, the cost resulting from fluctuation in steel price and construction labor shortages may disappear.

Therefore, the contractors should assess construction costs and procedures in order to reflect higher costs in future bidding. Additionally, the contractors should also prepare cash flow and new style of working for construction of future projects. In the long term, the Thai construction industry should have a standard for dealing with epidemics and consider the use of technology that speeds up construction and reduces human congestion on the construction site.

- The overview of the real estate industry in 2021 tends to recover after being affected by COVID-19 in the last year. The industry is expected to have bottomed out from the gradual unlocking of economic activities and distribution of vaccination. This gives consumers more confidence in their spending, as well as expecting for return of foreign customers after opening of the country.

- It is recommended to monitor aid measures from the government sector to stimulate purchasing decisions, such as temporary cancellation of LTV measures and/ or reducing mortgage fee (2% to 0.01%), specific business tax (1% to 0.01%) from the current one applying to only value (of new houses) not more than 3 million baht, which is the proportion of 25-30% of the market value.

- In overall image, the entrepreneurs still have stock at high level despite accelerating to release from stock (Mostly, it is estimated to be a high-rise project). This can be seen as an opportunity (If purchase power is increased, it is ready for transfer) and as a risk (If the stock needs to be released, it may affect the operation).

Risks

- (1) Economic uncertainty can affect the confidence of consumers in making a decision to buy a house.
- (2) Entrepreneur competition to accelerate releasing products from the existing stock may affect profitability.
- (3) Strictness of financial institutions in granting credit

Investing in the real estate sector is recommend for entrepreneurs who can take risks from the volatile economy from:

- (1) Backlog value that can be transferred and recognized
- (2) The product which can support the needs of both high-rise and horizontal customers.
- (3) Continuous dividend yield at a satisfactory level of not less than 5%, such as AP and SPALI

Source: www.aira.co.th

Number of competitors

In 2020, 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, 2020, the company had a total of 7,389 million baht remaining on hand, which could generate future revenue for the company. When looking at the income side, the company is the 7th largest when compared to the listed companies in the Stock Exchange of Thailand under the group name "Construction services" with a total of 26 companies.

Table showing revenue of contractor who registered with SET on consolidated financial statement 2020

No.	Company Name	Revenue: Million Baht	Percentage
1	Italian-Thai Development PCL.	55,408.06	27.80
2	Sino-Thai Engineering & Construction PCL.	36,327.10	18.23
3	CH. Karnchang PCL.	18,442.22	9.25
4	Unique Engineering and Construction PCL.	10,891.23	5.46
5	Naowarat Pattanakarn PCL.	9,947.08	4.99
6	Power Line Engineering PCL.	8,786.73	4.41
7	Syntec Construction PCL.	7,988.12	4.01
8	Christiani & Nielsen (Thai) PCL.	7,546.61	3.79
9	TTCL PCL.	7,442.46	3.73
10	Sahakol Equipment PCL.	4,775.52	2.40
11	STP & I PCL. Pre-Built PCL.	4,304.10	2.16
12	Thai Polycons PCL..	4,015.47	2.01
13	TRC Construction PCL.	3,196.04	1.60
14	Right Tunnelling PCL.	2,864.03	1.44
15	SEAFCO PCL.	2,585.33	1.30
16	Asia Precision PCL.	2,108.09	1.06
17	BJC Heavy Industries PCL.	2,034.83	1.02
18	STP PCL.	1,982.09	0.99
19	Team Consulting Engineering and Manangement PCL.	1,721.49	0.86
20	Sriracha Construction PCL	1,655.88	0.83
21	EMC PCL.	1,465.02	0.74
22	PYLON PCL.	1,426.56	0.72
23	Triton Holding PCL.	1,418.18	0.71
24	Well Graded Engineering PCL.	865.38	0.43
25	PAE PCL.	515.16	0.26
26	Bangkok Dec-Con PCL.	444.32	0.22
Total		200,187.10	100.00

Source: Stock Exchange of Thailand

Status and competitiveness

At present, the company has a large construction work with more construction area including the higher construction value, whether it is the construction of residential buildings. Office buildings, hotels, hospitals, etc. The Company focuses on competing in quality construction within the period specified in the contract and more importantly, within the budget set by the project owner. In the past, it was likely that the client did not always choose the contractor who

offered the lowest price. Instead, the client chooses a contractor who offers a reasonable quote and takes into account the company's past performance including the reliability in the work, the quality and the safety in the work and response the needs of customers.

(3) Products and Services Supply

3.1) 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.

3.2) 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.

3.3) Conducting construction works by:

3.3.1 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.

3.3.2 Engineering Work

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

3.3.3 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.

3.4) Report and record

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

3.5) 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.

3.6) 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.

3.7) Company support division consists of the following departments:

- Procurement Department

The Procurement Department is the department responsible for procurement for use in the construction projects of the Company by sourcing quality materials, equipment and services in accordance with the requirements of the construction contract in the correct amount on time to use at the right price and conditions, following up delivery of materials, equipment and services purchased for the construction projects to be completed and applying sustainability assessment criteria in dimensions of social and environmental governance to be applied to the work of procurement as well as considering the fair treatment of labor, compliance with human rights principles, npo use of child labor and illegal labor and compliance with environmental laws, etc.

Guidelines for procurement operation

1. Make a procurement plan with the management and project managers assigned to manage the newly opened projects.
2. Select vendors/ service providers from the vendor/ service provider list according to the list of names that the purchasing department has.
- 3.Deliver details of material/ service requirements to the vendors/ service providers along with specifying the time for price offer.
4. Verify accuracy of quotation, summarize prices and terms that each vendors/ service providers offer.
5. The Procurement Department consults with management and project manager to check if it meets the needs of the department and negotiate the price and terms with the vendors/ service providers

6. Summarize the vendors/ service providers who offer the best prices and conditions, and make their opinions and propose to the management for approval.

1. Issue purchase orders to the selected vendors/ service providers.
2. Coordinate between project manager and vendors/ service providers to understand and plan for delivery of products and schedule to enter for working.

The Company will select vendors/ service providers from both direct manufacturers and distributors. It is open for all vendors/ service providers to compete in terms of quality, price and conditions under the same rules, with transparency and accountability in order for the Company to receive materials and equipment and services that meet the needs of the Company as much as possible.

- Accounting // responsible for accounting system, taxation, preparation of financial reports to propose to the management and external organizations such as the Stock Exchange of Thailand
- Finance // responsible for financing working capital in construction projects, preparing a letter of guarantee, including follow up and collection of construction contracts and payments to suppliers.
- Business Development// Business Development Department is responsible for analyzing and supporting the Company's bidding in various projects, as well as finding new business opportunities and studying feasibility of the potential projects for investment.
- Human Resources// When a new project is launched, the Human Resources Department is responsible for allocating personnel with talent and number appropriate for each type of job, including allocation of workers appropriately in order to operate with maximum efficiency, with project manager being appointed to manage works within the project.
- Technology and information systems// Administration and Information Department is responsible for installation, development and maintainance of the organization's information technology system. And the Company has invented a program and modern technology to increase its efficiency of operations.
- Legal work// Responsible for legal proceedings, litigation, execution, consultation on contracts and various juristic acts.
- General Administration and Field Administration // General Administration will be responsible for office administrative tasks, tasks on buildings and vehicles and insurances to smoothen the main operations, Field Administration will take care of personnel work, procurement work and other works assigned by the Company to support operation of the projects to be smooth.

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 2020, the company has ordered raw materials that are necessary for construction, whether cement, steel, sanitary ware etc. The 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 2020, the top 10 places in which the company ordered raw materials accounted for 36.05 percent of all raw material orders. And hiring the top 10 services, accounting for 29.44 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.

(4) Assets used in business operation

4.1.1) Main characteristics of the main fixed assets

Main fixed assets that Syntec Construction Public Company Limited and its subsidiaries use in business as of 31 December 2020 (as detailed in the consolidated financial statements) are as follows:

(Unit: Baht)

Property Type	Nature of Ownership	Cost Price	Book Value	Obligation
1. Land	Owner	1,295,186,410	1,295,186,410	1. Kasikornbank Public Company Limited - Letter of guarantee at amount of 1,500 million baht, spent 752.82 million baht 2. Bank of Ayudhya Public Company Limited - SCR loan of 224 million baht, withdrawn in the amount of 206 million baht; the remaining credit line is not used. - SCR loan of 390.70 million baht, withdrawn in the amount of 390.70 million baht (used in full). - CSM loan of 1,550 million baht, remaining debt of 1,143.29 million baht (used in full amount).
2. Buildings and building improvements	Owner	2,130,219,642	1,442,471,160	1. Bank of Ayudhya Public Company Limited - Bank guarantee of 1,000 million baht, spent 70.78 million baht
3. Construction machinery and equipment	Owner	1,122,376,685	312,384,720	-
4. Aluminum construction drawings	Owner	162,050,286	52,827,945	-

Property Type	Nature of Ownership	Cost Price	Book Value	Obligation
5. Furnishings and accessories	Owner	330,622,073	83,075,582	-
6. Vehicles	Owner	152,361,694	30,902,332	-

Note: Details appear in the Notes to Financial Statements, No. 20. Property, buildings, equipment

4.1.2) Important intangible assets in business operation

Syntec Construction Public Company Limited and its subsidiaries have the main intangible assets in their business operations, namely are software licenses, computer programs In operation, as of 31 December 2020, as follows:

(Unit: Baht)

Form, Marks/Copyright	Ownership Type	Product /Service Category	Cost price	Net book value
1. Software copyright	Owner	Software	49,962,163	6,544,244
2. Money paid to buy customer base and existing business	Owner	Customer base and existing business	8,000,000	-

Note: Details appear in the Notes to Financial Statements, No. 22. Intangible assets

(5) Current works

As at December 31, 2020, the Company has a construction project signed by a contract for construction work and is under construction in total of 34 projects, representing a contract value of approximately 22,053 million baht, recognized income 14,664 million baht and remaining 7,389 million baht.



The company projects have not yet been delivered and by equity with the value of work from 10% of gross annual revenue are as follows:

Project's Name	Recognize income (%)	Period (Month)	Expect date	Amount (MB)
1) Grand Center Point Pattaya 2	20.75	23.5	15 พ.ค. 2565	820
2) Supalai Icon Sathorn	6.19	36	7 พ.ค. 2566	943

*these price excluded vat 7%

1.3) Shareholding structure of the company group

Investment Policy in Subsidiary and Associated Company

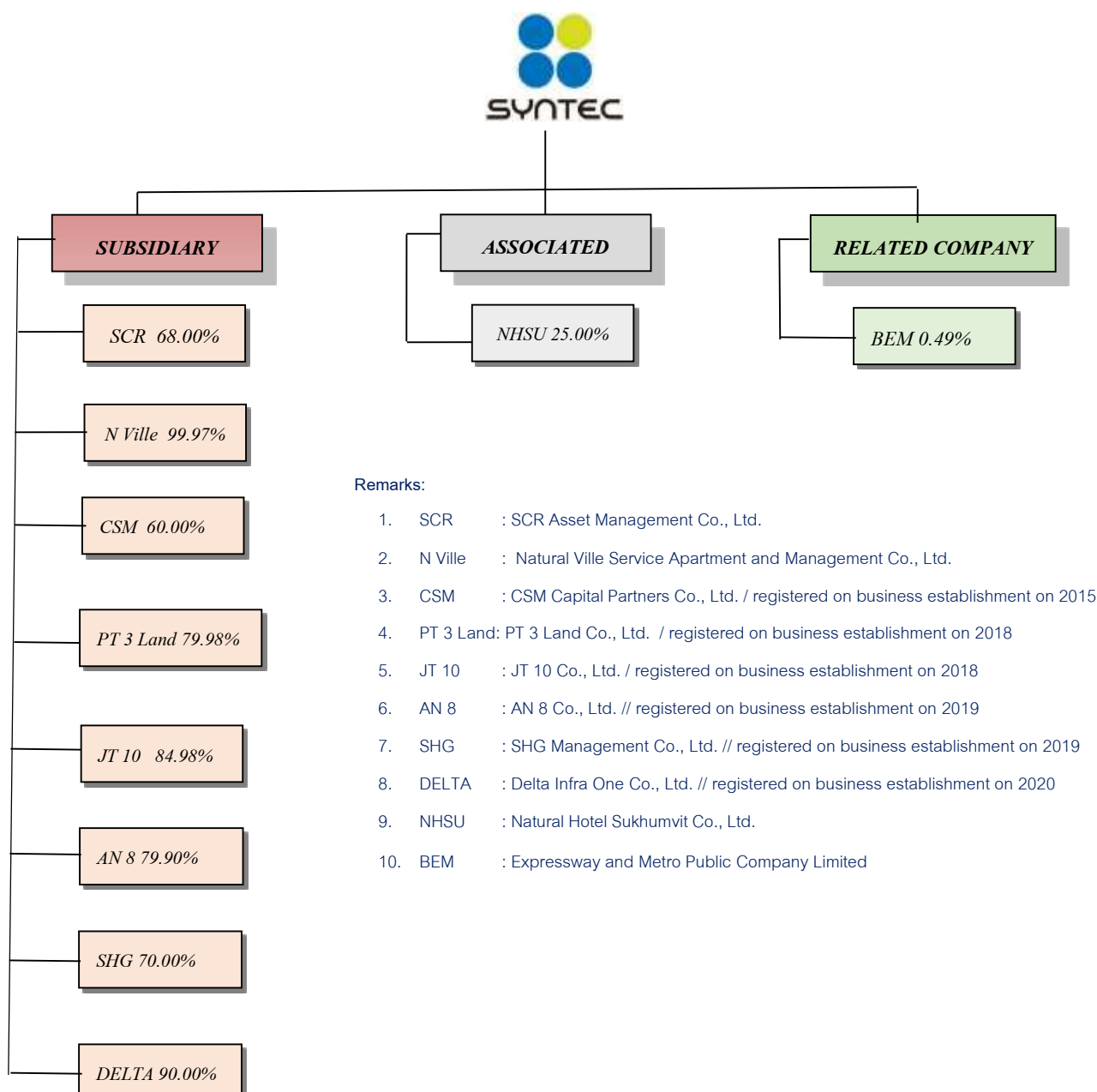
The Company's policy is to invest in the business with business operation that promotes and is relevant to the major business of the Company and has satisfactory growth tendency. The investment proportion and management policy in subsidiary, associated company and joint venture shall mainly depend on the business expertise, investment ability, and management power. According to the management in the business of which the Company is experienced, the Company will deliver the director representative to participate in determining policy and management guideline to be consistent with the Company's plan, and monitoring and controlling the operation of the executives to be in line with determined plan. The management power in other business of which the Company is not experienced in the business, the Company will deliver its representative to be the director instead of entry for direct management.

In the past period, the Company's policy has been to expand its operation to other related business in the way of forward expansion together with the Company's major business expansion plan for increasing growth. The purpose of the operating expansion in other related business is to increase the channel of revenue recognition such as operation of newly constructed service apartment business for renting out, or investment in real estate with good location potential and ability to immediately generate revenue such as management of leasehold for land and building, hotel and service apartment, etc.

1.3.1) Chart of the shareholding structure of the Company

(1) The Company has policy to divide the operation of companies in the Group into 3 main categories such as Subsidiary, Associated Company and Related Company.

(2) The diagram of the shareholding structure of the group of companies.



• Nature of business operations of subsidiaries, associated companies and related companies

Subsidiaries

1. SCR Asset Management Company Limited (SCR)

Engage in businesses in the category of serviced apartments or real estate development for rent, which the Company holds 68.00% of its paid-up capital. Currently, it has a registered capital of 600,000,000 baht, divided into 6,000,000 shares of 100 baht each, or a total investment amount of 408,000,000 baht, divided into 4,080,000 shares.

Currently, there are 3 projects in progress: Citadines Grand Central Sriracha, Somerset Harborview Sriracha and The Zone Prachinburi.

2. Natural Ville Service Apartment and Management Company Limited (N Ville)

Engage in personnel management business for hotels, serviced apartments and other real estate businesses, which the Company holds 99.97 percent of the paid-up capital (currently, it has a registered capital of 2,000,000 baht, divided into 20,000 shares of 100 baht each), providing leasehold management services for The Duchess Hotel and Residences (formerly Natural Ville Residence).

3. CSM Capital Partners Company Limited (CSM)

Engage on businesses in the type of serviced apartments or real estate development for rent, which the company holds 60.00 percent of its paid-up capital (currently, it has registered capital 1,225,000,000 baht, divided into 12,250,000 shares of 100 baht each). At present, there is a project in progress, namely Eight Thonglor Residence.

4. PT 3 Land Company Limited (PT 3 Land)

Engage in businesses in the type of serviced apartment, investment in real estate for rent, which the Company holds 79.98 percent of its paid-up capital (currently, it has a registered capital of 1,000,000 baht, divided into 10,000 shares of 100 baht each). Currently, there is one project in progress, namely X2 Vibe Patong Center.

5. JT Ten Company Limited (JT 10)

Engage in businesses in the type of serviced apartment, investment in real estate for rent. The Company holds 84.98 percent of its paid-up capital (currently, it has a registered capital of 100,000,000 baht, divided into 1,000,000 shares at a par value of 100 baht). Currently, there is one project in progress, namely a hotel in Chonburi province

6. AN 8 Company Limited (AN 8)

Engage in businesses to support business expansion and increase revenue from accommodation service in Krabi Province. The company holds 79.90 percent of its paid-up capital (currently, it has a registered capital of 130,000,000 baht, divided into 1,300,000 shares of 100 baht each)

7. SHG Management Company Limited (SHG)

Engage in businesses for hotel management and service business. The company holds 70.00 percent of its paid-up capital (currently, it has a registered capital of 9,000,000 baht, divided into 90,000 shares at a par value of 100 baht per share)

8. Delta Infra One Company Limited (DELTA)

Engage in businesses by investing in operations on building system/producing controlled energy/ selling controlled energy/ generating electric power/ selling electric power. The company holds 90.00 percent of its paid-up capital (currently, it has a registered capital of 4,000,000 baht, divided into 40,000 shares of 100 baht each)

Associated Company

1. Natural Hotel Sukhumvit Company Limited (NHSU)

Engage in business in the type of real estate development. The company holds 25.00 percent of its paid-up capital (currently, it has a registered capital of 150,000,000 baht, divided into 1,500,000 shares of 100 baht each)

Related companies

1. Bangkok Expressway and Metro Public Company Limited (BEM), the company holds 0.49% of shares.

Table showing the relationship of the Company, subsidiaries, associates, joint ventures and related companies

Name of Business	Nationality	Shareholding (percent)	Relationship
Subsidiaries			
1. SCR Asset Management Company Limited	Thai	68.00	A subsidiary with common directors
2. Natural Ville Service Apartment and Management Co., Ltd.	Thai	99.97	A subsidiary with common directors
3. CSM Capital Partners Company Limited	Thai	60.00	A subsidiary with common directors
4. PT Tree Land Company Limited	Thai	79.98	A subsidiary with common directors
5. JT Ten Company Limited	Thai	84.98	A subsidiary with common directors
6. AN8 Company Limited	Thai	79.90	A subsidiary with common directors
7. SHG Management Company Limited	Thai	70.00	A subsidiary with common directors
8. Delta Infra One Company Limited	Thai	90.00	A subsidiary with common directors
Associated Company			
1. Natural Hotel Sukhumvit Company Limited	Thai	25.00	An associated company
Joint venture			
1. Siam Syntec-Vijit-Krungthon Joint Venture	Thai	51.00	A joint venture with registered dissolution
Related companies			
1. Bangkok Expressway and Metro Public Company Limited	Thai	0.49	A related company
2. Mivan (Thailand) Co., Ltd.	Thai	-	A related company which is a partner of the Syntec-Maiwan joint venture (until 19 Oct. 2015)
	Thai	-	A related company with common directors
3. Siam Syntech Planner Company Limited	Thai	-	A related company with common directors
4. Tate Enterprise Co., Ltd.	Thai	-	A related company with common directors
5. N&J Asset Management Company Limited	Thai	-	A related company with a director related to the Company's directors.
6. Narai Phand Company Limited	Thai	-	A related company with a director related to the Company's directors.
7. N&J Hospitality Company Limited	Thai	-	A related company with a director related to the Company's directors.
8. Pink Cafe Co., Ltd.	Thai	-	A related company with shareholder being the key management of the Company
9. Safe Series Co., Ltd.	Thai	-	

Name of Business	Nationality	Shareholding (percent)	Relationship
10. Wrightman Corporation Company Limited	Thai	-	A related company through indirect shareholding
11. Mankong Sangthong Holding Company Limited	Thai	-	A related company with common shareholders with the Company
12. Thonglor Management Company Limited	Thai	-	A related company with shareholders related to the Company's directors.
13. Wealthy Living Company Limited	Thai	-	A related company with shareholders related to the Company's directors.
14. Chuapaiboon Steel Company Limited	Thai	-	A related company with directors related to the Company's directors or shareholders.
15. Rightman Restaurant Company Limited	Thai	-	A related company with common shareholders.
16. Thai Roong Ruang Industry Company Limited	Thai	-	A related company with shareholders and directors related to the Company's shareholders and directors.
17. TRR Property Company Limited	Thai	-	A related company with shareholders and directors as shareholders and directors of the subsidiary.
18. CSNJ Patong 3 Company Limited	Thai	-	A related company with common shareholders and directors with the Company.
19. The Gas Carrier Company Limited			A related company with common directors with the Company
Related persons			
1. Related persons, 6 persons	Thai	-	Related persons with the Company's directors, shareholders, key management personnel or persons related to key management
2. Key management	Thai	-	Competent person with responsibilities for planning, directing and controlling the affairs of the entity, whether directly or indirectly, including any director of the Group/ Company (whether he served as an executive or not).

1.3.2) The Company has persons who may have conflicts, holding shares in the Company's subsidiaries or associates more than 10 percent of total shares with voting rights, namely PTT Tree Land Co., Ltd. because Mrs. Sawang Mankongcharoen (a shareholder of the subsidiary) is the mother of Mr. Jiramote Phahusut, regarded as a person with conflict of interest, holding 20 percent of the total shares with voting rights. The Company has already disclosed the said transaction and shareholding information to the shareholders' meeting of the Company for the year 2020.

1.3.3) Relationship with the business group of major shareholders

The Company or the Group is not affiliated with or part of the major shareholder business group. And the Company's main business condition does not significantly rely on or compete with other businesses in the major shareholder's business group.

1.3.4) Shareholders

(1) The list of 10 major shareholders and Director, Executive and spouses Group as of 31 December, 2020 has the following details:

No.	List of Shareholders	Number of holding shares (Shares)	Shareholding ratio (%)
Phahusutr Group			
1	Mr. Jiramote Phahusutr ¹	206,229,560	12.89
	Miss Anisha Attaskulchai ⁴	2,329,500	0.15
2	Miss Nichaya Phahusutr ²	176,031,760	11.00
3	Mr. Sukhum Phahusutr ³	109,061,900	6.82
Total		493,652,720	30.85
Major Shareholder			
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	79,757,633	4.98
5	Mr. Chawalit Phunpermsuan	69,757,633	4.36
6	Mr. Nattaphat Rungsun	44,309,500	2.77
7	LGT BANK (SINGAPORE) LTD	43,501,300	2.72
8	Thai NVDR Co., Ltd.	38,980,039	2.44
9	Miss Siriporn Subandit	29,913,288	1.87
10	N&J ASSET MANAGEMENT CO.,LTD.	27,660,000	1.73
Total		333,879,393	20.87
Director, Executive⁵ and Spouses Group			
	Mr.Nayot Pisanthanakun	1,200,000	0.08
Total		1,200,000	0.08
Other Shareholders		762,225,187	47.64
Stock repurchase program for financial management		9,042,700	0.57
Total Paid-up Capital		1,600,000,000	100.00

Remarks:

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

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

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

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

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

1.4) Number of registered capital and paid-up capital

1.4.1) Name of the registered security: "Syntec Construction Public Company Limited"

The Company has registered capital of 1,600,000,000 baht, paid-up 1,600,000,000 million baht,

Divided into 1,600,000,000 ordinary shares at a par value of 1.00 baht with a history of capital increase/ decrease as follows:

Month/Year registration of paid-up capital	Registered capital (Baht)	Paid-up capital		Offered to.....For.....
		Capital Increase/ Decrease (Million Baht)	After Capital Increase (Million Baht)	
May 1997	600,000,000	8.46	397.06	Offered to existing shareholders at ratio of 2 existing shares per 1 new share at price of 20 baht per share to be used as working capital in various projects.
June 2001	3,970,570	(596.03)	3.97	Reduced capital according to the rehabilitation plan under the Central Bankruptcy Court
June 2001	400,000,000	0.00	3.97	Increased capital according to the rehabilitation plan under the Central Bankruptcy Court
December 2001	400,000,000	342.86	346.83	Increased capital under the rehabilitation plan by 300 million baht from selling to new investors, and 42.86 million baht from debt conversion from creditors Group 6, Group 7 and Group 9 to equity.
January 2002	400,000,000	3.56	350.39	Increased capital according to the rehabilitation plan from converting the debt of Group 6, Group 7 and Group 9 to equity
April 2003	400,000,000	0.00	350.39	Amended Clause 4 of the Memorandum of Association: Change the par value from 10 baht per share to 1 baht per share.
May 2003	400,000,000	11.22	361.61	Increased capital under the rehabilitation plan from converting the debt of Group 6, Group 7 and Group 9 to equity
September 2003	400,000,000	11.22	361.61	Increased capital under the rehabilitation plan from converting the debt of Group 6, Group 7 and Group 9 to equity and issue share certificates in the name of Siam Syntec Planner Co., Ltd. to keep for allocation and delivery of share certificates to creditors according to court order.
December 2003	1,600,000,000	1,200	1,600.00	Increased the registered capital from 400 million baht to 1,600 million baht by issuing ordinary shares of 1,200 million baht of 1 baht each, and allocated and offered to the existing shareholders of the Company in proportion at the ratio of 1 existing share per 3 new shares at price of 1 baht per share.

1.4.2) The Company does not have other types of shares with rights or conditions different from ordinary shares.

1.4.3) The Company does not have shares or convertible securities of the Company as the underlying securities for issuing investment units of the foreign investors fund (Thai Trust Fund) and the warrant of benefit arising from the Thai underlying securities (NVDR).

1.5) Issuance of other securities: (1) Bills: - None -

Share Repurchase Program for Financial Management

From the Board of Directors' Meeting No.12/2018 on 3 December 2018, it resolved to approve the share repurchase program for financial management purposes with maximum amount of 200,000,000 baht, not more than 60,000,000 shares or 3.75% of the paid-up capital. The project period is from 17 December 2018 to 16 June 2019

Report of the share repurchase for financial management purposes as of 31 December 2019



No.	Date	Highest purchase price	Lowest purchase price	Number of shares	Total value	% shares repurchased
		(Baht)	(Baht)		(Baht)	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
Total				9,042,700	22,884,644	0.565

(1.6) Dividend Policy

Syntec Construction Public Co., Ltd.'s policy on payment of annual dividends is that dividends will allocated to the shareholders at the total amount not exceeding 40 % of net profits after tax and after legal reserve when the Company has gained adequate profit amount without accumulated loss. The payment of dividends shall not affect the Company's investment plan, operation requirements and other appropriate factors in the future taking into account the best interest of the shareholders and all relevant stakeholders and the approval from the Board and the shareholders' meeting.

However, the Company may consider to occasionally pay shareholders the interim dividend if the profit amount is deemed to be sufficiently paid and the Company's Board of Directors have to report the next shareholders' meeting for acknowledgement.

Details of the Dividend Payment	2019	2019	2018	2017
1. Net profit as Company Financial Statement (Million Baht)	353	371	667	1,050
2. Number of Shares (shares)	1,590,957,300	1,590,957,300	1,600,000,000	1,600,000,000
3. Annual Dividend (Baht / Shares)	Wait consideration ¹	0.09	0.13	0.17
3.1 First Half Year Dividend (Baht / Shares)	0.03	0.04	0.04	0.04
3.2 Second Half Year Dividend (Baht / Shares)	Wait consideration	0.05	0.09	0.13
4. Total Paid Dividend (Million Baht)	Wait consideration	143	208	272
5. Proportion of Dividend per Net Profits (%)	Wait consideration	39	31	26

Remarks: ¹From 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.

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



2. Risk Management

2. Risk management

The Company realizes that corporate risk poses a challenge for management since it is a matter that has an opportunity to occur and has a significant impact on business operations. Therefore, the Company gives precedence to risk management, which is a vital mechanism to help the Company's business run smoothly and achieve the goals set.

The Company's Risk Management Components

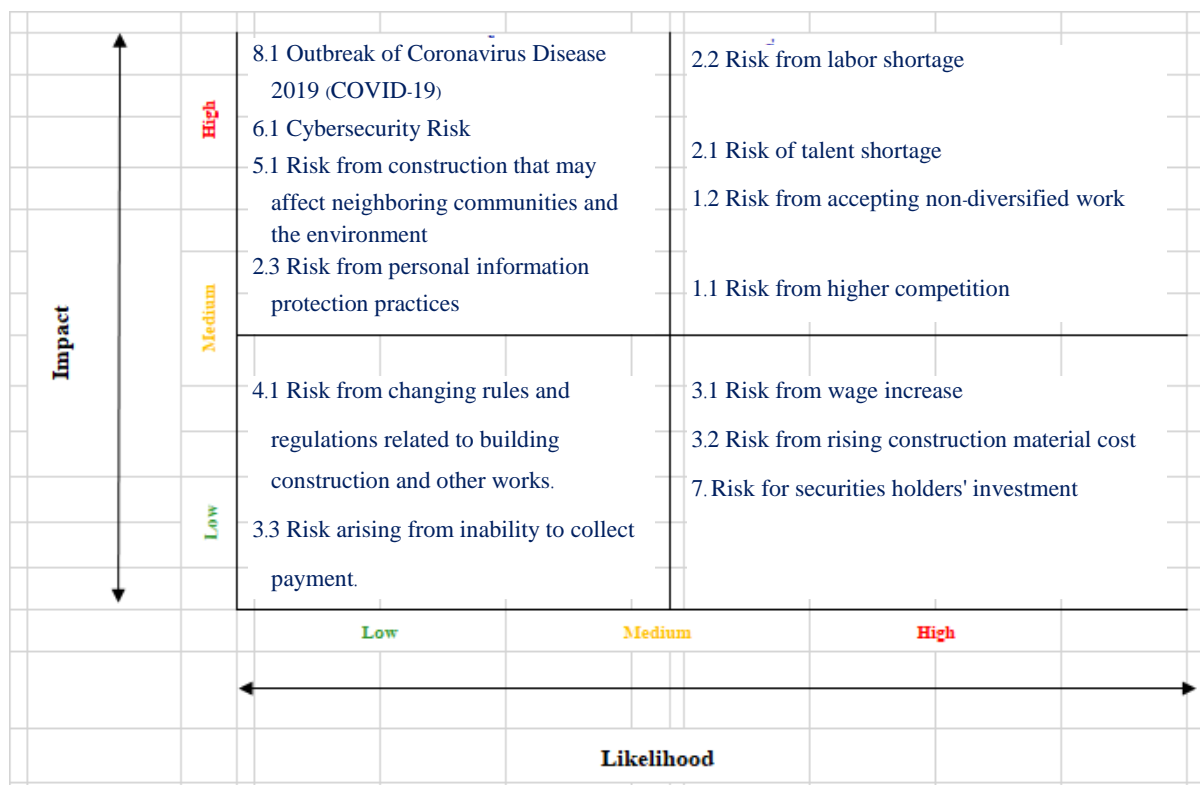


2.1) Policy and Risk Management Plan

The Company realizes that risk management is part of good corporate governance and is the basis for helping achieve the objectives and goals by requiring the risk management to be part of preparation of the annual business plan. The Company will operate its business under acceptable risk, and management and all employees, as the owners of the risks, shall be responsible for identifying and assessing the risks of their department, including setting appropriate measures to manage risks.

The company has assessed, ranked and managed risks. This enables the Company to consider the acceptable risks for efficient risk management of the business. In the past year, the Company established a Risk Appetite as a responsible person to consider the potential impact of the risk and find solutions for the Company's operations to achieve its goals as follows:

In 2020, the Risk Management Committee held 4 meetings to determine the framework of risk management to suit the business of the Company, early warning, preventive measures, as well as reviewing and creating risk management tools. The Company provides risk management covering all 8 aspects as follows:



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1. Strategic Risk

1.1) Risk from higher competition

Thai economy in 2020, according to a forecast of Fiscal Policy Office, Ministry of Finance, would contract at -6.5 percent, the lowest rate in 22 years, mainly due to the spread of COVID 2019 both domestically and internationally. And it has a huge impact on various business sectors of the country, especially construction business in the country, which is naturally a highly competitive service business, along with occurrence of the disease epidemic as mentioned above, resulting in decrease in new construction projects and higher competition. However, the Company controls such risks by choosing to bid for jobs that the Company has expertise and competitiveness.

1.2) Risk from taking non-diversified work.

The past operations of the Company shows that most of works the Company received was from private sector, especially residential projects but the Company accepted some other types of construction work, such as office buildings, hotels, etc. However, the Company has a control of such risk by regularly participating in construction bidding in private and government sectors to accumulate more backlogs. The Company selected construction work from leading real estate developers listed on the Stock Exchange and limited companies that are famous and have a stable financial position.

In addition, the Company also diversifies risks from its construction business by expanding its operations to other related businesses in order to increase revenue recognition channels and increase income stability for the Company by setting up the subsidiaries with management and development of projects as detailed in Part 1, Topic 2: Accommodation service Business

2. Operation Risk

2.1) Risk from talent shortage

The construction work requires knowledgeable personnel with talent and expertise to serve as a project manager or project engineer to control and manage the construction of each project to be completed. And in the current situation, there are many companies in the construction industry, both old and new ones. Therefore, there is a risk of shortage of such personnel. The Company is determined to continually develop capabilities and abilities of its personnel to prepare to take the position of project manager or project engineer. The Company also has a policy of appropriate compensation and benefits which can compete with other companies in the same business to incentivize knowledgeable and talented employees to continue working with the Company.

2.2) Risk from labor shortage

Labor is the main factor in construction work. In the past few years, the labor shortage in the construction sector has remained a major problem. This is because in the past there were government large projects which required a lot of labor in construction and the Company might have labor shortage, resulting in a delay in the construction work and inability to deliver the project to the customers as stipulated in the contract. In order to reduce the said risk, the Company has taken the following actions.

The Company employs labor directly, with a total of 3,071 workers at the end of 2020, and the Company has paid wages that are appropriate for each skill, welfare including livelihood of workers by giving importance to the residential place to be safe with good environment and hygiene in order to motivate and create environmental factors for workers to continue to work with the Company.

Dependence on labor from subcontractors. In addition to the Company having its own labor, the Company also relies on workers from subcontractors. The Company will select subcontractors who do not use child labor and illegal alien workers. Once the qualified subcontractor is selected, it will be registered as a partner of the Company. However, the Company will not rely on labor from one subcontractor only to prevent the risk that may arise from hiring a single subcontractor.

2.3) Risk from personal information protection practices

With the importance of protection of personal information, many countries, including Thailand, have given precedence to due to a lot of cases of violation of the right to privacy of personal information, wrongful or unauthorized information disclosure today so that it causes trouble, nuisance or damage to the owner of the personal information, along with the advancement of technology, the violating collection, use or disclosure of personal information is easy, convenient and fast, causing damage to the overall economy. For Thailand, the Personal Information Protection Act B.E. 2562 has come

into force wholly on 28 May 2021, which the Company realizes its importance by continuing to develop and improve operational procedures with internal control system and supervision in order to adequately comply with the above rules.

3. Financial Risk

3.1) Risk from wage increase

Labor cost is the main cost of construction business. And from the government's wage increase policy, it affects the Company's cost inevitably. However, the Company has measures to reduce the impact of wage increases, such as the use of new technology, machine and tools to replace manual labor, and improving management system for workers to work more efficiently, including construction cost control and assessment of wage increase to be consistent with the current situation on a regular basis, etc.

3.2) Risk from rising construction material cost

Construction materials are a significant construction cost. Thus, the change in construction material prices has an inevitably impact on construction cost. In the past, the construction material price that tended to increase was of the main building materials used in the construction of government projects such as cement, concrete products, steel and steel products. In order to reduce the said risk, the Company has closely monitored movement of that of important construction materials. If it is found that the price of construction materials will have an upward direction or trend, the Company will order from distributors in high quantity at a time. This will which give the Company a bargaining power so it can buy at a lower price. Alternatively, the Company may have a memorandum of agreement to purchase construction materials in advance with suppliers with a fixed price that will help the Company to control construction material cost and it will also not be a burden for the Company to store the materials that have not yet been used.

3.3) Risk arising from inability to collect payment

Undertaking a construction business, there is a risk of being unable to collect payment from customers or collect payment on time. This is because billing will have to be in accordance with the construction progress. Such risk may affect the liquidity and working capital of the Company. The Company is aware of such risks. Therefore, the Company has a strict customer selection policy taking into account financial status, operating results, reputation and history of management before agreeing to accept each job.

4. Compliance Risk

The risk of changing the rules and regulations related to construction of the building and other fields of work.

Running a construction business involves a number of laws, including professional expertise regulated by laws such as law on architectural and engineering law, labor law, environmental law and accounting standards, etc. These laws and regulations require the Company to perform in full compliance otherwise it may cause damage to the Company. The Company has an approach to mitigate such risks by formulating a policy to operate the business in strict compliance with the rules and regulations of the relevant agencies, including establishment of an agency responsible for following up and monitoring actions to keep up with the changes always.

5. Social and/or Environment Risk

Construction risks which may affect neighboring communities and environment.

The Company is aware of taking part in taking care of society and the environment, which is a policy that the Company has given constant importance to. The Company therefore pays attention to the care of neighboring communities and environment surrounding the construction site to minimize the impact of the construction. The Company has risk assessment and find solutions to control and prevent the risk with actions to reduce the impact on neighboring communities and the environment, including control of pollutions resulting from construction to comply with the standards stipulated by law, such as noise, dust, waste water, etc.

In addition to taking care of impact of the construction, the Company also has a policy to build relationships with communities nearby the construction site by coordinating with community leaders to explore areas of the community, preparing a questionnaire on environmental issues, impacts that may arise from the construction, concerns about construction, social and environmental activities that the community needs support. The Company will coordinate with the community in order to build a good relationship between each other.

6. Risk to Investment of Security Holders

Investing in the Company's security may pose a risk to security holders due to the return that is not as expected from the investment in terms of capital gain and/or in terms of dividend. In the case of capital gain, there are many factors involved, such as the Company's performance, security's liquidity, domestic and international economic trends, investment situation in each period, political stability, etc. Most of them are external factors that the Company cannot control. The return in the form of dividend is the result of the Company's operations directly in each period. Therefore, security holders may receive more or less than expected returns.

The Company has disclosed the Management Discussion and Analysis (MD&A) (detailed in Section 4), including the risk factors and management as aforementioned. There are also other risks which are a factor affecting operations and dividend payment and events that cannot be foreseen in advance. In this regard, shareholders should consider and study information on various factors carefully before making a decision to invest in the security.

7. Emergency Risk

7.1 Outbreak of Coronavirus 2019 (COVID-19)

Since the beginning of 2020, the situation of the COVID-19 epidemic has had a heavy impact on all aspects of social life of countries. This caused global tourism and supply chains to a halt. Many countries have to close their borders and shut down countries. COVID-19 epidemic is also a direct cause of the global economic recession more severe than the 2008-2009 financial crisis, especially compared to the Great Recession of the 30s of the 20th century with severe aftermath.

The impact of the COVID-19 crisis to real estate and construction business is to make many private projects postponed for an indefinite period. Some projects may be canceled. The biggest impact of the construction industry was that of small and medium-sized companies who are subcontractors. This could result in severe liquidity in these companies and eventually shut down. This will result in a delay in construction and the project has to bear the costs of labor, loan interest and the lack of ability to pay off debt in the end. Mostly, construction companies have a capital structure that comes from borrowing.

As the Company had realized the danger and seen the importance of preventing the epidemic of COVID 19, therefore announced to its employees in headquarters and construction sites to do the following (Source: Announcement from the Company's Human Resources Department as of 21 March 2020).

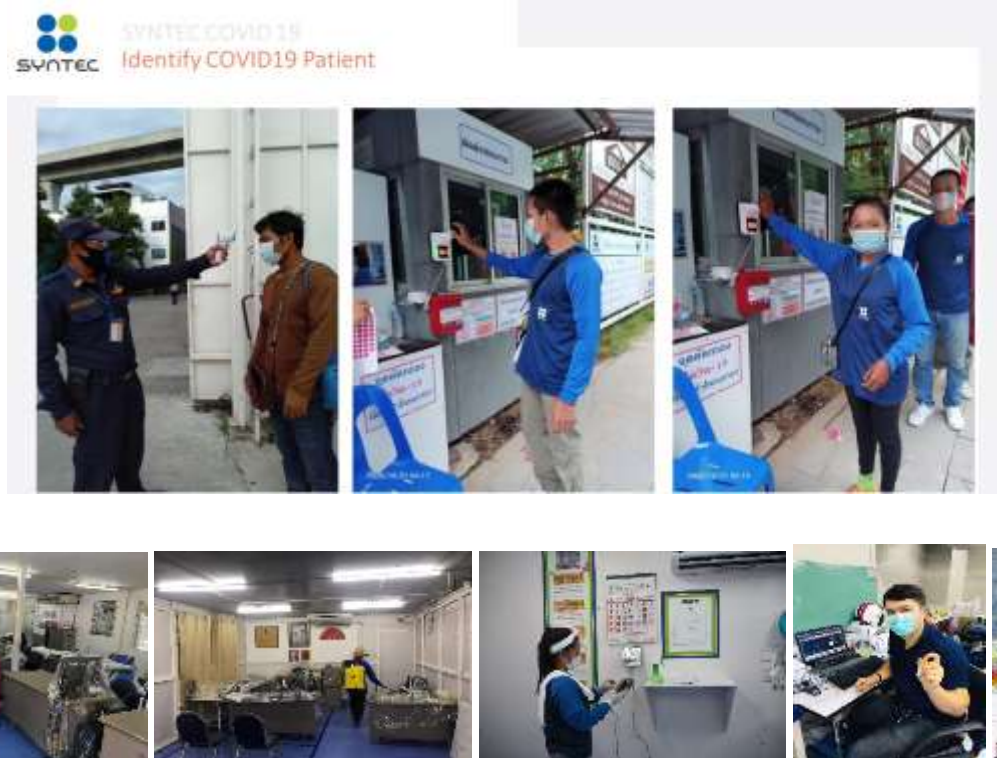
1. All employees who plan to travel to or through (Transit) countries with an outbreak, including China, Hong Kong, Taiwan, Japan, Singapore, South Korea shall abstain/exempt/cancel or postpone the trip for safety. The Company will support 50% of the cost of flight cancellation and accommodation paid according to the actual amount, but not more than 20,000 baht per employee.

2. If the employee does not cancel his/her trip and continues to travel abroad, they must apply a Leave Without Pay or Work at Home for 14 days from the date of their return. And the employee must go to confirm non-infection at the hospital, then he/she will be allowed to return to work.

3. Avoid meeting with foreigners coming from a country with an epidemic.

4. The Company will distribute masks and use a temperature monitoring device twice a day if any employee has a fever higher than 37.5 degrees Celsius or has other risky symptoms, the Company will take the next step immediately.

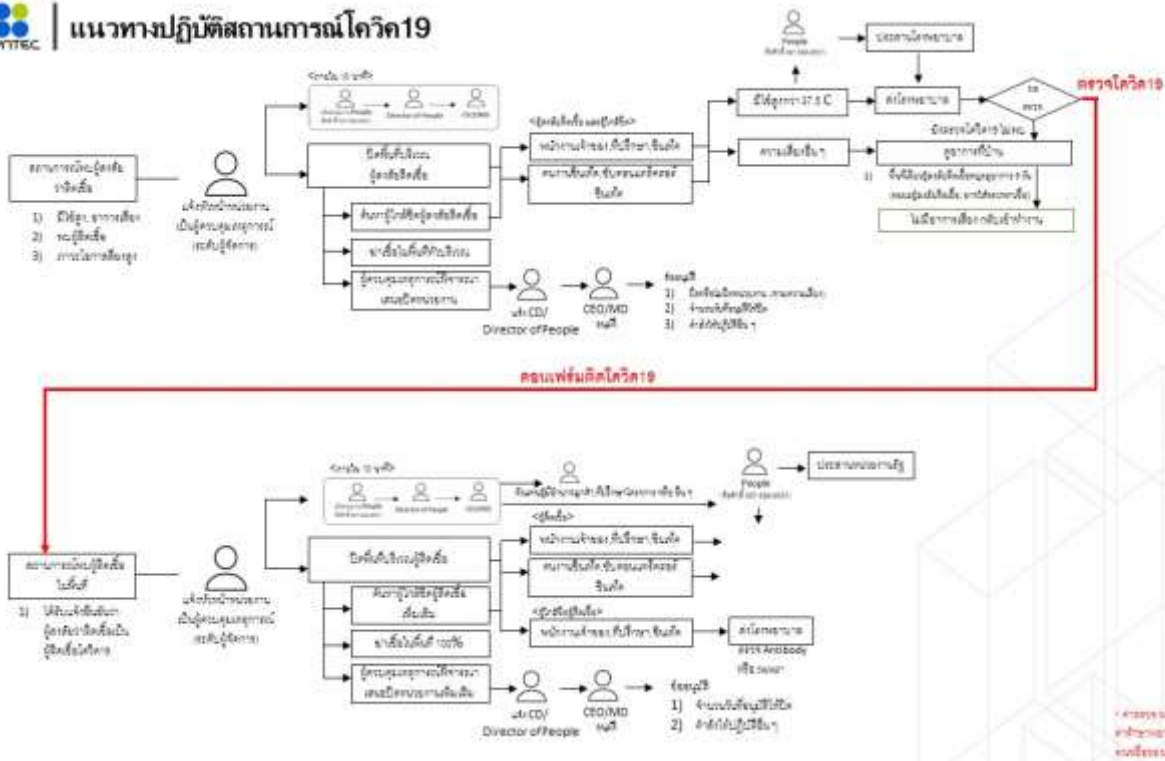
Announcing this measure to keep all employees and workers healthy, able to work with full efficiency and reduce the risk of closing the construction site as much as possible since this may result in the operation plan not going as planned. However, the Company will continue to follow the epidemic prevention measures and adjust the action plan to suit the situation and in accordance with recommendations of the regulators on safety of employees and workers.



And the Company also had followed the plan set, including an emergency plan if a person with COVID 19 is found in a construction site, campsite or unit in the head office by establishing a written guideline, such as duties for each position, flow chart, as well as requiring a practice session according to the above plan in order for employees and related persons to be informed and to take action throughout the specified period.



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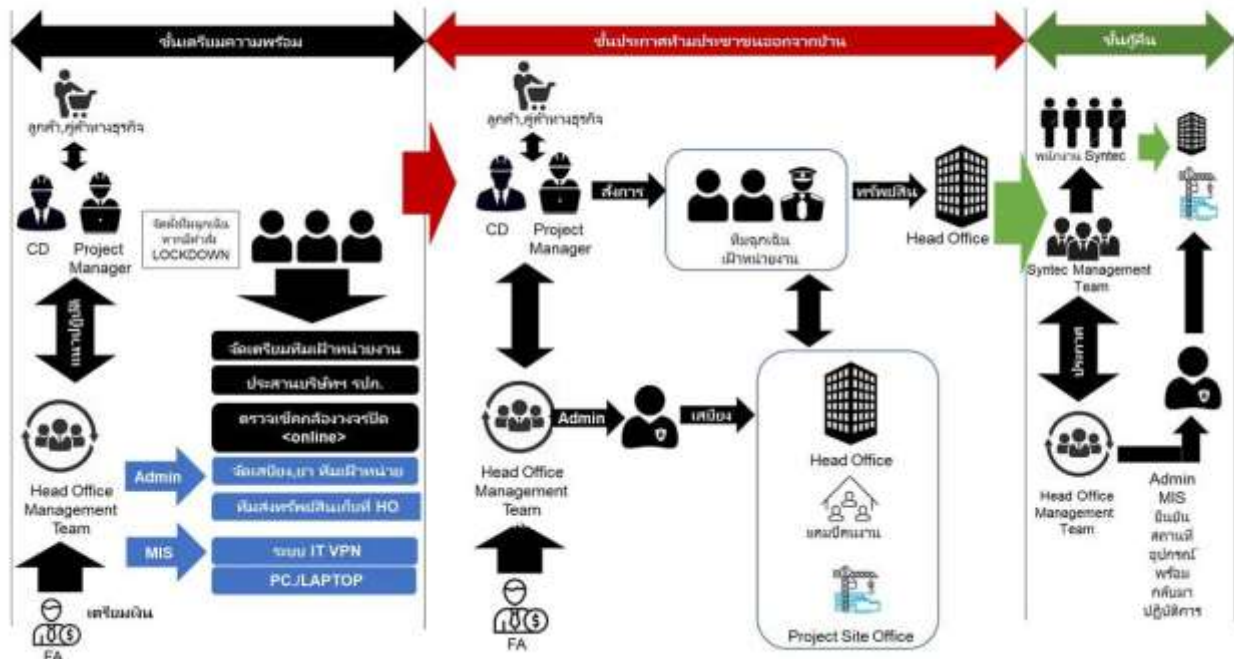


COVID-19 Preventive & Procedure



The Company has made a Business Continuity Planning (BCP), which defines clear procedures and methods throughout the organization to support and resume the operations of the department when there are events that make normal operations not go according to normal plans. All employees must acknowledge the roles and duties of each department to ensure that normal operations can be carried out continuously, not interrupted until it causes business damage.

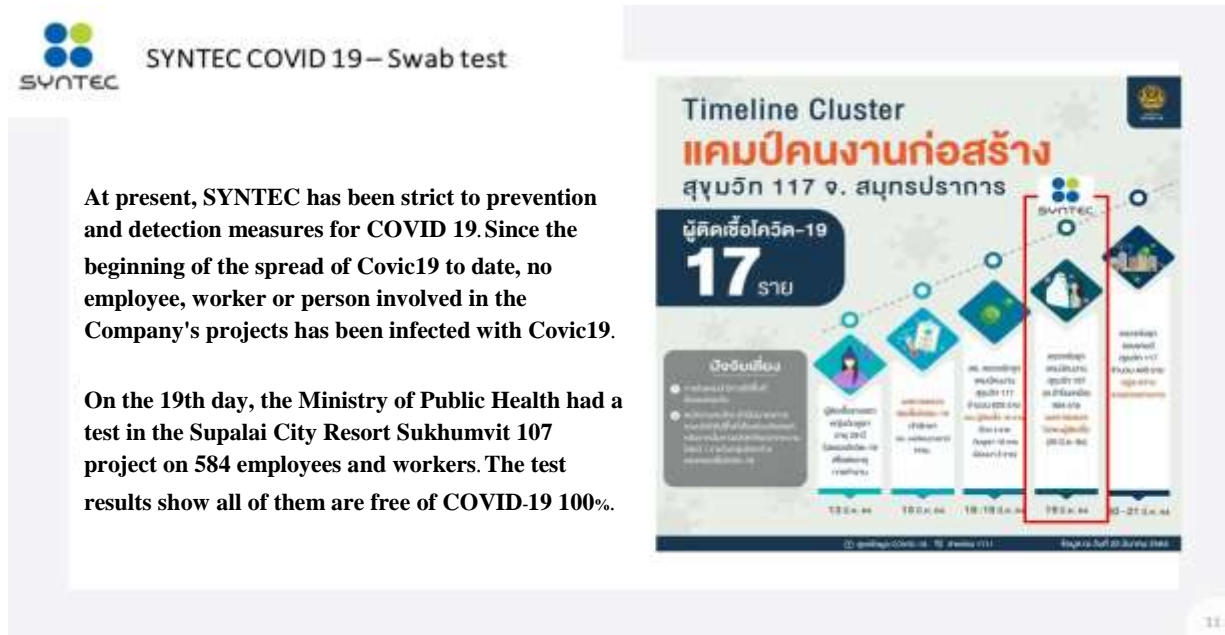
BCP. COVID19: Full Lockdown Preparation



BCP plan

	Top Management	People	PM/PE/SITE SUP	CAMP	GA	FA/ACC	DIS
BCP Plan Controls	O	O					
Quarantine Equipment & PPE		O			O		
Frontline Check & Controls Operation			O				
Company Quarantine Location			O	O			
Financial Supports						O	
Hospital Contact		O					
Food Supply to Quarantine zone				O	O		
Work from Home Approval & Supports	O	O					O

Results of COVID-19 testing in a construction worker camp (data as of 27 March 2021)



Technology Risk

7.2 Cyber security Risk

At present, the Company's information technology system has supported the Company's business operations in various fields. Therefore, it is necessary to have information technology security management and personal data protection in accordance with the law. The Company has established a working group and plan for making policies and systems to ensure that the Company's business processes are not against the law.

Security of personal information

Syntec Construction Public Company Limited recognizes and values the importance of privacy and security of the personal information of users of the Company's services (Users include those registered as users on any of the Company's systems, regardless of any channel and/ or case of a visitor of the Company's online media channels). Recording, storing, disclosing, transferring and maintaining the Company's personal information are purposed to create a history base of users in receiving the Company's services to provide the users with the best service and to improve the efficiency of the Company's service. It collects the users' information only as necessary under the legal regulations enacted in Thailand.

The Company gives precedence to knowledge transfer to its employees appointed as the Data Protection Coordinator and an observer of each department, with a plan for training on the topic of PDPA Virtual Forum 2021 to be held by the 1st quarter of 2021, initially targeting those who are directly involved in the use of information and to be expanded to cover the entire company subsequently.



3. Driving Business for sustainability

3) Driving business for sustainability

Message from the Chief Executive Officer

The year of 2020 is considered as another successful year for Syntec Construction Public Company Limited's sustainable development. We were selected to be one of the 66 companies (1) on the list of (1) 2020 Sustainable Stocks; (2) Excellent Corporate Governance Score of 5 Stars, and; (3) Quality Assessment of the Meeting of Shareholders of 100 points. The Company can maintain its standards for 4 consecutive years, reflecting that the Company has operations with awareness of importance of all dimensions: economic, social and environmental aspects

In economic dimension, even though the Company is in the midst of challenging factors, such as economic slowdown, more intense competition condition, impact of the COVID-19 outbreak, including policy changes from the government sector, but it is still another year which the Company could achieve its business goals with trust of both old and new customers by signing a total of 13 construction contracts with total contract value of 5,084.17 million baht.

And in environmental and social dimensions, the Company still focused on sustainable growth with development of construction technology and innovation, along with development of its employees. This is considered a key mechanism in implementation with knowledge and ability, enhancing competitiveness, including care in the use of natural resources, environmental management, trying to minimize impact at every stage of the construction, cooperation with surrounding communities and taking into account the impacts on all stakeholders appropriately.

Finally, on behalf of the Board of Directors, the management and all employees of Syntec Construction Public Company Limited, I would like to thank our shareholders, customers, financial institutions, business partners and all stakeholders who have always supported the Company. The Company hereby adheres to the intention to continue the business with determination, full effort and capacity, maintaining good corporate governance principles and business ethics for stability and readiness to grow together sustainably.



Mr. Somchai Sirilertpanich
Chief Executive Officer
Syntec Construction PCL.

Overall Performance of Corporate Governance for Sustainable Development in 2020



AGM Checklist 2020

AGM Checklist 2020 - Acknowledged the quality assessment results of the 2020 Annual General Meeting of Shareholders, where the Company received a full score of 100 from the Thai Investors Association. This reflects that the Company takes into account the rights of shareholders equally before, during and after the shareholders' meeting. This is an important element of good corporate governance.



Corporate Governance Report of Thai Listed Companies 2020

Acknowledged the Corporate Governance Report of Thai Listed Companies for the year 2020 from the Thai Institute of Directors Association as "excellent" or five-star rating. This reflects that the Company gives precedence to the importance of shareholder rights, equitable treatment of shareholders, taking into account the role of stakeholders, disclosure of information and transparency and the responsibilities of the Board of Directors well.



Collective Action against Corruption (CAC)

On 30 June, 2020 the Company received a certificate for renewal of membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in a continuous manner as 2nd session from the Thailand's Private Sector Collective Action Coalition Against Corruption Committee. It shows the intention and determination to combat all forms of corruption through transparent administration, good internal control system in accordance with the principles of corporate governance, building confidence among all stakeholders. This certificate is valid for 3 years from the date of certification.



Thailand Sustainability Investment (THSI) 2020

Received an award shield for 4th consecutive year from being selected as 1 of 124 listed companies in Thailand Sustainability Investment (THIS) 2020 or Sustainable Stock 2020, which is the list of listed companies that operate sustainably with care of environment, society and corporate governance. It is an alternative for investors who wish to invest in a sustainable investment concept that incorporates ESG factors into their investment decisions along with the analysis of the Company's financial information to generate continuous long-term returns

Guidelines for preparation of the report

The Sustainability Report of Syntec Construction Public Company Limited ("the Company") has been prepared for the sixth consecutive year, with the scope of the report mainly covering the construction business and an important part of the subsidiaries to show together. This shows content covering both economic, social and environmental aspects occurring between 1 January - 31 December 2020 which is in accordance with the reporting framework according to the criteria of the Stock Exchange of Thailand that covers the economic, environmental and social aspects

The Company has disclosed details and information of this report in both Thai and English in the form of One Report and it can be downloaded via the Company's website at www.synteccon.com/Social_Activities/Sustainable_Development_Report. This will be disseminated to the stakeholders of the Company to be able to monitor operating results during the year at any time, including access to historical data presented in previous reports to acknowledge the sustainable development of the Company continuously as well.

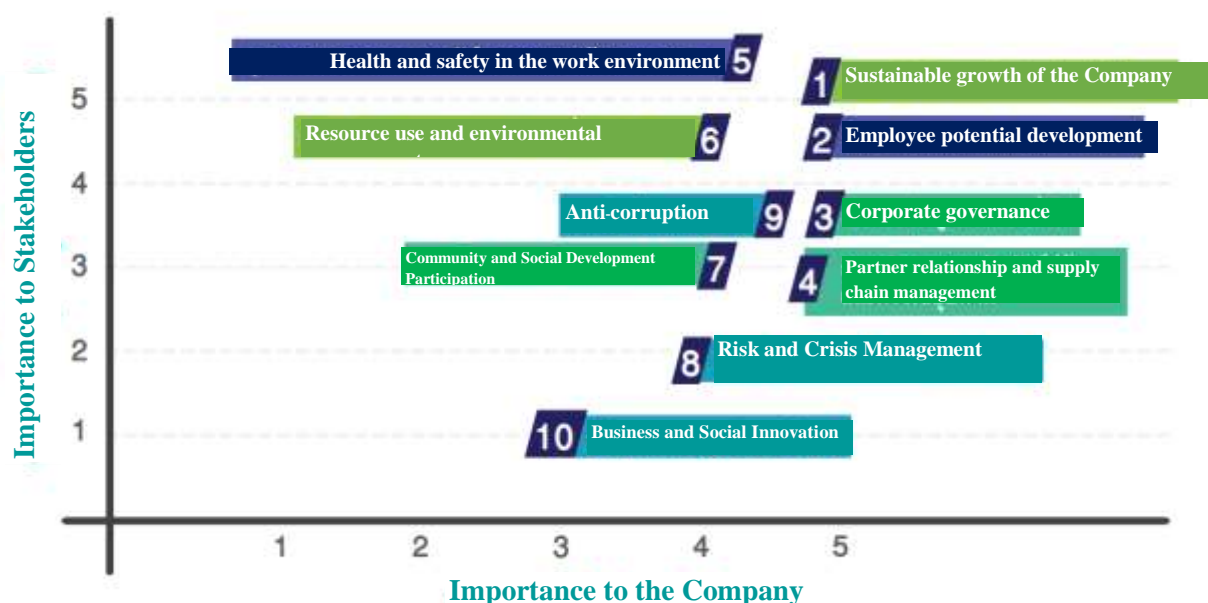
For more information, contact the person responsible for the report:

Syntec Construction Public Company Limited

Head Office:	555/7-11 Soi Sukhumvit 63 (Ekkamai), North Khlong Tan Nuea Sub-district, Watthana District, Bangkok 10110
Company Secretary:	Ms. Rattapawee Lapnan, Email: rattapaweel@synteccon.com Tel. 0-2711-7423
Investor Relations:	Mr. Suchanya Wittayakun, Email ir@synteccon.com Tel. 0-2381-6333 ext. 5942
Website:	www.synteccon.com

Material issues

The Company has identified key issues on sustainability affecting the Company's business operations in economic, social and environmental aspects, including impacts on all groups of stakeholders. The results of assessment of important issues are as follows:



The Company has set goals for achieving the organizational restructuring plan during intense competition situation starting from 2017-2019 in order to respond to 3 main issues: sustainable company growth, employee potential development and good corporate governance. And in 2020, the Company has expanded its operations to include new issues, namely, partner relations and supply chain management to increase the potential of business competition to be more efficient as well.

3.1) Sustainable Development Policy

Syntec Construction Public Company Limited ("Company") aims at business operation for long-term sustainable growth that shall be created from management with good governance, operation according to the Company's good corporate governance policy and emphasis on transparent and fair working; and simultaneously targets to proper benefit and growth together with all parties of stakeholders without negligence on social and environmental concern at most.

For advancement to the sustainable development of the Company, the policy has been determined under consideration on the main economic, social and environmental factors with below details.

Economy

The Company aims for secure and sustainable business growth creation. It is ceaselessly developing and always seek for business opportunity, and learn state-of-the art technology to build competitive advantage for granting long-term value to its shareholders and for sustainable business growth.

Practical Guideline.

1. Be customer-centered to absolutely meet the customer demand.
2. Manage quality and safe work, and maintain operating profession and excellency.
3. Aim at continuous invention of construction quality and standard and application of new technology for business operation.

Society

The Company always takes into account that the business growth can be sustainable with good social foundation and significance on social operation. The Company's social responsibility is not limited particularly to the internal personnel but also include external society, such as business partner, customer, community as well as overall environmental condition of the country. It aims to improve the quality of life of people as a whole in society (SDGs: 3 health and well-being / 16 a peaceful, fair, non-discriminatory society).

Practical Guideline

1. Take care and fairly treat the staffs.
2. Develop organizational personnel.
3. Oversee the staff's sanitation and safety.
4. Operate public interest.
5. Open to receive complaint and have whistle-blower protection mechanism.

Environment

The Company operates the building construction under consideration on environmental impact and promotes all sectors of Thailand in natural and environmental conservation for sustainable existence. The goal is to balance economic growth while minimizing the environmental impact that is involved in project construction.

Practical Guideline

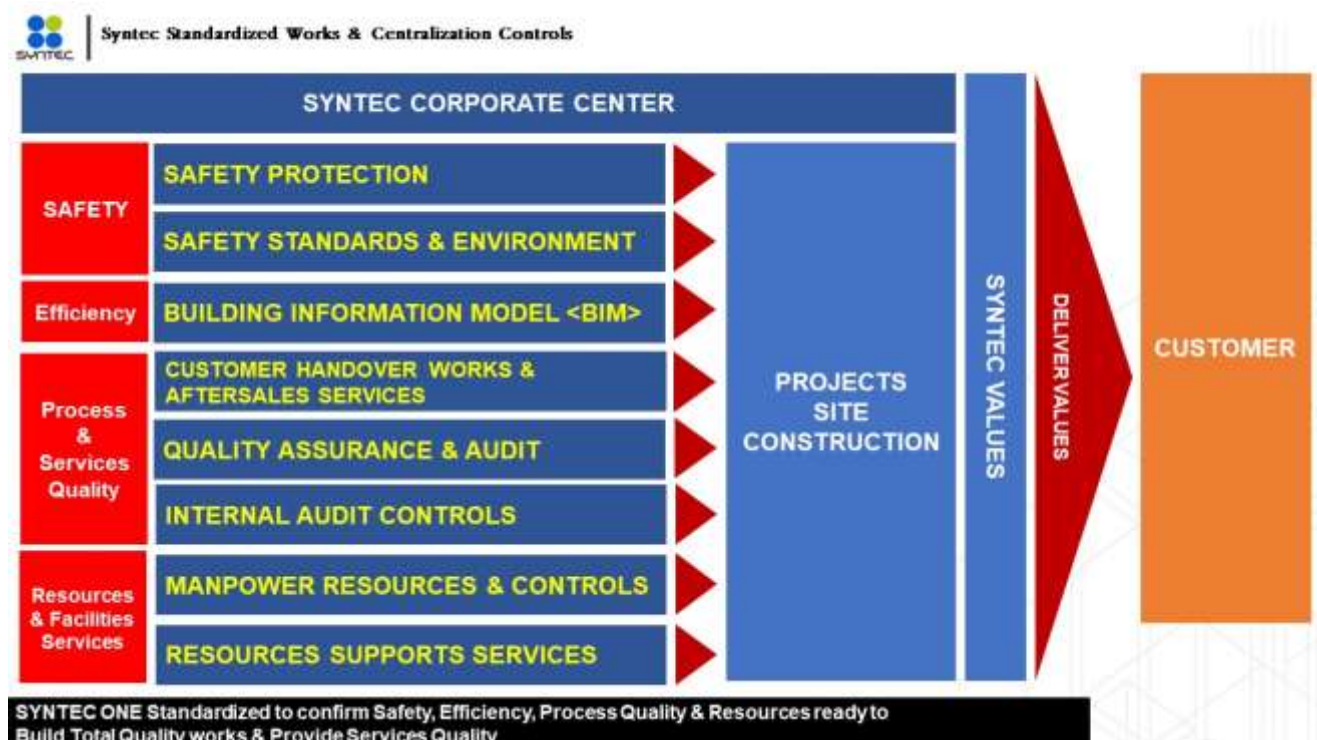
1. Apply technology and innovation in building construction to contribute to reduce environmental impact.
2. Strictly operate business under environment-related laws and regulations.
3. Implement conservation, resource consumption reduction and waste reduction policy.
4. Build awareness and corporate culture in environmental care.

Managing stakeholder impacts in the business value chain "We Build What You Dream"

The company is committed to fulfilling the construction contract received from its partners along with best management of stakeholder impacts throughout the business value chain by showing the relationship of business-related activities. This reflects that the Company is ready to add value to the business through delivering value to stakeholders involved in each activity throughout the business value chain, from foundation construction to delivery of the construction work to customers as much as it can.

3.2 Business value chain analysis

In 2020, the Company established a standardized and centrally-controlled work with an emphasis on safety, efficiency in work, work process/ service quality, including supervision and procurement of labor and supporting services in various fields. The objective is to create shared value, that is, "Delivering valuable work with Syntec standards for customer satisfaction at the highest level"



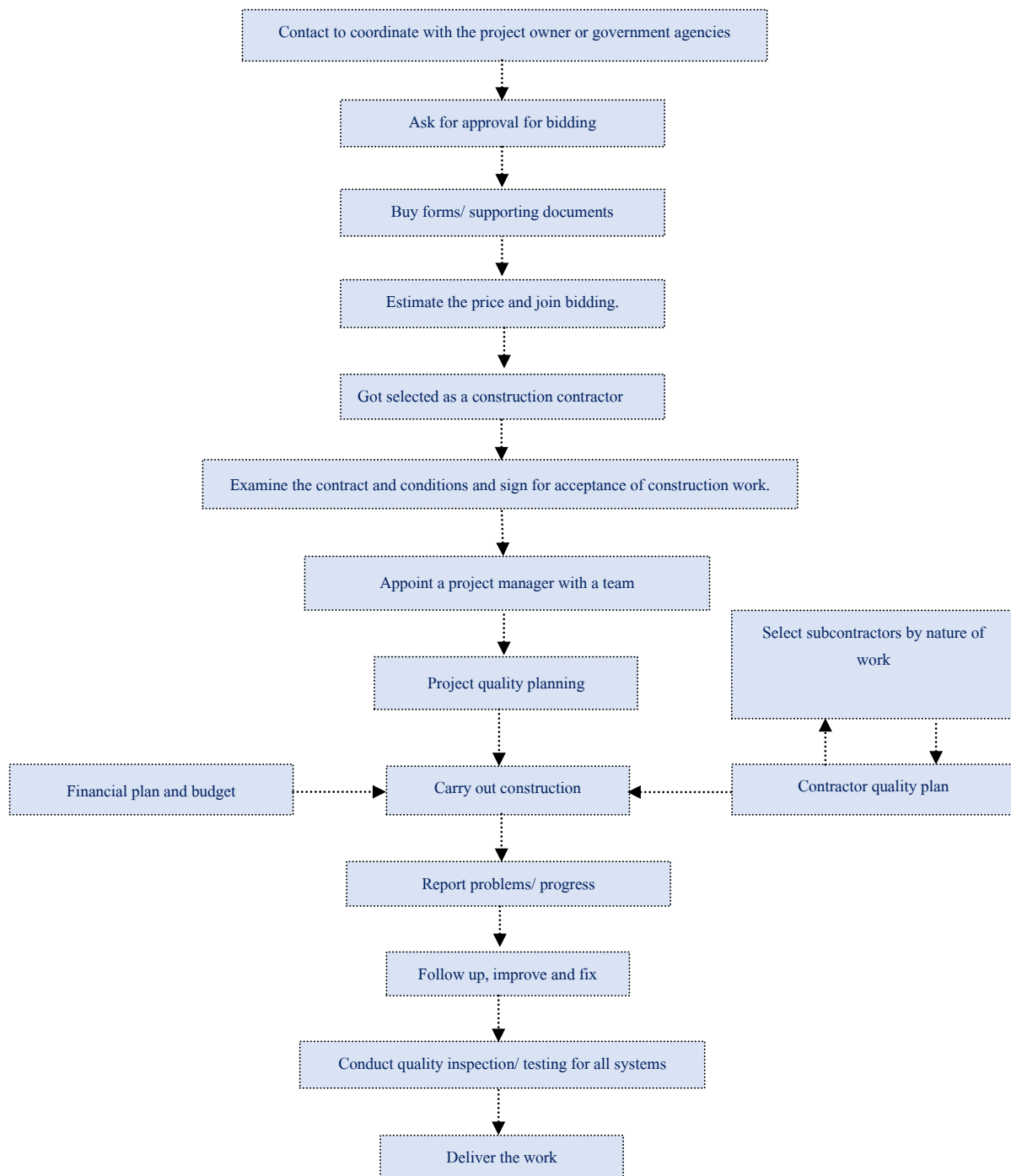
It consists of 2 types of activities throughout the value chain as follows

1. **Primary Activities** are a continuous linkage of 5 main activities according to the context of the construction business. The details are as follows:

Activities in the value chain	Relevant activity identification	Stakeholder identification
1. Work seeking activity: It is an activity that focuses on obtaining the opportunity to become a contractor to generate income for the company	<ul style="list-style-type: none"> Contacting for works from various media or sometimes it may be a direct contact of customers. Study of construction feasibility. Buying a bidding form to enter the bid. 	<ul style="list-style-type: none"> Customers (project owner) Competitors
2. Evaluation and bidding activity: It is an activity that must be performed with caution since the construction business is a lump sum pricing (flat rate covering from start to finish	<ul style="list-style-type: none"> Reproduction or estimation of construction by calculating the construction plan, material quantity, labors, engineering techniques and construction conditions from customers 	<ul style="list-style-type: none"> Customers (project owner) Competitors

excluding addition/reduction in the future)	<ul style="list-style-type: none"> ● Project price estimation ● Submitting a bid for the project 	
<p>3. Practical or construction activity: It is truly the main activity which uses a lot of resources, labors and time for operation, on average, about 2-3 years per project. And it is the part that generates income for the business.</p>	<ul style="list-style-type: none"> ● Signing of construction contracts ● Construction arrangement ● Material/ labor resource planning ● Construction at every stage. ● Follow up and inspection of quality of the work. ● Billing in accordance with progress of work 	<ul style="list-style-type: none"> ● Customer (project owner) ● Partners, manufacturers and distributors of materials/ labor. ● Subcontractors ● Project consultants (inspector) ● Government agencies, regulatory agencies responsible for quality control ● Surrounding communities
<p>4. Construction input procurement activity: s It is an activity that focuses on and supports relationship of suppliers who are responsible for both materials and labor.</p>	<ul style="list-style-type: none"> ● Research and development of materials that meet the contract of customers. ● Efficient sourcing and procurement of quality materials/ labor ● Fair procurement process without trade barrier, discrimination and in accordance with the principles of human rights 	<ul style="list-style-type: none"> ● Parties who are co-innovators ● Customer (project owner) ● Partners, manufacturers and distributors of materials/ labor. ● Subcontractors ● Project consultants (inspector) ● Employees who perform procurement duties ● Government agencies, regulatory agencies responsible for quality control
<p>5. Work delivery activity: It is an activity that includes finishing work which is in accordance with the work warranty contract.</p>	<ul style="list-style-type: none"> ● Full system testing ● Delivery of work ● After-sales service 	<ul style="list-style-type: none"> ● Customer (project owner) ● Partners, manufacturers and distributors of materials/ labor. ● Subcontractors ● Project consultants (inspector)

Flowchart showing the process of accepting a work and construction



2. **Support Activities** are activities that support the main activities to achieve the goal, which are not less important than the main activities. The Company has acted carefully and followed the management basis appropriately in accounting, finance, business development, human resource development, information technology system, legal and administrative works (details appear in Chapter 1, Article 1, Item 3.7: Company support division)

Risks that may affect sustainable development

Managing relationship with suppliers and supply chains

The Company gives great precedence to good relationship between suppliers and customers. Therefore, it has a measure to manage relationships in accordance with the specified standards with the following important points:

1. Supplier risk management

The Company has set measures to prevent risks from suppliers that may affect the continuity of the Company's operations in both economic, social and environmental aspects with fair and transparent standard for selecting, evaluating and examining suppliers, adhering to the principles of good governance, business stability and reliability of suppliers, as well as being able to respond to the demand for products and services of the Company well by preparation of a list of suppliers to select potential suppliers to do business with the Company, monitoring and evaluating on availability of goods and services, transportation, industry standards, as well as occupational health, society, environment and implementation of the anti-corruption policy as follows:

Risks	Effects	Measures
Default in delivery of goods and services	Economic aspect	- Require the suppliers to be responsible for expenses arising from the delay in delivery.
Reliability of suppliers	Economic, social, and environmental aspects	- Commercial registration, taxation documents, product and environmental certification - Documents showing works of the suppliers - Examine work history from existing customers of the suppliers
Conspiracy and bid rigging	Economic and governance aspects	- Supplier qualification evaluation form, which the suppliers must disclose true information. - Examine the suppliers' executives and directors who participate in bidding.
Safety and Occupational Health	Social and economic aspects	- Select a supplier who gives precedence to safety and occupational health of employees, such as receiving certification of standards from government agencies.

Customer relationship management

Construction business is the main business of the company. Therefore, the main customers of the Company are real estate development companies, especially the leading companies in the country listed on the Stock Exchange of Thailand, limited company with good reputation and stable financial position, including government agencies. The company will carry out construction according to the conditions agreed with the customers of the Company.

Responsibility to customers

The Company is committed to do its best to provide customers with quality work. The Company regularly checks quality of the work to meet the requirements along with giving opportunities for customers to complain about its performance. In addition, all executives and employees are required to maintain the confidentiality of customers and not to misuse secrets of the customer for themselves or those involved in order to maintain the satisfaction of the customers.

Customer relationship management approach

For customer relationship management, the key role of the Company in meeting customer satisfaction is construction with quality as the customer desires. Therefore, customer satisfaction is an important factor in customer relationship management. There are 3 key areas which the Company applies for customer relationship management: quality construction, cost control, and time management.

Quality construction: The Company focuses on the construction that is correct to the principles of engineering profession, including the use of modern technology in their operations in order to achieve results that meet the needs and satisfaction of the customers.

Cost control: The Company will manage construction costs appropriately according to the plans provided by the customers so that the customers can compete in their business.

Time management: The Company will deliver the work to the customers as scheduled in the contract.

Customer Satisfaction Development Policy and Guideline (Project's owner)

Syntec Construction Public Company Limited ("Company") shall arrange to evaluate satisfaction of the project owner that employs the Company to construct the project under the objective of recognition on construction problem and obstacle from the commencement of work acceptance until work delivery to its customer for analysis to find cause and determine improvement and correction development guideline. In addition, the project owner shall be gainful from quality and timely operation with reasonable price according to the requirement of the work employment contract. The said satisfaction level shall be measured twice a year in the period of June and December of every year.

Satisfaction Development Guideline

Nevertheless, the Company has operated according to ISO9001:2008 Quality Management System for application of working standard maintenance as well as reviewed the operation from prior to startup of the work acceptance contract, during operation and the period of post-work delivery. However, the customer or the principal shall be treated according to the contractual obligation based on working professional standard for construction work achievement without trouble according to customer demand, construction requirement and deadline specified in the contract.

At present, the Company has still aimed at potential development and operating standard maintenance in various areas with all one's ability and it has been under preparedness, building understanding in various areas to lead the Company into ISO9001:2015 Quality Management System upon formal promulgation from the supervisory work unit accordingly.

Assessment of Customer Satisfaction

The Company shall provide assessment of satisfaction of the project owner who hires the Company with a goal of at least 3 points in customer satisfaction scoring. This assessment is done so that the Company will be aware of problems and obstacles during the construction processes from acceptance of the work to delivery of work to the customer to be analyzed to find the cause and determine a measure for improvement. The level of satisfaction is measured twice a year in June and December of each year. Table showing customer satisfaction levels for the year 2020.

Assessment topics	June 2020		December 2020	
	*Number of Assessor	Score	*Number of Assessor	Score
1. Assessment while construction is in progress				
1) Availability of personnel for working	33	3.2	35	3.2
2) Availability of machines for working	33	3.6	35	3.4
3) Availability of materials for working	33	3.1	35	3.1
4) Safety in construction				
4.1) Building cover, protection panel	33	3.0	32	3.2
4.2) Protection against falls, guard railings	33	2.8	33	2.0
5) Construction environment				
5.1) Sound control not to exceed the acceptable standards.	33	3.0	34	3.1
5.2) Dust control not to exceed the acceptable standards.	33	3.1	34	3.0
5.3) Cleanliness in the area	33	2.9	35	2.7
Average score		3.09		3.09
2. Assessment when the construction is complete.				
1) The construction is in accordance with drawings and work standards.	19	3.1	17	3.3
2) Materials used in the construction must meet the requirements.	19	3.4	17	3.2
3) Deliver the work according to the contract schedule.	18	2.9	17	2.2
4) The work is inspected before delivery.	18	3.2	17	2.7
5) Satisfaction in the work delivered.	18	3.2	15	2.9
Average score		3.16		2.86
3. Assessment after delivery of the work (in the warranty period)				
1) Correction of the work is carried out on time.	9	2.9	6	3.4
2) Follow up and inquire about the use of the delivered building	9	3.1	6	3.3
Average score		3.00		3.40

Note: Number of assessors refers to the number of owners of projects in various construction statuses according to progress of the work during that time.

Scoring the level of customer satisfaction

Satisfaction level at 4.0 - 3.1 means the work meets the criteria with standards that have to be maintained.

Satisfaction level at 3.0 - 2.1 means the work is at fair level but needs to be improved.

Satisfaction level at 2.0 - 1.1 means the work is below the specified criteria, needs to be improved a lot.

Satisfaction level at 1.0 - 0.0 means the work is in the critical level and the work system needs to be changed.

The table showing customer satisfaction assessment for the year 2020 in June showed that the average score of assessment during construction was 3.09, the assessment at the completion of the construction was 3.16 and the assessment after delivery of the work (in the warranty period) was 3.00. These meet the criteria with standards that have to be maintained. In this regard, the Company has applied suggestions and comments from the project owners who performed the assessment. For example: There should be an improvement in cleanliness in the project and orderly stacking materials that are still in use and which are not in use; There should be strictness on safety of the organization, etc. And in the customer satisfaction assessment in December, it can be seen that the average score of project owner satisfaction was 3.40, which is more than that in June since the Company has already fixed the defects as suggested by the project owner.

Policy for Opening Opportunity to Stakeholders in Participating in the Company

Syntec Construction Public Company Limited ("Company") well realizes that the stakeholders play significant role in determination of business operating direction; it therefore gives precedence to supervision and consideration on all groups of stakeholders. The opportunity shall be given to them for participation whereas the channel of suggestion, problem and complaint receiving shall be arranged under precedence and pleasure on opinion listening and sharing for suggestion that will be gathered and screened for reporting to the Board of Directors, and consideration and review on working guideline to equally meet demand, and expectation of each group of stakeholders.

Operational Framework for Stakeholders

1) Classification and Analysis of Stakeholders

Group key and minor stakeholders to analyze risks and impacts, including direct, indirect and appropriate participation channels, in formulating common sustainability issues

2) Listening and Participation

Provide both online and offline communication channels, as well as face-to-face meetup through staff who are directly responsible on a regular and ongoing basis, including a channel for receiving suggestions, complaints, needs assessments, and feedback of satisfaction and engagement, as well as a channel for conducting group conversations, meetings and organizing collective activities, according to regularly scheduled processes and activities

3) Response

Establish a process for responding to needs and complaints in each group appropriately and concisely, with complete, sufficient and timely communication or disclosure; in addition, have a process for supporting and analyzing the obtained data, leading to further development and improvement of internal processes

Stakeholder Analysis in the Business Value Chain

The Company has operated a business taking into account “Stakeholders” involved with the operations of all groups of the Company, taking into account both positive and negative impacts that may occur. The Company therefore has a process to create participation in order to create ties and meet the expectations of the stakeholders in each group as follows:

Stakeholders	Expectations of Stakeholders	Response to stakeholder expectations	Communication and channels
1) Shareholders and investors	<ul style="list-style-type: none"> Stock price rises. Have good dividends The Company is growing continuously and steadily. 	<ul style="list-style-type: none"> Perform duties with integrity as well as any action with care and fairness to all shareholders. Do not seek benefits for oneself and others by using any information of the Company that has not publicly disclosed and do not take any action that may cause a conflict of interest with the Company. 	<ul style="list-style-type: none"> Organize the Annual General Meeting of Shareholders according to the AGM Checklist standard. Hold analyst meeting Annual Report and 56-1 One Report Company website
2) Employees	<ul style="list-style-type: none"> Receive compensation and benefits that are fair and on par with the same business Career advancement and stability in the work Have good working welfare Employee potential development Safety and Good working environment 	<ul style="list-style-type: none"> The Company has a policy to take care of compensation which is consistent with performance of the Company in short and long terms, including assessment using a Balance Scorecard. Provide employee welfares such as provident fund, social security fund, medical expenses, etc. There is a training plan to promote the potential of employees. There is a human rights management guideline on recruiting, which the Company will adhere to the ethical principles of recruiting without discrimination of race, religion, skin color or sex. The suitability of responsibilities on a case-by-case basis is considered. 	<ul style="list-style-type: none"> Employee meeting and division meeting Channels for expressing opinions and complaints Company's employee relations activities

Stakeholders	Expectations of Stakeholders	Response to stakeholder expectations	Communication and channels
3) Customers	<ul style="list-style-type: none"> Obtain quality work according to the agreement stipulated in the contract. Receive work on time as specified in the contract Receive good work within the specified budget. 	<ul style="list-style-type: none"> Deliver quality works and services that meet standards and strive to continuously raise the standard of construction. Deliver the work on time as specified in the contract. Arrange for a customer satisfaction assessment. 	<ul style="list-style-type: none"> Attending meetings with customers (Project owner) Inspection of the construction site of the Company executives.
4) Partners	<ul style="list-style-type: none"> Allows all partners to offer work price/ selling prices to the Company with transparency, fairness and equality to all trading partners. Being a good partner and having a long-term relationship Payment on schedule 	<ul style="list-style-type: none"> Have a policy to treat business partners with fairness; arrange for a transparent and accountable selection of partners; follow the framework of honest competition. Make a suitable contract format. The Company aims to develop knowledge with partners and maintain a good relationship, set a clear objective on quality of products and services that are worth the money. Pay the partner on time according to the payment terms as agreed 	<ul style="list-style-type: none"> Arranging a meeting between business partners and management of the Company www.synteccon.com Complaint Hotline Call: 0-2381-2790 Email: legal@synteccon.com
5) Competitors	<ul style="list-style-type: none"> Free business competition Conduct business fairly 	<ul style="list-style-type: none"> Practice within the framework of good competition. Do not seek competitors' confidential information. Do not make any malicious allegations or damage reputation of a commercial competitor. 	<ul style="list-style-type: none"> www.synteccon.com Complaint Hotline Call: 0-2381-2790 Email: legal@synteccon.com

Stakeholders	Expectations of Stakeholders	Response to stakeholder expectations	Communication and channels
6) Creditors	<ul style="list-style-type: none"> Financial discipline and debt repayment ability 	<ul style="list-style-type: none"> Pay the debt to creditors in accordance with the specified terms To repay the loan, interest and liability for collaterals or guarantees, the Company strictly adheres to any contract or conditions that have been agreed upon. When there is a significant event which affects the financial position and may affect the debt due, the Company will notify creditors in order to jointly find ways to prevent damage or fix it. Strictly follow the conditions set by creditors. 	<ul style="list-style-type: none"> www.synteccon.com Complaint Hotline Call: 0-2381-2790 Email: legal@synteccon.com
7) Community, society and environment	<ul style="list-style-type: none"> Operate the construction with safety and minimizing impact on the community, society and environment. Prevent or reduce pollution caused by construction. Efficient use of resources 	<ul style="list-style-type: none"> Formulate a construction policy that takes into account the community, society and environment as and strictly abide by the relevant laws. Take action to prevent accidents, control operations and waste emissions to be within standard values. Regularly support social, community and environment constructive activities. Listen to opinions and suggestions from communities around the project site to find ways to mitigate potential impacts, including action to resolve complaints upon receipt from the community. 	<ul style="list-style-type: none"> Complaint Hotline Call: 0-2381-2790 Email: legal@synteccon.com compliance@synteccon.com

3.3) Environmental Sustainability Management

3.3.1) Overall Outcome and Performance Results Related to Environmental Management

No cases of disputes or violations of environmental laws, regulations or requirements

No fines caused by non-compliance with environmental laws, regulations or requirements

Project to Reduce Energy Consumption and Natural Resources

Reduction in the cutting of trees	18	trees
Reduction in carbon dioxide emissions	707	kilograms
Reduction in water usage	27,040	liters
Reduction in fuel consumption	1,456	liters
Reduction in energy usage	4,160	kilowatts

Waste Management

Recycling of paper	1,040	kilograms
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3.3.2) Environmental Management Policy

Syntec Construction Public Company Limited (" Company") aims at operation under awareness of social responsibility such like the Company's vision on "leadership of construction industry with effective continuous development on quality, time, expense, safety, social and environmental responsibilities" . In addition, continuous work process shall be improved to prevent pollution and contingent impact as well as conservation of natural resource, energy consumption reduction as well as building social responsibility awareness of its staffs.

Practical Guideline

1. Manage under target to prevent non-environmental impact and continuously review and evaluate the Company's operating result in the meantime.
2. Strictly observe environment-related laws, requirements and practices.
3. Select to apply technology and operating procedure with environmental standard under consideration on volume control and pollution treatment prior to dump.
4. Build environmental preservation awareness to all levels of staffs under responsibility and campaign the mutual consumption of resources for maximum benefit.
5. Review the implementation in environmental management in deadline, leading to continuous improvement and action.
6. The Company shall give precedence to environmental management specifying the topic of construction environmental assessment as part of satisfaction evaluation form of the project owner that employs the Company to construct so that the acquired assessment result shall be applied as the development and improvement guideline of the Company's operation.
7. Properly and transparently disclose the Company's environmental information via channels as appropriate.
8. Regularly support activities that take part in environmental promotion.

Assessment of Environmental Impact

This is to ensure that all the Company's operations and activities are carefully considered in terms of the impacts in economic, social and environmental aspects, including ecological impacts and possible changes to natural resources. Also, the purpose is to define measures of environmental impact, mitigation guidelines and occupational health and safety appropriately, adequately and efficiently.

Environmental Performance

(1) Energy management

The Company supports, promotes, and is committed to efficient use of resources such as electricity consumption, water use, including various resources along with supporting the reuse of resources. The Company expressed its intention in operating with a policy for efficient use of resources as a guideline for operation of the Company and its employees.

Over the past year, the Company set a quantitative goal of reducing power consumption of its headquarters by 10 percent from 2019, continuing to replace the office lighting bulbs from fluorescent and tungsten lamps to LED lamps (LED: Light Emitting Diode). Although this is more expensive but considered as a worthwhile investment because the LED lamps are of high quality with long service life, have low power consumption, but the same brightness as fluorescent and tungsten lamps. And they also save electricity in the long run. In addition, there is a constant campaign billboard, for example turning off lights and air-conditioning in the meeting room when not in use, turning off lights, lighting and computer screens during lunch break 1 hour, changing office equipment to an energy-saving sensor system, annual system maintenance planning. And it is also a time for the Company to organize work from home and restructure the organization as well.

In 2020, it was found that the electricity cost decreased from 2019 by amount of 478,878 baht or 21 percent.

Comparison table of electricity costs for the years 2015 - 2020

Year/Month	Head Office					
	2020	2019	2018	2017	2016	2015
January	179,259	161,268	155,568	170,862	156,984	161,370
February	198,322	195,606	162,762	172,428	182,298	218,220
March	181,276	192,630	175,176	191,352	200,286	207,414
April	182,782	209,580	168,000	193,470	218,856	187,476
May	198,171	190,902	186,516	209,232	222,690	225,924
June	158,728	199,026	185,418	204,312	260,280	248,442
July	169,239	203,814	179,868	202,332	225,906	215,742
August	168,582	176,130	168,720	192,696	225,150	208,944
September	184,542	189,402	180,546	197,148	249,114	213,360
October	155,322	173,472	178,302	172,152	215,328	194,112
November	165,018	190,122	158,658	164,532	232,794	218,916
December	157,878	169,120	174,684	170,274	210,312	191,052
Total	1,776,224	2,251,072	2,074,218	2,240,790	2,372,844	2,490,972

In 2021, the company plans to introduce solar panels to be used in lighting of construction sites, workers' houses and warehouse areas. In addition to reducing expenses from using electricity, it is also a part of the reduction of carbon dioxide which promote to use of renewable energy and also to reduce global warming problems as well.

(2) Water management



The Company realizes the importance of water management because it is considered as an important resource for sustaining life and economic development. Because the water is a consumable resource and there has been no production for replacement. Therefore, measures to control water use are as follows:



1. Put up signs reminding employee to turn off the tap every time after use.
2. Apply a system to reuse water for washing wheels of vehicles moving in and out and spraying on the construction area, etc.
3. Maintain water supply system to be efficient and ready to use always.

4. Change the water sprinkler device in order to save water.
5. Install a wastewater treatment system to allow water used in the construction process to be treated before releasing into public drainage systems.

(3) Waste Management

The company has joined the project with SCG Packaging Company called "Copier Paper Handling Project. Cardboard and used craft paper To produce a new paper "with the details as follows :



“Unused Garbage Change for recycles” Project

Target group: All employees at S headquarters

Objective: To promote the sorting of waste paper Brought into the recycling process.

Operating period: 2020-2021, with possible extension of the period, as appropriate

Project operations:

- 1) Create public relations throughout the organization with a holding publicity signs and invite employees to play game and answer questions about the basics of paper sorting and get to know the benefits of the project.
- 2) Participate in paper gathering and taking it to the recycling boxes arranged at various points
- 3) Gather the sorted paper, deliver to SCG's paper pickups to be taken to the recycling process to be correct according to the next steps.
- 4) Estimate the purchase price and exchange it for new paper to bring back for employees to use in the office later.

Environmental Saving Report



Compensation: The work units benefit, and receive Idea Green 80 grams A4 copier paper (based on the purchase price of scrap paper in the market)

Goal: Bring paper into the recycling process at an average of 500 kilograms per month (the project start period was November - December 2020); the aim in 2020 is 1,000 kilograms.

Performance summary:

- 1) A total of 1,040 kilograms of used paper was recycled, or a 104 percent success rate.
- 2) Changed waste paper into recycled paper in the amount of 20 reams or 10,000 sheets.
- 3) Helped the Company save costs in buying paper for the office usage in the amount of 2,400 baht
- 4) Reduced energy and natural resource consumption, and took part in reducing global warming.

Efficient Use of Resources

The Company implements a policy to use resources efficiently by adhering to the principle of economical use, reusing and restoration. In the past period, the Company has focused on building worker camps by changing from the old style built for single use and then dismantled to a style of knock down camp that is more durable. It can be disassembled and reused worthily. It also promotes better quality of life of workers by living in an area that is clean, beautiful, durable and tidy.

The company has operated the said project since 2015 and continues to operate it by gradually rotating the work to each location of worker camps. At present, the Company has a total of 21 worker camps, which have started to improve and rotate until it covers all sites.

It has a goal to maximize the use of resources of the main structure in order to save costs in construction of such worker camps which can be compared as follows:

No. of times used from the original structure	Cost per time of building a worker house / room	
	Old Style (Baht)	New Style (Baht)
1	14,000	25,000
2	10,000	7,000
3	10,000	7,000
4	10,000	7,000
5	10,000	7,000
Total	54,000	53,000

The table shows that in the cost of construction of a worker camp used from the original structure and adding maintenance to be ready for actual use, the old style, when used for 5 times, costs 54,000 baht, but the new style, even though it has been used 5 times, costs only 53,000 baht and this original structure can be reused indefinitely. Initially, the Company could achieve its goal of 7 times.



Old Worker Camp



New Worker Camp

In addition to the knock-down camp, the Company also invented knock-down bathrooms for use on construction sites, which are lightweight and easy to transport and can be disassembled for further use in other work sites.



3.4) Social Sustainability Management

3.4.1 Policy and Social Practices

The company is well aware that "We are part of society" where the company can operate its business for sustainable growth. It is necessary to take into account the impacts that may arise from the operations in various fields. Therefore, the company has established a social responsibility policy. In order to have clear guidelines for society The environment and surrounding communities It also includes legal compliance. Strictly related regulations and linking the relationship between the company and all stakeholders as well.

Good Practices of Corporate and Community Social Responsibility

- 1) Have a policy and practice that is fair and socially responsible. Do not engage in anything that would have a detrimental effect on the community, society and public interest.
- 2) Support the organization of social and community development activities by establishing a business and social innovation development policy that is clearly disclosed.

3) Be responsible to society and community, and operate strictly in accordance with laws covering labor and employment, regulations and laws related to social and community work.

Business Conduct with Fairness Policy

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 as following:

- 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.

Human Right Esteem and Human Right of Children Policy, 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.

Respect for rights of the child

The Company recognizes the importance of young children of the workers living in the worker camps. The Company realizes the basic rights on safety of the young children, including the right of children to receive educational care. Therefore, it established "Baan Syntec Child Development Center", not only providing opportunities for young children to be cared for and educated but also improving labor productivity because they do not have to worry about their children during their work as well.

"A collaboration between the Baan Dek Foundation and Syntec Construction PCL."

Children's Home Foundation and UNICEF has joined the company staff with an agreement that is joint writing to implement the Chiang Mai Framework of Action (CMFA) and to develop a working camp in Bangkok as a prototype starting from April - December 2019.

In 2020, the Baan Dek Foundation continued to work with the company. To develop survey tools to provide services and assistance tailored to the needs of children and their families. In this regard, the Children's Home Foundation Therefore, training is organized to improve the lives of children and residents of both camps (Camp Yannawa and Camp Kamphaeng Phet). 7) to the bosses.

Report All Activities

Infrastructure	<ol style="list-style-type: none"> 1) Improved safety of living conditions <ul style="list-style-type: none"> ● Regulations for the prevention of COVID-19 are enforced within the camp. ● Families with children are residing on the ground floor. ● Fire extinguishers were installed. ● Safety surveys were carried out, in accordance with CMFA. 2) Improved waste management and WASH (Water, Sanitation and Hygiene) <ul style="list-style-type: none"> ● A handwashing station with hand washing soap was installed at the camp entrance. ● The drinking water dispenser and washing machine were inspected regularly. ● Wastewater treatment was regularly monitored within the camp. 3) Opportunities and space to interact and play with other children <ul style="list-style-type: none"> ● Children and family were able to use the common area in front of the Camp Boss' office for activities.
Child Safety	<ol style="list-style-type: none"> 4) Knowledge of child rights and child protection and their practical application <ul style="list-style-type: none"> ● BDF provided 'On The Job' Training for Camp Bosses to upskill their knowledge about child protection and child enrolment into school. ● BDF provided 2 sessions of CMFA trainings for Camp Bosses on the tool, how to use it, making action plan for camp development, and keeping record of children in the camp. 5) Knowledge of how to access services (health, education, legal documentation) <ul style="list-style-type: none"> ● BDF provided 'On The Job' Training for Camp Bosses to support understanding of the Reference Pack for Social Impact and to communicate the guidelines which are aligned with CMFA recommendations on children's education. ● Parents from 6 families in the camps participated in Superheroes Academy activity session concerning child rights. 6) Improved social development and well-being (prevention of discrimination, domestic violence, child labor) <ul style="list-style-type: none"> ● Due to COVID-related restrictions, we did not organize the Community Fun Day activity. In December 2020, we donated books, sports equipment, and other tools for community use. ● BDF has supported the community on a monthly basis from March - December 2020 on giving out food donations and hygiene sets for all children and pregnant mothers with a total of 165 sets.
Health	<ol style="list-style-type: none"> 7) Access to vaccines <ul style="list-style-type: none"> ● 18 children have been vaccinated to Thai national standards. ● During the food donation period in March - December 2020 and with Camp Bosses'

	<p>collaboration, BDF raised awareness on children's health and supported parents to keep their children up-to-date on their vaccinations.</p> <p>8) Access to health cards</p> <ul style="list-style-type: none"> BDF supported parents of at-risk children by giving them counseling to obtain social security card and health card for children. <p>9) Knowledge of common medical needs and responses</p> <ul style="list-style-type: none"> BDF gave first aid kits to the community. 12 children visited the dentist in the past year. BDF provided awareness session to 6 families, with the children, on COVID-19 prevention.
Education	<p>10) Preparation for integration into formal education</p> <ul style="list-style-type: none"> 17 child development activities were provided in the camp to help children prepare for school. <p>11) Access to formal education through school enrolment</p> <ul style="list-style-type: none"> 100% of children enrolled into school. <p>12) School support through non-formal education</p> <ul style="list-style-type: none"> 17 sessions of non-formal education from BDF were provided to support regular school attendance.

Chiang Mai Framework for Action (CMFA)



Management of Foreign Workers

Due to the need for a lot of labors in the business of the company, the Company uses construction labor, one portion of which belongs to the Company and the other of which is from contractors or partners who are direct employers of the labor. The Company has screened, monitored, evaluated and examined its business partners not to use foreign labors or child labors. The contractors or partners to be registered with the Company must do the following.

1. Foreign workers working in the project must be legal laborers.
2. Foreign workers working must be 18 years of age.
3. The contractor or partner must hire foreign workers on their own responsibility. The foreign worker must have the employer name

corresponding to that on the back of the pink card or passport.

4. Must specify correct and complete name of the project that they are working. If not complete, the contractor or partner must accelerate the process.

Employment that does not discriminate and offers equal opportunities

The Company has a policy of recruiting, hiring and paying remuneration in accordance with ethical principles with standard system and procedures without discrimination or exclusion due to individual differences and diversity, including race, religion, language, color, gender, political views and social status. It covers women, the disabled or other disadvantaged people. The Company provides opportunities for those who are interested in joining the Company, taking into account appropriateness of duties and responsibilities case by

case. And the Company supports people with disabilities to live equal life with the general public and have effective social participation in an environment where people with disabilities can access and use it.

The Company supports the Cerebral Palsy Sports Association of Thailand (CPSAT) from Lieutenant General Isara Watcharaprathep, Advisor to the Governor of the Sports of Thailand in signing the employment contract for 36 people with disabilities in 2021 at the Thailand Sports Complex on 4 December 2020. This is the 2nd year of the Company for the employment contract made with the association. The Company gives importance to, supports and promotes development of values and quality of life of the disabled to be able to have a good quality of life, right to freedom and equality in life and effective social participation.



Community, Social and Environmental Responsibility

The Company has a policy to operate a construction business taking into account the potential impacts on the environment and neighboring communities by strictly complying with the relevant laws and regulations, including developing operational processes and adopting technology and innovation to increase work efficiency and reduce the impact on the environment and neighboring communities. The Company has the following quantitative environmental goals:

Guidelines for Nearby Areas Care to Minimize Construction Impacts

The Company has arranged staff to provide information to the communities surrounding the construction site to create understanding and create good relationships, especially houses or buildings that have an area adjacent to the project. The company has guidelines to take care of the neighboring areas to reduce the impact of construction as follows:

1. Survey the area surrounding the project before starting construction.
2. Build a good relationship with neighboring people to listen to opinions and to inquire about the impact.
3. To set measures to prevent pollution caused by construction such as dust prevention, noise prevention or traffic, etc.
4. To regularly check the environment surrounding the project. If a problem is detected or a complaint is given, it needs to be solved immediately.
5. When the neighboring areas cause trouble or damage, find a way to take corrective action immediately



Measures to prevent environmental impacts

1. Physical environmental resources

1.1) Topography

During the construction process, the soil will be excavated for foundation construction and for utilities underground. So, it may cause significant changes to the terrain. Therefore, there are preventive measures as follows:

- Construct the building according to the specified plan and legally.
- Tidy up the construction area and material storage
- Provide a solid fence, 3 meters high, topped with a 2-meter-high metal sheet around the construction site. At the front, which is the entrance and exit of the project, provide a solid door that can be opened and closed.



1.2) Soil erosion

In the process of foundation construction, where soil digging/ drilling must be performed for piling and the project's utility system, to prevent soil erosion, there are preventive measures as follows:

- Design to have a system to prevent soil collapse, consisting of sheet piles on the 4 sides of the land area as a temporary soil barrier to prevent soil movement.
- During the rainy season, a channel must be dug around the borehole or well to divert water from the dug area. And in the borehole or well, water must be drained from the borehole or well to prevent a change in the soil condition which may be risky for soil erosion.
- Do not pile soil around the mouth of the open hole by keeping the pile away from the mouth of the hole not less than the arm of the excavator.
- For the pile of soil that has to be left for more than 3 days, it must be adjusted to the slope appropriate for the soil type to prevent collapse from disturbances in working conditions or from the load of water absorbed in the soil.
- The temporary road used in the project is constructed as a concrete road or paved with steel sheet to reduce the effect caused by vibration



1.3) Air quality

To prevent the impact of dust and air pollution and meet the standards required by the law, there are measures as follows:

- Install dust-proof panels throughout the constructed building height and it must be kept in good condition throughout the construction.
- Provide workers to clean the construction site on a daily basis, especially the floor of the constructed building to reduce the accumulation of dust; and sprinkle with water before sweeping to reduce the spread of dust
- Provide a cover to building materials such as soil, stones and sand that are piled up on the project area to prevent the spread of dust.
- Provide workers to clean the road in the construction area, including the area at the entrance of the project with sprinkling water before sweeping.
- Require trucks entering- exiting the project area to cover their bed to prevent dust spread and spillage of soil and construction materials.
- Provide a wheel wash point at the exit of the project, where all vehicles, before leaving the project area, are required to wash the wheels so as not to have soil attached to the wheels to fall on the road.



1.4) Noise and vibration levels

- Construct a fence to prevent dust and noise, which is a steel frame with galvanized steel sheet outside, 2 meters high, surrounding the project site, with entrance-exit gate. It can reduce the noise level by about 15-22 dB (A).
- Keep the gate closed all the time, except during the period that vehicles are passing in-out.
- Choose a method for foundation construction using bored piles which give low noise level.
- Choose technology and tools that have low noise level for both construction and soil works.
- Prepare a specific area with partitions as a room for noisy activities such as cutting, grinding.
- Provide regular maintenance of construction tools, machinery and equipment to be in good working condition.
- Not conduct any activity causing a loud noise disturbing the neighboring residents between 6:00 pm-8:00 am of the next day.
- In the event that the noise level is found to interfere with nearby residents, adjust the construction method and/or find measures to reduce the noise level to reduce the impact on neighboring residents.
- Limit speed of vehicles that transport construction materials and equipment into the project area at 30 km/hr in the community adjacent to the project.
- Dig a trench along the construction area on the side adjacent to the nearby buildings to cut off transmission of vibration waves at the surface level from the origin to neighboring areas.
- Before construction, the information plates on the project details must be provided along with the telephone numbers of the project officer who can be contacted when wishing to file a complaint.
- There are engineers to closely supervise the construction and control the construction to be correct to engineering principles.



1.5 Water quality

The Company has measures for dealing with the wastewater from construction activities and from consumption of construction workers as follows:

- Control workers not to dump solid waste into pipes or drains.
- When the main drainage system of the project has been constructed, wastewater from construction activities shall be drained into the main drainage system of the project with cesspool at intervals and grease trap before draining into public drainage system.
- Provide enough toilets for workers with treatment of wastewater arising from toilets before they are drained to public drainage systems.
- Control wastewater from cleaning into the drainage ditch and the sewage will be treated with ready-to-use septic tank.
- Install a ready-to-use septic-aerobic filter tank for wastewater treatment from toilets.



2. Biological environmental resources



The Company carries out construction activities taking into account the potential impacts on the environment surrounding the construction site, like trees, plants or living things in nature. Therefore, the Company has preventive measures to comply with the standards required by relevant laws and regulations.

3. Human use values

3.1) Land use

Carry out construction of buildings in strict accordance with the requirements of relevant laws and within the construction area without encroaching on public land or other person's land

3.2) Transport and traffic

In order to avoid the impact on the traffic around the construction area, the Company therefore has the following measures:

- Provide security personnel to supervise and facilitate traffic at the entrance-exit of the project.
- Provide a project name sign and arrow signs showing direction of entering-exiting the project in front of the project.
- Provide a parking lot and a storage area for materials in the project aside and prohibit parking and storage of construction materials on public areas.
- During the period when there are many trucks transporting cement or soil to and from the project, a traffic management must be planned in advance to prevent trucks from parking on public roads, which will cause traffic jams.



- Provide a shuttle bus for construction workers between the worker camp and the construction site.
- Provide a project administrator to inform the project work plan and make understanding to the neighboring residents periodically along with providing a contact phone number to enable nearby residents to complain. This will reduce the worries of nearby residents.
- The trucks is allowed for entering and exiting the project area only outside rush hours.

3.3) Utilities

Since the construction area has a demand for electricity and water supply in consumption, therefore there are measures to take as follows:

- Provide workers with sufficient clean water.
- Provide clean and hygienic gallons of drinking water to construction workers in sufficient quantities to meet their needs.
- Instruct workers to use water sparingly and monitor workers to turn off the tap when they don't use water.
- Instruct workers to use electricity economically and be careful when connecting wires and using electricity to prevent short circuit.
- Flammable substances used in construction must be stored with full closure in the area provided.
- Provide hand-held fire extinguishers at the construction site in an area that can be easily reached in case of an emergency.



3.4) Drainage and flood prevention

The Company has taken measures to prevent the problems of drainage from the construction site as follows:

- Make a ditch and cesspool around the construction area to prevent water from outside flowing into the construction area and prevent flood from the construction area to wash away the sediment into neighboring areas and cause sedimentation before draining into public drains.
- Dredge sediments in the cesspool on a regular basis as appropriate for efficient use.
- Check for blockage of drains in the project and public pipes in front of the project. If a blockage is found, it will be dredged out.

3.5) Solid waste disposal

The Company has taken the following actions against solid waste generated from construction activities and caused by workers in the construction site:

- Waste from construction activities that can be reused shall be sorted and recycled to help reduce the amount of waste that needs to be disposed of. As for the non-recyclable waste, it shall be collected and moved to be disposed of when there is enough volume.

- Provide trash cans with a lid, placed at various points of the construction site for ease of use in sufficient quantity for waste generated from workers.
- Clean up the trash can on a regular basis after collection by government garbage truck so as not to be a breeding ground for animal vectors.



4. Value for quality of life



The Company strictly follows the measures to reduce the impact of construction throughout the construction period, such as air quality standards, noise, vibration, etc. , including arranging staff to listen to opinions and complaints, and to follow up inquiries of nearby residents about impacts to acknowledge problems and for further improvements.

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.



Social Operating Results

Participation in community and social development

The Company is not only committed to operating the construction business in accordance with the relevant laws and regulations, but also taking into account the social responsibility with support to activities that benefit society as a whole according to the corporate social responsibility policy. In 2020, the Company participated in community and social development through various projects as follows:

My school project

My school project is a project that the Company has developed continuously by starting the project in 2008.

The objectives of such project is to promote education and provide better educational opportunities to students in the rural areas. Each year, the Company dispatches staff to survey the school advised by the Company's employees or from inquiries and suggestions, internet search for at least 3-4 schools and then select the appropriate schools to assist in construction of the school buildings, donate sports equipment, support for teaching materials. The school to be supported must have the following qualifications.

1. It is a public school with a building that is not conducive to teaching and learning.
2. There are limited classrooms not enough for all classes of students.
3. Lack of teaching materials such as blackboards, books, pencils, erasers, teaching materials, etc.
4. Lack of desks, chairs, buckets of drinking water and hygienic toilets
5. Lack of sports equipment and common school medicine.

Main objectives of the project:

1. To give a new school building to replace the old one which is not conducive to teaching and learning of students.
2. To give a study desks and chairs, build a hygienic toilet, give the water tank and school water supply system.
3. To provide educational equipment and sports that are suitable for the child's education level.

My school project from the past to the present. Over a period of 13 years, the Company has had the opportunity to provide education to students in the rural areas. There are many schoolchildren having had the opportunity to study at a higher level until graduating with bachelor's degree and returning to apply their knowledge to develop the community. At present, the Company has built more than 15 school buildings. The Company is committed to continuing the project as the Company sees that education is the key to the country's development.



And in the 2020, the Company has delivered the school buildings, teaching materials and food to Aranprai Si Temple, Si Maha Phot District, Prachinburi Province. The details of project delivery information are as follows.



During construction picture

The details of project delivery information are as follows.

No.	Date of Delivery	School
1	27/4/2008	Ban Khok Salaeng Border Patrol Police School, Ta Mueang Subdistrict, Phanom Dong Rak District, Surin Province
2	10/5/2009	Mae Hong Son Educational Service Area 1 School, Pang Kam Noi Village, Pang Mapha District, Mae Hong Son Province
3	19/10/2009	Schools in Ubon Ratchathani Educational Service Area 2: Bankachab School, Kudyaluan Subdistrict, Trakan Phuet Phon District, Ubon Ratchathani Province Ban Phai Lom School, Moo 8, Tak Daet Subdistrict, Trakan Phuet Phon District, Ubon Ratchathani Province Ban Yang Thoeng School, Yang Sak Krapho Lum Subdistrict, Muang Sam Sip District, Ubon Ratchathani Province
4	16/1/2011	Nuseoplo School, Ban Nupo Branch Classroom, Ban Somakorr, Mae Chan Subdistrict, Um Phang District, Tak Province
5	19/5/2012	Nong Kham Wittaya School, At Samart District, Roi Et Province
6	18/5/2013	Mae Klong Yai School, Mogro Subdistrict, Um Phang District, Tak Province
7	29/5/2014	Ban Pong Sawong Khiriwan School, Tha Luang District, Lopburi Province
	29/5/2014	Ban Lampong Phet School, Tha Luang District, Lopburi Province
8	22/5/2015	Ban Kam Phai School, Kumhawapi District, Udon Thani Province
9	06/5/2016	Ban Sakad Tai School, Pua District, Nan Province
10	16/5/2017	Wat Khu Salot School, Sam Tum Subdistrict, Sena District, Ayutthaya Province
11	17/5/2018	Huay Nam Sai School, Khu Yai Mi Subdistrict, Sanam Chai Khet District, Chachoengsao Province
12	24/5/2019	Sri Padang School, Koh Chang Subdistrict, Mae Sai District, Chiang Rai Province
13	10/7/2020	Wat Aranprai Si School, Si Maha Phot District, Prachinburi Province



Picture of the opening ceremony of the school building and school supplies for the students

For 2021, the Company is exploring schools in Prachuap Khiri Khan, Phetchaburi and Kanchanaburi provinces and is currently working on a conclusion to the board for consideration.

o Improvement of landscape of neighboring communities

The Company provides a support of technicians and workers to neighboring communities adjacent to the Life Asoke Hype Project in helping to close a 100-meter gap under the walkway along the dam to fill the soil for planting yellow bells according to the landscape improvement project and cleaning the Som Poi canal according to the "Sompoi Project, Not Leave, Not Abandon, Beautiful along the Canal. WOW!", intended to improve the landscape, environment of Klong Som Poi to be clean, beautiful, tidy, convenient and safe, and create participation of people both in the area and outside the area.

Innovations that benefit other stakeholders

(1) **WOLF Approve** is a paperless or workflow- style document approval and management software designed and developed for ease of use, suitable for those without programming skill. You can easily create a form or workflow yourself, working on Microsoft's Cloud Technology making it easy to approve work from devices anywhere, anytime, easy and secure in access to information.





FEATURES

- Support for use on smartphone of both iOS and Android.
- Support for web browsers such as Chrome, Firefox, Microsoft Edge and Safari.
- Provides easy form and approval line setting tools designed for users without IT skills, including a manual report generation tool for data analysis.
- Use document management and collaboration features from Office 365.

KEY BENEFITS

Speed: Increase efficiency of work faster by sending and approving documents through the system instead of having to take time to send documents or pending approval.

Convenience: It can be used on a wide variety of devices including computer, notebook, tablet, smartphone, allowing working anywhere and anytime.

Save: Save costs when switching to the system such as paper, printer ink, freight, document storage, etc.

(2) **Syntec Work Life** is an operating system for HR tasks which is fully equipped with all functions for extensive use such as work hours record, online leave application with medical certificate attached, support for advance leave application, Approval through mobile application, immediate report of result via Notification, contact information for employees in the organization, record of daily work data, historical data available for check at any time.

ATTENDANCE (Time stamp with GPS Location)

Employees can clock in-out through a mobile application, supporting time stamp in the office or the customer site within a radius of 100 meters. The staff can set the point for clocking in – out. If not within the specified radius, the staff cannot clocking in-out.

BEACON (Maximize accuracy with Beacon)

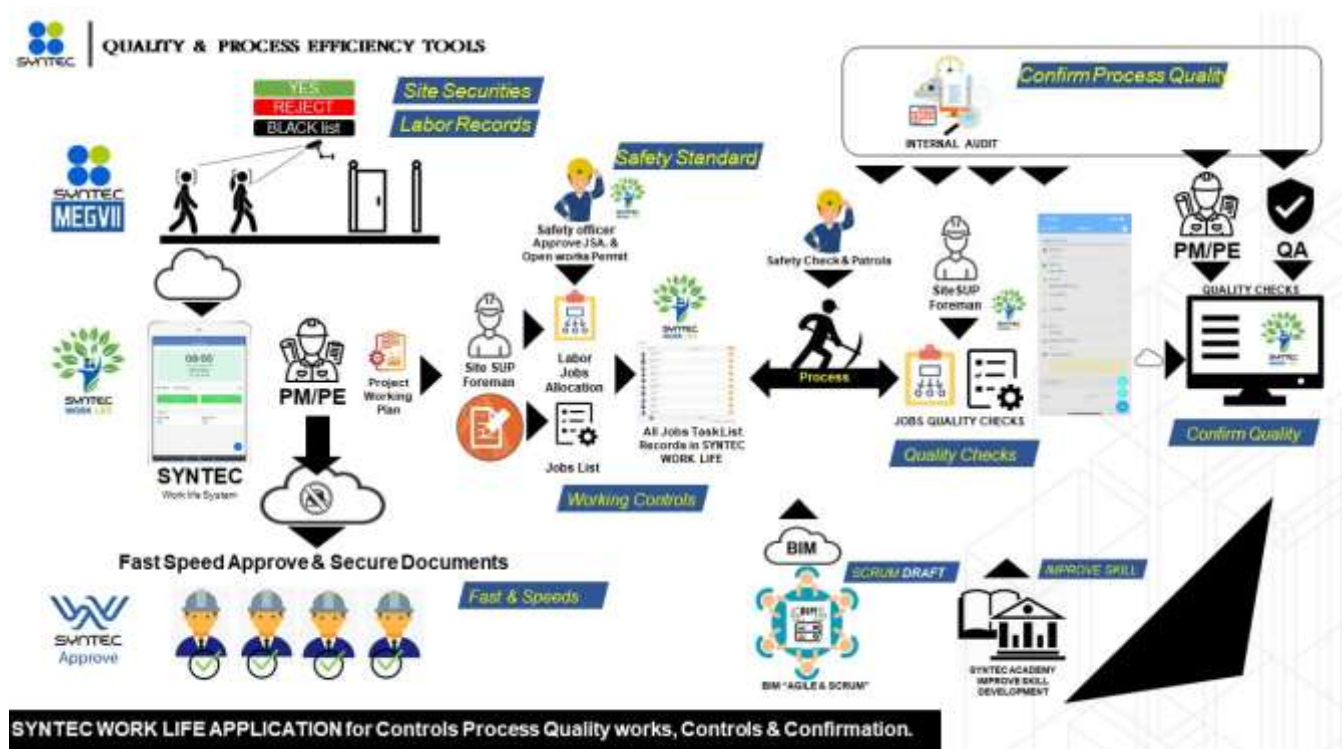
Maximize the accuracy of employee time stamping with the Beacon, where employees can clock in within a radius of 3 meters, suitable for areas that require accuracy in time stamping such as headquarters, multi-storey buildings.

SUPPORT NORMAL SHIFT AND OVERTIME WORK

Staff can set regular working hours for each employee, record shift working and calculate overtime work with a system for calculating employee salaries. This makes staff work more convenient.

REAL TIME REPORTS: Employees can check the accuracy and completeness of time stamp immediately to reduce errors in time recording and preparation of payroll.

Integration of innovations



Supporting social development together with other agencies

In 2020, the Company supported the social development projects with other organizations covering 3 aspects.

(1) Education and Youth Development	amount	3,010,250.00	Baht
(2) Society and Environment	amount	253,981.75	Baht
(3) Religious and Culture	amount	152,000.00	Baht

The total supporting amount 3,416,231.75 Baht or 0.04% of total revenue.

Employee welfares and benefits

The Company provides welfare to employees as required by law and as appropriate to help and to build morale of employees. This will lead to an increase in work efficiency. The welfares of the Company are as follows.

1. Legal welfare

- Social Security Fund
- Annual leave
- Military leave
- Majerty leave

Maternity leave and return to work after childbirth 2020

There are 3 employees on maternity leave

Back to work	On leave	Resign
-	3 persons	-



2. Health benefits

- Fitness room for employees
- Annual health checkup
- Medical benefits, dental fees and accident insurance



3. Financial welfare

- Grant-in-aid, such as wedding allowance
- childbirth allowance, funeral allowance for employees's parents,
- spouse and loan benefits, including family assistance loan and other loans






4. Social welfare

- mentor to teach new employees
- activities to build good relations of employees
- Songkran activities-water-pouring ceremony to ask a blessing from a respected elder.

In 2021, the Company plans to improve quality of life and well-being of its employees by providing a welfare on employee's residential room located near the head office. The Company will report on the progress further.

Employee satisfaction assessment

Employees are the heart of a business. Therefore, the Company gives precedence to the employees' happiness at work. In 2020, the Company conducted an assessment of employee satisfaction toward the Company, the results of which were analyzed further. The Company conducted the assessment on 5 areas and had the satisfaction score as follows.

				
Job 77%	Opportunity and Progress 75%	Benefit 77%	Environmental of Work 74%	Colleague 76%

From the assessment results, it was found that score in the work environment was the lowest satisfaction level. So, the management approved an improvement in the seating layout for the accounting and finance staff by moving from the 7th floor to the 23rd floor in order to combine with the procurement department to provide a wide working environment and have a convenient area to coordinate with partners or third parties. And it is also better in line with the current corporate restructuring as well. This layout improvement will begin and complete in 2021.

Safety, hygiene and work environment

Safety is of utmost importance for construction business. The Company is committed to promoting the safety of employees to prevent accidents, injuries and to control the possible unsafety from operations.

The Company formulates the policy on safety, occupational health and working environment as follows:

1. The Company will develop a management system for safety, hygiene and working environment in accordance with relevant standards, requirements and laws.
2. Occupational safety is the duty and responsibility of every employee. In addition, the supervisors must be a role model, be a leader, support and encourage employees to be aware of their work with safety, including supervising employees to strictly abide by the rules.
3. Disseminate knowledge and raise awareness of safety, hygiene and working environment to the executives and employees continuously.
4. All employees must abide by safety regulations, safety standards, hygiene and requirements Strictly.
5. Follow up and evaluate performance and develop and improve safety, hygiene and work environment systematically and continuously.
6. The Company will support resources, such as budget, time, personnel and other resources appropriately involved in implementation of the safety, occupational health and environment management system.

Occupational health and safety operations

The Company has taken steps to create operational safety which is divided into 3 parts:

1. Site safety	2. Safety in use of machinery	3. Personal safety
<ul style="list-style-type: none"> • Make a fence around the entire construction site to prevent unauthorized persons from entering the construction site. • There are signs, symbols, warning signs, and various caution signs in appropriate size, clearly visible, and international that everyone can easily understand. • Provide a first aid room in the construction area for injured employees 	<ul style="list-style-type: none"> • Arrange to check the readiness of machinery, equipment, tools to ensure the safety of life and property. • There are emergency drills in various situations in order for employees to understand operational procedures such as rehearsals, fire drills, etc. 	<ul style="list-style-type: none"> • Workers must dress carefully and wear appropriate safety equipment like a helmet, safety belts for employees working at heights, etc. • There is training to educate employees about the rules, regulations and procedures for the safety of work.



Safety Sign in the Site of construction

Table showing accident statistics from various projects in 2020

Type of accidents	Number of accidents (times)
collisions, scratches	64
dropped materials	29
pinched or caught between two objects	14
Falling	20
Electric current	6
Exposure to toxins / radiation	-
Exposure to too high or low temperatures	2
Excessive exertion	10
Other accidents	53
Total	198

According to the table of statistics of accidents, it was found that in 2020, there were 198 accidents during construction, resulting in an accident case per million hours at 0.01 percent, which met the target of not more than 0.05 percent. Most of accidents were minor cases not causing serious injury that will cause disruption or closing of construction site or need to stop the business. The Company always tries to prevent and emphasize safe operating practices by having

the professional safety officer report an action plan, clarify the risk points, stick labels on dangers to remind employees before starting daily work to reduce the number of accidents and maintain the safety of all employees' lives.

Promoting the quality of life of construction workers

In addition to being aware of occupational health, safety and working environment, the Company also sees the importance of promoting, developing and improving the quality of life of construction workers. In 2018, the Company focused on building camps for daily workers to be durable and comfortable for stay. In addition, the Company has also taken actions to meet standards on occupational health and environment within the worker camp as follows:

- Prepare a list of workers who reside in each room to take care of the well-being and order of construction workers
- Build separate shower and toilet for men and women.
- Provide a butler to take care of the cleanliness in the worker's camp.
- Install a sign notifying the rules of co-living.
- Regularly inspect fire extinguishers at least once a month, including training on the correct use of fire extinguishers for workers.
- Regularly spray mosquito and insect repellents at least once a month.
- Allocate space for workers to relax and play sports in order to create a good relationship in living together.



In 2020, the Company gave precedence to safety and hygiene of employees and shareholders reflecting in the the 2020 Annual General Meeting of Shareholders held at the Company's headquarters meeting room on 30 April 2020, before the meeting, its employees collaborated to clean with disinfectants, spray alcohol and install air purifiers in the meeting room, including setting up alcohol gel dispenser to serve at various points according to the protection measures from the government sector.



Human resource development and career advancement promotion

Policy for employee training and development

The Company is committed to continuously developing potential and competence of its personnel to be able to perform their work efficiently and achieve the goals set. Therefore, a project to develop and train employees was organized and categorized by skills and the knowledge that employees need for working in 5 categories as follows:

1. Basic courses for new employees to learn and adapt themselves to the culture of organization, such as work practices of new employees, etc. In addition, the Company has also appointed buddy, who are representatives of the department that the new employees are affiliated with to take care of the new employees during the first 4 months to help new employees to adapt themselves to the Company more smoothly.
2. Courses by occupational groups for employees classified by fields of occupation such as electrical installation inspection courses, course in negotiation techniques, etc.
3. Quality and safety courses such as Safety Officer in Executive Level Training Course, Occupational Safety Committee Course, etc.
4. Leadership development courses for supervisor-level employees and executives at all levels, such as Good Supervisory Skills Course, Strengthening Innovation Capabilities, etc.
5. Self-development courses such as Positive Thinking Development Program, Creative Idea @ Work Program, etc.

Information on employee training and development

In 2020, the Company organized 21 training courses (Training In-House), 48 batches, and sent employees to train with external institutions, 45 courses, 48 batches, totaling 96 batches covering operational, senior and executive staff with the average number of training hours per person equal to 10.77 hours.

In the year 2020, the Company had training expenses for employees who are eligible to attend the training totaling 2,139,274.54 baht, divided into internal training expense of 1,072,615.36 baht and external training expense of 1,066,659.18 baht and set a budget for the year 2021 to increase to 4,000,000 baht for development and promotion of potential of employees to their fullest efficiency.

Number of training courses for the year 2020

Training	Course	Generation
In-House Training	21	48
Public Training	45	48
Total	66	96

Employee training data by level

Employee level	Number of employees eligible All training (people)	Number of employees attended the training (people)
Executive level	125	98 (78.40%)
Senior Level	462	241 (52.16%)
Operating level	427	190 (44.50%)
Total	1,014	529 (52.17%)

In 2020, the Company set a quantitative target of the number of participants in courses to be not less than 90 percent of the total number of employees who are eligible to attend the training. In the past year, the number of employees attending the training is 529 people, accounting for 52.17 percent of the total employees.

Due to the situation of the coronavirus outbreak (COVID-19) in 2020, the training program cannot be conducted as planned. This is to respond the government policy to abolish the seminar and reduce the number of employees who participate in each batch of training to prevent the risk of spreading disease.

Employee satisfaction assessment after training

The Company set a quantitative target for assessing employee satisfaction after training courses, requiring that the satisfaction must be at least 85%, with the following topics:

1. Suitability of the course and contents of the course
2. Documents and equipment for training
3. Comments on lecturers
4. Satisfaction in service and ease of contact and coordination in attending training
5. Training time

In 2020, the results of the satisfaction assessment of training courses was at 87.66%. The Company will use the results to improve and develop the programs and content for further training.



Training staff at the company / Executive seminar at Marriott Queen's Park Hotel

For the program “Getting a Job from Syntec After Graduation” which the Company has implemented for 7 years from 2013 to 2019, with a total of 267 students joining the program, some of them have resigned for further study or gaining more work experience, remaining 135 employees from the said program, or 51 percent of the students who participated in the program. In 2020 the Company delayed the program due to the situation of the spread of the COVID-19 virus.

Syntec Academy Program

Labor is a very important factor in operating the Company's construction business, especially those with skill, knowledge and expertise. The Company has therefore implemented the “Syntec Academy” program which has been running for the third consecutive year in order to upgrade labor skills and develop personnel in the construction line of the Company for both the labor of the company and the labor of trading partners for working in the same standards.

In the year 2020, the skill development training has been conducted in the following courses

No.	Courses	Batches/ Year		
		2018	2019	2020
1	Foundation in construction work	38 batches	36 batches	40 batches
2	Bricklayer (bricking-plastering work)	3 batches	3 batches	5 batches
3	Tiler	3 batches	1 batch	1 batch
4	Indoor electrician, Level 1	2 batches	2 batches	3 batches

5	Steel scaffolding assembly	3 batches	3 batches	-
6	Holistic Architecture (Fast Fix)	5 batches	4 batches	-
7	Operational Skills of Surveyor	2 batches	3 batches	2 batches
8	Manual metal arc welder, Level 1		3 batches	1 batch
9	Construction Supervisory Skills - Holistic (For Supervisors)		1 batch	-
10	Crawler Crane / Model SCC750A By SANY 01		1 batch	-
11	Excavator use and maintenance - hydraulic		1 batch	-
12	Safe Operation of Gondola		3 batches	-
13	Use of oils and lubricants - For machinery		1 batch	-
14	Crane operation and maintenance		1 batch	-
15	Correct and safe handling of the crane (Driving the crane)		3 batches	-
16	Forklift driver and forklift safety standards		1 batch	-
17	Crane operator		1 batch	-
18	Passenger hoist operator and material transport		2 batches	1 batch
19	Signalers and riggers of crane		3 batches	-
20	Basic bricklayer practice			9 batches
21	Primary Fire Fighting (Camp Team)			1 batch
Number of employees attending the training (person)		1,184	1,221	985

Due to the coronavirus outbreak (COVID-19) in 2020, skill training cannot be conducted as planned, namely 1,000 people/year, because it must implement the government policy to cancel the seminar and reduce the number of employees who participate in each batch of training to prevent the risk of spreading disease.



Image of skill training in various fields

From follow-up of the results of the project, it was found that the Company had workers in the construction sector who have expertise, abilities and improved work efficiency in terms of quantity and quality. This is the main reason that the Company reduces errors, use of materials, time and costs. Thus, it created an opportunity for higher operating profit as well. And the employees, after passing the measurement and evaluation at each stage, will have opportunities for growth in their respective fields with promotion and higher compensation as well. This will directly affect development of the quality of life of that employee in the future.

The background is a solid blue color with a white grid pattern. In the top-left corner, there is a technical drawing featuring several concentric circles, some solid and some dashed, intersected by a horizontal and a vertical line. In the bottom-left corner, there is another technical drawing showing a dashed line forming a large triangle, with a smaller dashed triangle inside it. A single dashed circle is located in the middle-right area of the page.

4. Management Discussion and Analysis : MD&A

4. Management Discussion and Analysis (MD&A)

Operating results according to the consolidated financial statements of the Company and its subsidiaries for the year 2020 showed a net profit of 183.79 million baht, while in the same period of 2019 the Company had a net profit of 247.26 million baht, decreased by 63.47 million baht or 25.67 percent. The main revenue from construction declined as a result of the return to the business cycle to the initial stage of the construction cycle from what had been growing over the past several years. This is consistent with the revenue recognition of the Company, that is, if the Company is in the beginning of construction, the percentage of completion of the work at the foundation level or underground work is naturally less than that of the unground construction work that can move on faster. In addition, another main reason that caused a decrease in the Company revenue is the COVID-19 situation, making the company limit the time of daily construction work with drastic reduction in the number of labors from such situation. As a result, the percentage of completion and construction income was partially reduced. In 2020, the Company had a backlog of 34 projects awaiting recognition and delivery, with total value approximately 22,053 million baht, remaining 7,389 million baht of backlog. And during the year 2020, the Company still received the trust of both existing and new customers. This is due to the quality of construction work performed by the Company, which is in line with the specified plan, maintained quality standards of work, compliance with the terms of the contract, personnel development and construction technology and ongoing maintenance of business ethics. As a result, in 2020, the Company started construction of new projects as follows.

- 6 residential projects,	total value of 2,978 million baht
- 4 hotel projects,	total value of 1,371 million baht
- 1 office building project,	total value of 615 million baht
- 2 industrial factory projects,	total value of 120 million baht
Total 13 projects,	total value of 5,085 million baht

Construction income in 2020 decreased by 297.74 million baht or 3.76 percent from that of 2019. The Company had construction income of 7,623.87 million baht in 2020 and 7,921.61 million baht in 2019 as a result of the Company having construction projects that had started and were in the process of starting construction of 13 projects in 2020. The main income group is residential building construction projects, hotel construction project, office building construction projects and industrial factory construction projects, accounted for 58.58 percent, 26.97 percent, 12.10 percent and 2.35 percent, respectively.

Service income decreased by 153.45 million baht, or 33.21 percent, amounting to 308.17 million baht in 2020 and amounting to 461.41 million baht in 2020, mainly due to the COVID-19 epidemic. This had widespread impact on tourism and related businesses, such as accommodation service, etc. This property development business is considered a secondary business of the Company group, with average occupancy rate of the accommodation service business at 44.22 percent.

The proportion of construction cost to construction income increased when compared between years. In the year 2020, such proportion is 90.44%, while in 2019, the proportion is 89.53%, or an increase of 0.91% due to the cost of construction materials and labor cost in construction, which are considered as the main costs in the stable range according

to the economic condition. However, the Company has planned to control the price of construction materials as the main cost of the Company by analyzing the trend of construction material prices along with the demand required for production with reference to the market price and direction of the market price to aid in negotiating with sellers when purchasing in large quantity and to use in cost management for maximum benefit.

The proportion of service cost to service income increased when compared between years. In 2020, the proportion is 107.38%, while in 2019, the proportion was 79.37%, or an increase of 28.01%. This increase is due to the aforementioned COVID-19 situation, resulting in a decrease in income even though the hotel room business group had applied its cost reduction strategy in the variable costs to reflect the revenue drop. However, the Group still had expenses that are fixed costs and cannot be reduced, such as depreciation and other fixed expenses, making the increase in the proportion of service cost to income.

Administrative expenses in 2020 was 376.46 million baht, while that of 2019 was 476.56 million baht, a decrease of 100.10 million baht or 21.00 percent, which mainly was a reduction from the administrative expenses in the separate financial statements decreased by Baht 95.03 million. The main reduction in expenses was personnel expenses, ie, overtime expenses, which decreased by 20% compared to the previous year, social security payments decreased due to the notification of reduction in the rate of contribution to social security fund for both employers and employees. However, when comparing the proportion of administrative expenses to total income in the consolidated financial statements, the proportion decreased. In 2020, the said proportion was at 4.71 percent, while in 2019, the proportion was at 5.57 percent or a decrease of 0.85 percent.

4.1 Financial Position from Statement of Financial Position - Consolidated Financial Statements

Total assets

The total assets of the Company according to the consolidated financial statements for the year 2020 are 10,604 million baht, increased from the that in 2019 by 355 million baht or 3.47% due to the changes in assets as follows:

Current assets decreased by 144.74 million baht or equal to 3.53 percent, mainly due to

- Other current financial assets increased by 906.84 million baht or equal to 148.85%. The increase in other current financial assets was due to the use of cash received from debtors to invest in temporary investments for short-term returns, which are more than savings bank deposits.

- Other current receivables decreased by 40.64 million baht or equal to 37.99%. The decrease in other current receivables was a result of the subsidiary's other receivables receiving a refund of VAT from the Revenue Department during the year 2020 in the amount of 38 million baht.

- Current assets arising from contracts decreased by 217.68 million baht or equal to 20.78% as a result of a decrease in unbilled construction in progress from the previous year 263.79 million baht and an increase in receivables of retention under construction contracts amounting to 46.11 million baht due to reclassification from long-term to current receivable since it is due for refund during 2021.

- Inventories decreased 29.96 million baht or equal to 22.43 percent. The main decrease was due to the inventory management of the parent company, which decreased 30 million baht as a result of inventory management to minimize the inventory and for highest turnover according to the Group's inventory management policy for maximum efficiency.

- Advance payment to subcontractors decreased 209.81 million baht or 55.34 percent due to the use of steel from construction cost control planning, which is a deposit for the steel used for construction. The Company has an agency to estimate prices of steel and other building materials based on economic conditions, market prices, and the price trend of such materials. Price estimation of steel and other materials will be considered along with the construction plan and the quantity of items needed for the construction in the next 1 year in order to control the construction costs in accordance with the planned plan.

Non-current assets increased 211.00 million baht or 3.43 percent mainly due to

- Available-for-sale investments decreased 195.45 million baht or equal to 23.85 percent as a result of a drop in price of investments in securities for sale held by the Company. The price drop of available-for-sale securities is in the opposite direction to the stock index's decline at the end of last year.

- Leasehold rights decreased by 453.70 million baht or 100% as a result of the year 2019, its subsidiary entering into a leasehold right agreement in new hotel construction in Phuket Province, with term of 30 years.

- Withholding income tax increased as a result of the parent company and its subsidiary filing for tax refund and it is in the process of reviewing the tax return documents for the whole group.

Total Liabilities and Equity// Total Liabilities

The Company had total liabilities in 2020 in the amount of 4,437.25 million baht, increasing from the year 2019 by 429.14 million baht or equal to 10.71% with the main movements as follows: Current liabilities decreased by 429.98 million baht or equal to 16.42 percent, mainly because

- Other current payables increased 325.24 or equal to 92.92 percent, mainly due to an increase of estimated construction costs of 343.08 million baht.

- Current portion of long-term loans decreased 552.85 million baht or equal to 74.92% since at the end of 2019, loans from financial institutions of CSM Capital Company Limited (a subsidiary), the 2nd amount of 541.81 million baht, became due during the year 2020 in the whole amount.

- The current portion of employee benefit obligation liabilities increased by 11.36 million baht or equal to 171.57 percent as a result of the provision of employee benefit expected to be paid to the employees who have reached the maturity of retirement during 2021 from the Estimated Employee Benefit Report as estimated by the National Institute of Development Administration.

- Liabilities arising from contracts decreased by 253.51 million baht or equal to 39.90 percent as a result of expiration of the subcontractor's construction warranty period during the year 2020.

- Value added tax pending tax invoice decreased by 15.48 million baht or equal to 13.11 percent. The decrease in value added tax pending tax invoice is in line with the unbilled construction in progress since the invoice can be issued to the employer and the VAT pending tax invoice will be converted to output tax when the invoice is issued.

- Other current liabilities increased by 11.44 million baht or equal to 50.42 as a result of reclassification of the deposit from customers under the lease agreements, which will expire during the year 2021, from a long-term liability to other current liability.

Non-current liabilities decreased by 859.12 million baht or equal to 61.84 percent, mainly due to

- Long-term loan from financial institutions increased by Baht 366.49 million or equal to 33.91% as a result of reclassification of subsidiary at the end of 2019 to a current portion of long-term loan under the terms of the loan agreement. But during 2020, the conditions for maintaining financial ratios of subsidiary were changed and subsidiary was able to comply with the terms of the new loan agreement. Therefore, at the end of 2020, the loan under the terms of the new loan agreements was reclassified.

- The deferred tax liability decreased by 40.97 million baht or equal to 92.65%. Mainly, it is because the deferred tax liability of the parent company was presented as net amount in income tax assets and presented as net amount according to the offset principle of accounting standards but the balance of 3.25 million shown in the statement of financial position is a deferred tax liability of a subsidiary. This is due to the difference of recognition of the actual rental income after discount to tenants and recognition of the actual rental income after discount to tenants in accordance with TAS 16 on a straight line over the remaining lease term and the difference is recorded as deferred tax liability.

- Non-current provisions for employee benefits decreased by 28.27 million baht or equal to 13.24% as a result of reclassification of provision for employee benefits from non-current liabilities to current liabilities.

- Deposit received from customers decreased by 11.43 million baht or equal to 50.36% as the Company reclassified the deposit received from customers whose lease term would expire during the year 2021 from non-current liabilities to current liabilities as already mentioned in the topic of current liabilities

In addition, the Company has maintained the Debt to Equity Ratio as of 31 December 2020 at 0.72: 1 times, not exceeding the specified criteria, namely 2.5: 1 times.

Shareholders' Equity

Shareholders' equity in 2020 amounted to 6,166.65 million baht, decreased from that in 2019 by 73.40 million baht or equal to 1.18 percent, which was an increase or decrease of the main components as follows:

- Operating profit for the year 2020 in amount of 183.79 million baht

- Non-controlling interests decreased by 29.19 million baht or 4.87 percent.

- Other components of shareholders' equity decreased by 156.36 million baht or equal to 32.70% as a result of a drop price in securities held for sale in accordance with the direction of the Stock Exchange at the end of 2020 compared to the previous year.

Liquidity

Overview of operation of the Company in 2020, cash and cash equivalents were in the amount of 638.06 million, while those in 2019 were in the amount of 926.50 million baht or a decrease of 31.13 percent as a result of operating results during the year 2020. The liquidity ratio can be compared in different ways as follows:

Liquidity Ratio (Unit: times)	Consolidated FS			Separated FS		
	2020	2019	2018	2020	2019	2018
Liquidity Ratio (times)	1.94	1.56	1.67	2.16	2.18	2.23
Quick Liquidity Ratio (times)	1.40	0.93	1.16	1.52	1.23	1.54

4.2 Factors or events that may significantly affect the financial status or operations in the future (Forward looking)

However, in business operations in the past year, the Company was still committed to developing various work systems. Continuously, for example, the efficiency of the Company's cost management system to be similar to the economic conditions. The Company has a policy to monitor costs, including providing tools to help keep track of costs within the specified budget. In addition, the Company has a policy to expand its operations into other related businesses to increase revenue recognition channels in other businesses, including serviced apartment business newly built for renting and investing in real estate operating a serviced apartment business with potential in a suitable location, ready to use and able to generate income immediately. However, the COVID-19 situation that has returned to spread as a new wave of epidemics both at home and abroad causes the recovery of the tourism sector to stumble. And the official plan to implement the tourism policy like the plan to open for foreign tourists to visit the country must be delayed until the situation improves. From such situation, the tourism sector of Thailand in 2021 has a direction to improve to be better than the past year due to introduction of the COVID-19 vaccine and action to accelerate injection to the people of the country. This may cause the tourism sector of the country turn to build a confidence to tourists again, especially the foreign tourist market. In the past, the government had continuously helped the hotel business operators but when the covid lasted for a long period, it caused entrepreneurs to face more difficulties. Therefore, additional measures are needed to mitigate the economic impact. In the present situation where the future cannot be accurately predicted due to the changes that occur all the time, the property development group of the Group need to find a way to generate income that are different from the past to be able to run business even with COVID-19 continuing. In 2021, it proposed to focus on the domestic market targeting to Thai tourists who still have purchasing power including singles, working people, seniors, family, LGBT, etc., as well as Thai people who wish to travel abroad more than 12 million persons and have not been able to travel in the near term, expat group or foreigners with permanent residence in Thailand of 2 million people having purchasing power and able to travel at any time. And there is also a group of seminars that are important to the mechanism of driving the country. In 2022, the year to move to foreign markets, we should focus on marketing that is specific with potential of high expending, such as those who care for health, those who come to receive treatment, those who come for sports competition even it is necessary to include factors of the epidemic situation and lockdown in Thailand as well as in other foreign countries. And the real estate development group of the Group expects that by 2023, amount of Thailand tourism will return to that in the year before COVID-19 epidemic.

4.3 Significant financial ratios reflecting the financial position and operating results of the core businesses of the Company and its subsidiaries

Financial Information

Unit: MB

Company Financial Statements	Consolidated Financial Statements			Separated Financial Statements		
	2020	2019	2018	2020	2019	2018
Total Assets	10,603.90	10,248.16	10,294.81	8,305.12	7,975.49	7,837.61
Total Liabilities	4,437.25	4,008.11	4,230.14	2,362.88	2,101.93	2,182.47
Total Shareholders' Equity	6,166.65	6,240.05	6,064.67	5,942.25	5,873.56	5,655.14
Revenue from construction	7,623.87	7,921.61	6,789.35	7,623.87	7,930.10	6,815.68
Revenue from Accommodation Service	308.17	461.41	419.76	40.58	103.58	114.24
Total Revenue	7,988.12	8,562.23	7,428.30	7,706.22	8,203.64	7,158.67
Gross Profit	706.35	992.24	1,175.52	402.40	915.62	1,054.81
Net Profit (Loss)	183.79	247.26	590.84	353.13	371.36	666.92
Earnings per Share	0.15	0.18	0.39	0.22	0.23	0.42

Financial Ratios

Financial Ratios	Consolidated FS			Separated FS		
	2020	2019	2018	2020	2019	2018
<u>Liquidity Ratio</u>						
Current Ratio (times)	1.94	1.56	1.67	2.16	2.18	2.23
Quick Ratio (times)	1.40	0.93	1.16	1.52	1.23	1.54
Account Receivable Turnover (times)	7.54	7.22	6.16	7.36	6.99	5.94
Average Collection Period (Days)	48.38	50.54	59.27	49.58	52.19	61.44
Inventory Turnover (times)	61.19	54.73	47.36	59.24	52.94	45.67
Average Inventory Days (Days)	5.97	6.67	7.71	6.16	6.98	7.99
Account Payment Turnover (times)	13.59	18.54	17.07	18.79	18.36	16.75
Average Payment Period (Days)	26.85	19.69	21.38	19.42	19.88	21.79
Cash Cycle (Days)	27.49	37.52	45.60	36.32	39.20	47.64
<u>Profitability Ratio</u>						
Gross Profit Margin (%)	8.90	11.03	16.31	9.16	10.56	15.22
Operating Profit Margin (%)	3.07	4.51	10.48	5.34	6.25	11.98
Net Profit Margin (%)	2.30	2.89	7.95	4.58	4.53	9.32
Return on Equity (%)	3.27	4.44	11.23	5.98	6.44	12.36
<u>Efficiency Ratio</u>						
Return on Assets (%)	1.76	2.40	5.84	4.34	4.70	8.60
Return on Fixed Assets (%)	16.92	17.79	26.52	84.75	78.27	109.61
Total Assets Turnover (times)	0.77	0.83	0.73	0.95	1.04	0.92
<u>Leverage Ratio</u>						
Debt Ratio (times)	0.42	0.39	0.41	0.28	0.26	0.28

Financial Ratios	Consolidated FS			Separated FS		
	2020	2019	2018	2020	2019	2018
Debt to Equity (times)	0.72	0.64	0.70	0.40	0.26	0.39
Interest coverage ratio (time)	13.01	5.58	1.27	90.56	39,812.73	4.43

The Calculation Formula of Financial Ratios

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

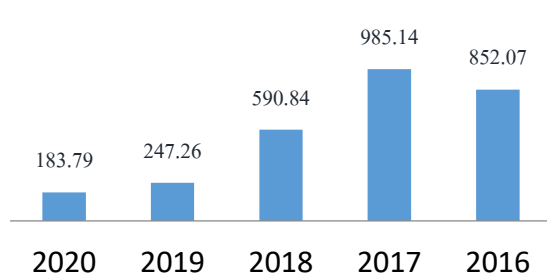
Profitability Ratios							
Gross Profit Margin (%)		Revenue - cost		Net Profit Margin (%)		Net Profit (Loss)	
		Revenue				Total Revenue	
Operating Profit Margin (%)		Earnings before Tax		Return on Equity (%)		Net Profit (Loss)	
		Revenue				Total Return on Equity	

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

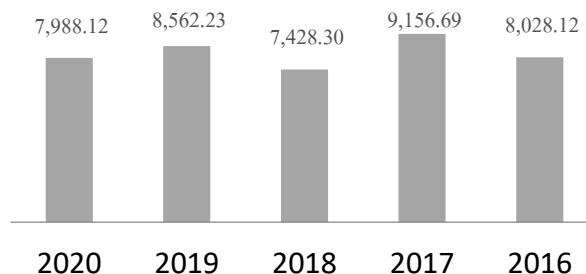
Leverage Ratio					
Debt Ratio (times)		Total Liabilities		Debt to Equity (times)	
		Total Assets		Total Liabilities	
				Total shareholders' equity	
				Cash Flows from Operating Activities	
Interest coverage ratio (times)				interest	

Financial outstanding comparing 5 years (consolidated financial statement)

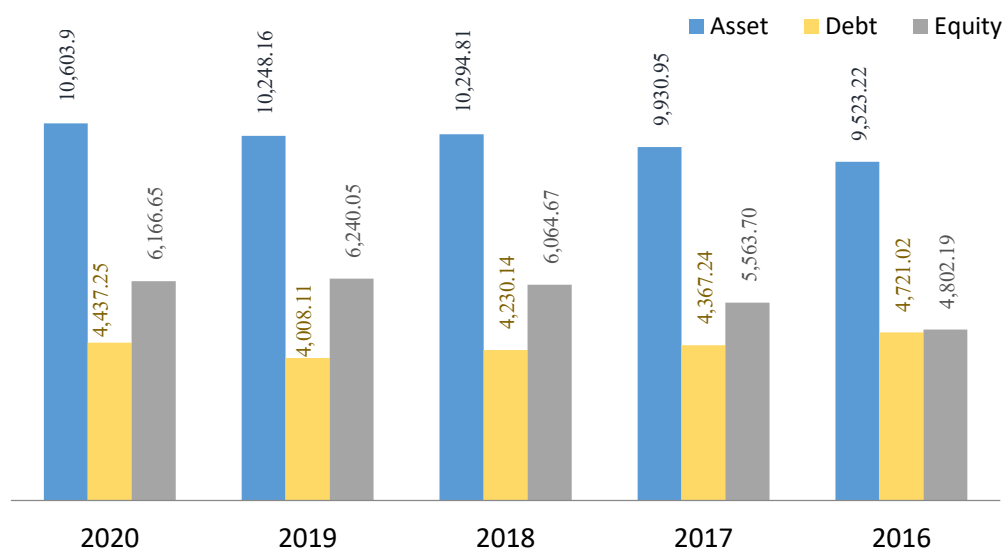
Net profit (million baht)



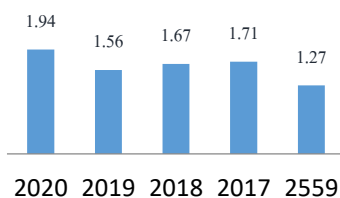
Total revenue (million baht)



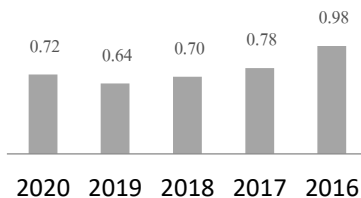
Statement of financial position (million baht)



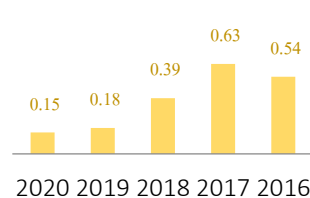
Liquidity ratio (times)



Debt to Equity ratio (times)



Primary earnings per share (baht)



Operating results from the statement of comprehensive income - financial statements

Income

The consolidated financial statement for the year 2020 shows a profit of 183.79 million baht, while in 2019, the Company had a profit of 247.26 million baht, which decreased by 63.47 million baht or 25.67% due to changes of the operating results are as follows.

- Revenue from construction decreased. In 2020, it was in amount of 7,623.87 million baht, while in 2019, it was in amount of 7,921.61 million baht, decreasing by 297.74 million baht or 3.76 percent, which can be categorized at types of construction as follows:

- Revenue from being a direct contractor for residential buildings in 2020 amounted to 4,442.97 million baht, increasing 91.95 million baht or 2.11 percent from 2019 and decreasing 408.57 million baht or 8.58 percent compared to that in 2018 since the Group participated in bidding for various construction projects of the public and private sectors.

- Revenue from being a direct contractor for office buildings/ commercial buildings in 2020 amounted to 505.17 million baht, decreasing 496.91 million baht or 49.59 percent from 2019 and increasing 287.09 million baht or 40.15 percent from 2018 due to starting new construction projects between 2020 and 2019, 1 project and 2 projects, respectively.

- Revenue from being a direct contractor for hotels and resorts in 2020 amounted to 484.81 million baht, increasing 181.37 million baht or 59.77 percent from 2019 in the amount of 303.44 million baht, decreasing 51.52 million baht or 14.47 percent from 2018. This is because during the year 2020, the Group had 4 new construction projects and one project that continued from the previous year.

- Revenue from being a direct contractor for shopping center / supermarket / shopping mall in 2020 amounted to 693.80 million baht, increasing 145.05 million baht or 26.43 percent from 2019, amounting to 548.75 million baht, decreasing 33.26 million baht or 5.71 percent from that in 2018, which amounted to 582.01 million baht since the Company won bidding for a large project and started construction of the new project in 2018 and continued until 2020 and received 1 more construction project in 2019.

- Revenue from being a direct contractor for hospitals in 2020 amounted to 1,061.12 million baht, increasing 318.93 million baht or 42.97 percent from 2019 in the amount of 742.19 million baht, increasing 100.00 percent from 2018 because the Company won bidding for projects and started construction of 3 new projects in 2019 and continued construction until 2020.

- Revenue from being a direct contractor in the institutional category: In 2020, there was no additional project, but the Company had income continuing from the work in 2018 in amount of 90.59 million baht, decreasing 504.69 million baht or 84.78 percent from 2019, which was in amount of 595.28, increasing 384.86 million baht or 182.90 percent from 2018 in the amount of 210.42 million baht due to the Company taking institutional projects during the year 2018 and completing the construction in 2020.

- Revenue from being a direct contractor for industrial factories in 2020 amounted to 345.41 million baht, decreasing 33.44 million baht or 8.83 percent from 2019, which was in amount of 378.85 million baht, increasing 211.27 million baht or 126.07 percent from that in 2018, because the Company won bidding for projects and started construction of new projects in 2019 and continued construction until 2020 and received additional projects in 2020 and 2019, 2 projects and 1 project, respectively.

The overall revenue structure is summarized as follows:

Products Line / Business Group	2020		2019		2018	
	Value	%	Value	%	Value	%
Revenue from direct contractor						
- Residential Buildings	4,442.97	55.62	4,351.02	50.82	4,759.59	64.07
- Office / Commercial Buildings	505.17	6.32	1,002.08	11.70	714.99	9.63
- Institutional	90.59	1.13	595.28	6.95	210.42	2.83
- Leisure	484.81	6.07	303.44	3.54	354.76	4.78
- Infrastructure	-	-	-	-	-	-
-Industrial	345.17	3.86	378.85	4.42	167.58	2.25
- Hospital	1,061.12	13.28	742.19	8.67	-	-
-Department store/Supermarket/Shopping Mall	693.80	8.69	548.75	6.42	582.01	7.84
Total Construction Revenue	7,623.87	95.44	7,921.61	92.52	6,789.35	91.40
Revenue from room rental services	308.17	3.86	461.41	5.39	419.76	5.65
Interest Income	5.40	0.07	18.89	0.22	3.61	0.05
Compensation	-	-	-	-	-	-
Reversal of estimate allowance for litigation cases	-	-	20.81	0.24	-	-
Gain on disposal and write off of assets	1.69	0.02	9.64	0.11	141.47	1.90
Other Revenues	48.99	0.61	129.87	1.52	74.11	1.00
Total Revenue	7,988.12	100.00	8,562.23	100.00	7,428.31	100.00

The Company had total revenues (according to the consolidated financial statements) in 2020 at amount of 7,988.12 million baht, in 2019 at amount of 8,562.23 million baht, decreasing 574.11 million baht or 6.71 percent. The main income is from being a direct contractor in amount of 7,623.87 million baht or 95.44 each of total revenues, which came from residential buildings, hospitals, shopping centers and shopping malls, office buildings, hotels and resorts, industrial plants and institutions, respectively.

Revenue from accommodation service

The Company had revenue from accommodation service of 308.17 million baht in 2020 and 461.41 million baht in 2019, decreasing 153.25 million baht or 33.21 percent. The decrease in overall income of the real estate development group was due to the decrease in the number of tourists, both international and domestic tourists, as a result of the COVID-19 epidemic spreading widely both in the country and abroad during 2020. This had a significant impact on the accommodation service business of the Group due to lack of tourists to travel both domestically and internationally, resulting in a decrease in the average occupancy rate of the Group from 63.28 percent to 44.22 percent, decreasing more than 30 percent compared to the previous year.

However, the real estate development group adjusted its strategy to find customers, from normally focusing on daily customers to the new strategy to provide 50:50 proportions for short-term and long-term customers, with more focus on

long-term stay since the long-term contract normally was made for periods ranging from 1 - 3 years, and focus on foreign customers who come to work in Thailand or send agents to take care of their affiliates in Thailand for a certain period of time in order to secure more stable income and avoid the uncertainty that may arise in the future. Although the Company had a new strategy to manage the real estate business in 2020, but its effect could not be seen much in 2020, but it is expected to improve in 2021. Another channel that the real estate development group used to increase the income is to open a booth to sell a room coupon at the Thai Tiew Thai Fair, which received a lot of good feedback from that interested in.

The real estate development group has 3 projects in operation and two more projects are under construction as follows:

CSM Capital Partners Company Limited (a subsidiary) acquired the ownership of the Eight Thonglor Residence on 28 April 2018, a serviced apartment with full facilities in the heart of the city, with 148 rooms, located at Soi Sukhumvit 55 (Thonglor), Sukhumvit Road, Khlong Tan Subdistrict, Phra Khanong District, Bangkok. The revenue from accommodation service in 2020 amounted to 191.52 million baht, decreasing 90.15 million baht or 32.10 percent, equivalent to 58.85 percent of service income in the consolidated financial statements. And the average occupancy rate in 2020 is 51.90 percent.

SCR Asset Management Company Limited (a subsidiary)

- ❖ Project 1: Citadine Grand Central Sriracha officially opened in April 2015 as a serviced apartment with full facilities, 136 rooms, located in Sriracha District, Chonburi Province. Revenue from accommodation service in 2020 amounted to 32.34 million baht, decreasing 24.53 million baht or 43.14 percent from year 2019, which was in the amount of 56.88 million baht, equivalent to 9.94 percent of service income in the consolidated financial statements. And the average occupancy rate in year 2020 is 50.17%.
- ❖ Project 2: Sommerset Harbor view Sriracha officially opened in March 2020 as a serviced apartment with full facilities, 176 rooms, located in Sriracha District, Chonburi Province. The revenue from accommodation service in 2020 was 41.66 million baht, increasing 22.33 million baht or 115.51 percent from 2019, which was in the amount of 19.33 million baht, equivalent to 12.80 percent of the service income in the consolidated financial statements. The average occupancy rate in 2020 is 43.67 percent.

Syntec Construction Public Company Limited, Branch 1, The Duchess Hotel and Residences Project: It is a serviced apartment with full facilities, 166 rooms, located at Langsuan Road, Lumpini, Pathumwan, Bangkok. The revenue from accommodation service in 2020 was 40.58 million baht, decreasing 62.99 million baht or 60.82 percent from the year 2019, which was in the amount of 103.58 million baht, equivalent to 12.47 percent of service income in the consolidated financial statements. And the average occupancy rate in year 2020 is 31.08 percent.

PTT Three Land Company Limited (Subsidiary). During 2020, the Company provided a loan for real estate development to operate 3-4-star business under the logo X2, called X2 Vibe Hotel Phuket Patong Center with 326 rooms and facilities such as restaurant, swimming pool, fitness center, recreation room, souvenir shop and parking space, which is currently under preparation for the project.

JT Ten Company Limited (a subsidiary): During 2020, the Company gave a loan for deposit for the rental of land used in real estate development. This project is located in Soi Na Chom Thian 10, Na Chom Thian Subdistrict, Bang Lamung District, Chonburi Province. It is a 6-storey hotel project with approximately 120 rooms and various amenities which the hotel offers, such as free Wi-Fi in all rooms and public areas, 24-hour front desk, non-smoking rooms, rooms next to the balcony, rooms with sea view, parking lots and airport shuttle service, etc., and also has a full range of recreational facilities such as fitness, sauna, park, restaurant and outdoor swimming pool, etc.

Reversal of allowance for estimates of litigation

The Company has reversed the allowance for estimates of litigation in 2019 amounting to 20.81 million baht, a 100% decrease compared to 2020, due to the final judgment of the court. The Company has to reverse the allowance that was previously set for the excess as the reversal of the allowance for estimate of litigation in the financial statements.

Interest income

The Company had interest income in 2020 in amount of 5.40 million baht, decreasing 13.48 million baht from 2019, which was in amount of 18.88 million baht, or decreasing 71.39% since the Company had interest on fixed deposits and short-term investments.

Construction costs

The proportion of construction cost to construction income was at 90.44% in 2020 and 89.53% in 2019, or, decreasing 0.91%. The main costs included the cost of materials, labor cost and subcontractor wages, including depreciation of machinery and equipment. The main costs of construction varied to the income. However, the increasing ratio is close to that in 2019 and the Company has planned to control the price of construction materials used in the construction as mentioned above and introduced new technologies to help increase work efficiency, such as investment in passenger hoist, tower crane, as well as constantly creating new operating methods to increase the quality and efficiency for construction work. It also makes it possible to reduce and manage the cost of finishing work as well. In addition, it also makes it possible to manage time, which is beneficial to the operations and contributes to maximum efficiency and effectiveness.

In terms of labor cost, the Company planned to establish a sustainable craftsmanship development project. In the current labor market, skilled craftsmen are quite rare. The Company therefore has established a labor training center in order to increase the skilled craftsmen in the domestic labor market. It also increases the opportunity to develop the potential of the craftsmen, in particular, skilled workers who specialize in specific work in each hierarchy of work. In 2020, the proportion of labor costs increased as a result of the Company's labor cost, which was in accordance with the labor law that had to be increased every year. The Company plans to control labor costs within the budget. This is because the labor cost is the main factor that is the variable for the project to gain profit or loss. The Company is very careful in planning and controlling expenses in this portion. In addition, the Company continues to focus on labor in order to incentivize labor to love

the organization, have a plan to develop potential, enhance competency and quality of life continuously. (Details are in the topic of labor competency development, item 3. Risk factors).

Cost of accommodation service

The Company had the cost of accommodation service in 2020 in amount of 330.91 million baht, decreasing 35.31 million baht or 9.64 percent from that in 2019 amounting to 366.22 million baht. The reduced cost is from the Group controlled and minimized the service cost in the portion of variable costs, which were less necessary, since the Group was affected by a significant drop in the number of tourists due to the epidemic of COVID-19. Therefore, the Group has tried to manage the costs in this area in order to minimize the effect the Group is suffering from this incident.

Administrative expenses

Administrative expenses in 2020 was equal to 376.46 million baht, in 2019 was equal to 476.56 million baht, decreasing 100.10 million baht or 21.00 percent. The major reduction is from the lower administrative expenses in the separate financial statements in the amount of 95.03 million baht or 25.55%. The main reduction in expenses is personnel expenses, ie, overtime pays, which decreased by 20% compared to the previous year, social security contribution decreased from the Announcement of reduction of the rate of contribution to social security fund for both employers and workers. The lower expense is a result of cost management, where the less necessary expenses are minimized to ensure maximum management efficiency and maximum profitability.

Other expenses

Other expenses in 2020 amounted to 29.07 million baht, decreasing by 103.55 million baht or 78.08 percent from that in 2019, which was in amount of 132.61 million baht. The main reason for decrease is that in 2019, the allowance for doubtful accounts was revised to support the change in Financial Reporting Standards No. 9 on Financial Instruments. The Company has a policy to set up an allowance for doubtful accounts to comply with accounting standards that would take effect in 2020. Other expenses are bad debts and doubtful accounts and the estimated loss from the liability from the litigation.

Income tax

Income tax expenses in 2020 amounted to 59.92 million baht, in 2019 amounted to 131.17 million baht, decreasing 71.24 million baht or 54.32 percent. The ratios showing profitability in different forms are as follows:

Gross Profit Margin (%) Operating Profit Margin (%)	Consolidated FS			Separated FS		
	2020	2019	2018	2020	2019	2018
Net Profit Margin (%)	9.80%	12.83%	16.31%	9.16%	10.56%	15.22%
Gross Profit Margin (%)	3.38%	5.25%	10.48%	5.34%	6.25%	11.98%
Operating Profit Margin (%)	2.47%	3.33%	7.95%	4.58%	4.53%	9.32%

Tax Policy

Syntec Construction Public Company Limited (“Company”) adheres to transparent and honest business operation. Therefore, it has executed for working in tax area and exercised proper and complete tax privilege for maximum efficiency under legal requirement and compliance with the regulation of financial and tax data disclosure to public sector and all parties of stakeholders that are consistent with working according to the principle of good corporate governance, business code of conduct and according to the sustainable operating guideline that emphasizes on the economic growth of the Company together with full development and participation in social responsibility due to the Company’s belief that good tax responsibility can be the part of overall proper economic and social development of the country in the future.

Practical Guideline

1. Properly and completely comply with tax-related laws and regulations and exercise of tax privilege for maximum benefit toward the Company and public agency.
2. Deliver and request for tax refund within the period required by law for the Company’s liquidity.
3. Regularly study and consider tax impact if new law or tax policy is promulgated or in case that the Company performs new transaction under mainly consideration on maximum benefit of the Company.
4. Plan tax, study laws and regulations for proper application based on the determined criteria, method and condition.
5. Arrange the responsible person with knowledge and understanding as the coordinator with public agencies for proper execution and risk abatement of tax dispute and provision of the Company’s operating data according to the occurred fact upon request or call for audit from public agencies.
6. The Company educates tax knowledge to the relevant personnel for proper and complete working ability.

Taxation operations

The Company has formulated a tax policy and supervised implementation and correct and complete use of the tax benefits to achieve maximum efficiency under the requirements of the law, including compliance with the regulations on financial and tax disclosure to the government and all stakeholders. In addition, the Company also focuses on economic growth along with development and full social responsibility because the Company believes that the tax responsibility can be a part of the overall economic and social development of the country in the future.

Tax report

In 2020, profit before tax was 243.71 million baht and corporate tax was 59.92 million baht, based on the effective tax rate of 24.59 percent, different from the effective tax rate of 4.59 percent for the net income of businesses entitled to tax privileges in 2020, including

Royal Decree No. 437 Re: Employee training expenses	0.01%
Royal Decree No. 604, 622, 642 Re: Promotion of investment in assets	0.21%
Royal Decree No. 663, 681 Re: Supporting expenses of donation to schools and nursing homes	0.05%
Total tax privileges	0.27%

Tax risk factor

The Company is aware of tax risks that may affect the Company, both monetarily and non-monetarily. Therefore, the following operational risk assessment is carried out.

1. Personnel have incorrect interpretation of tax laws and regulations.
2. Personnel does not study to find information on taxation that is constantly changing.

Therefore, it has a systematic management plan and designs the following operations and internal controls:

1. Promote knowledge and understanding about taxes to the employees concerned.
2. Follow the laws and regulations related to tax action in order for the Company to comply with the law correctly and completely.
3. Analyze and assess tax risks as follows:
 - 3.1) Analyze the tax effects if there is a change in laws or regulations so that the Company can plan to cope with the impact that may occur on the company.
 - 3.2) In case of doubt, relevant officers of the Company will contact the Revenue Officer for advice.

Credit term policy

In order to comply with the Announcement of the Trade Competition Commission Regarding Guidelines for Considering Fair Trade Practices on Credit Term, the Company sets a credit term for repayment of customers no more than 30 days from the date of billing to the customers. If it changes otherwise, it shall be based on a commercial reason for conducting business. Approval for trade credit for customers shall be authorization of the Chief Executive Officer (CEO) and Managing Director (MD) only.

In 2020, the actual average credit term was in line with the credit term policy set by the Company.

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5. General Information and other Important Information

5. Corporate Information

5.1 General Information

Name	Syntec Construction Public Company Limited
Business Type	Construction Contracts and Civil Engineering Works
Headquarter Address	555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klong Ton Nua Sub-district, Wattana District, Bangkok 10110 Thailand
Company Registration No.	Registered as Juristic Person as Limited Public Company Act on October 14, 1992 (B.E. 2535), Registration No. 0107535000184 (Previously BorMorJor.51)
Telephone	(02) 381-6333
Facsimile	(02) 711-4596
Homepage	www.synteccon.com
Investor Relation	0-2711-7423 or 0-2381-6333 # 5941 // E-mail: ir@synteccon.com
Registered Capital	1,600,000,000 Baht
Common Stock	1,600,000,000 Shares
Par Value	1.00 Baht per share
Auditor	Ms. Kannika Wipanurat: CPA License No. 7305 and/or Mr. Jirote Sirirorote: CPA License No. 5113 and/or Ms. Nongluk Pattanabundit: CPA License No. 4713 and/or Mrs. Soomana Saneewong Na-Ayutthaya: CPA License No.5897 and/or Mr. Gomin Lingpradya: CPA License No.3675 and/or Mr. Mongkon Loaworapong: CPA License No.4722 and/or Ms .Kojchamon Soonhuad :CPA License No.11536 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
Share Registrar	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

Company Name & Address	Business Type	No. of Entire Shares	No. of Shares Held by the Company	Paid-up Share Capital	Shares' Equity (%)	Type of Share
1. SCR Asset Management Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongtoey-Nua, Sub-district, Wattana District, Bangkok 10110	Development of Real Estate for Rent	6,000,000	4,080,000	4,080,000	68.00	Ordinary
2. Natural Hotel Sukhumvit Co., Ltd. 555/5 Soi Sukhumvit 63 (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	1,225,000	7,350,000	7,350,000	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
7. 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
8. 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	90,000	63,000	63,000	70.00	Ordinary
9. Delta Infra One Co., Ltd 555/11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua ,Sub-district, Wattana District, Bangkok 10110	Provide one-stop energy management service	40,000	35,998	899,950	70.00	Ordinary

5.2 Other Important Information

- None-

5.3 Legal disputes

As of 31 December 2020, the Company had 3 cases of legal dispute that have not been final and arose from normal business operation and may have a negative impact on the Company's assets with amount of amount claimed higher than 5% of shareholders' equity:

1. Administrative case at the Central Administrative Court, Pending Case No. 2206/2012, with details as follows:

Between	Syntec Construction Public Company Limited,	1 st Plaintiff
	Mivan (Thailand) Company Limited	2 nd Plaintiff
	National Housing Authority,	Defendant
	Pending Case No. 2206/2012	
	Capital amount claimed: 874,250,718.11 baht on the offense of breach of construction contract	
Date of Filing:	7 September 2012	
Ground of action:	Whereas the Company joined the Syntec-Maivan Joint Venture (SMJV) with Mivan (Thailand) Co., Ltd. ("Mivan") in proportion at 65%: 35%, respectively, to undertake the construction of the Baan Eua Arthorn Project from the National Housing Authority (the Employer) of 50,000 units, but in 2006, the coup took place, then the project was unclear and had to delay operation so that SMJV was damaged. The SMJV requested and received approval to reduce the units of construction to 13,674 units. The construction process had been completed and delivered but there was still an outstanding payment to the Company, causing damage to the Company.	
Progress of the lawsuit:	The Central Administrative Court dismissed the lawsuit and had the Company to make payment to the National Housing Authority in amount of 25,317,134.51 baht with interest at 7.5 percent per annum of the amount of 21,248,137.63 Baht from 7 July 2015 onwards. The Company filed an appeal with the Supreme Administrative Court. The case is under consideration by the Supreme Administrative Court.	

Opinion of the Legal Department:



The delay in construction of the project was not caused by SMJV's fault, but rather a slowdown by the National Housing Authority. And the delay in payment of construction costs resulted in the construction work. This caused the damage to SMJV with expenses from the project preparation after the break in terms of equipment, land, fee, letter of guarantee, acceleration control fee from project delay and others which are actual damages. Thus, SMJV has the

right to sue for damages from the National Housing Authority according to the lawsuit. It is expected that the Supreme Administrative Court will have a reversal of the judgment of the Central Administrative Court having the National Housing Authority to pay damages to SMJV.

2. Civil case at the Southern Bangkok Civil Court, Case No. Phor. 2619/2018, with details as follows.

Between: Syntec Construction Public Company Limited, Plaintiff
Chulalongkorn University, Defendant
Capital amount sued: 59,848,234.78 baht on the offense of breach of construction contract

Date of Filing: 27 September 2018

Ground of action: The Company undertook construction of the Chulalongkorn University Centenary Park Project, which has been completed and delivered. The Chulalongkorn did not make the final payment with deducting the late work penalty of 57,190,386.24 Baht

Opinion of the Legal Department: The construction delay is not the Company's fault but caused by problems such as waiting for conclusion of the work, some of the construction designs did not meet what approved by the government, change in design, flooding inside the project because the level is lower than the area outside the project, death of many trees requiring replanting causing the delay. These are not the fault of the Company. Therefore, it had the right to an extension of frame time of work. Chulalongkorn had no right to charge such late work penalty. It is expected that the court will have a judgment for Chulalongkorn to refund the late work penalty deducted to the Company in accordance with the plaint.

Progress of the lawsuit: Examination of the plaintiff and the defendant has been completed. The court fixed a date to hear the judgment on 31 March 2021.



3. Civil case at the Southern Bangkok Civil Court, Pending Case No. Phor. 614/2019 are detailed as follows.

Between: Major Residence Company Limited, Plaintiff
Syntec Construction Public Company Limited, Defendant
Capital amount claimed: 247,648,129 baht on the offense of breach of the construction contract

Date of Filing: 13 March 2019
The Company filed a counterclaim for the capital amount claimed of 78,553,421.41 baht on the offense of breach of the construction contract

Date of Counterclaim Filing: 20 June 2019

Ground of action: Major Residence Co., Ltd. hired the Company for construction of the Mark Sukhumvit Project. The construction of the project was completed and delivered on 12 October 2017, but the Major Residence did not accept the work and failed to pay the unpaid wages and would claim the delay during the construction. The work was delayed due to the problems of the Major Residence Company, not the Company's fault. The Major Residence therefore extended the construction period from the original schedule, which would end on 9 August 2016, extending for 2 times: The first time, it was extended to 31 December 2016; The second time, it was extended to 15 September 2017. After the extension, there were still problems in the design of construction of the structure of the parking area on the west of the building, unable to support the load, thus causing cracks due to the design of the construction of the parking area, which cannot support the load. Major Residence Co. Ltd. hired other contractor to fix the work by adding steel and cement to add thickness only under the area of the parking lot in question to support the load, resulting in no cracks to occur. In addition, the Major Residence Co. Ltd. Also did not accept natural marble material work in the project entrance. Once installed and used for 1 year, the marble had natural stains from sunshine and rain. In this regard, before installing, the Major Residence had inspected the marbles and approved for installation. And there was also a problem of paving stones on the pavement using natural stone as well. The color of the stone faded as vehicles passed over the period of use. And before the installation of the stone, the Major Residence had inspected and approved the use of stone materials for installation as well. And there were other problems after the Company had delivered the construction work and the Major Residence had opened the building for customers to accept ownership transfer to live in the building.

Opinion of the Legal Department: The Major Residence had outstanding payment from the 44th to the 47th installment, totaling 4 installments, amounting to 47,237,775.61 baht, and the expenses incurred during the construction period extension of 32,618,032.47 baht, totaling 66,855,808.08 baht. The Company demanded for payment, but the Major Residence ignored.

This is considered that the Major Residence breaches the contract. Accordingly, the Company has the right to terminate the contract. As the Major Residence filed a lawsuit for late work penalty and other damages in total amount of 247,648,129 baht, which is not true, the Company did not breach the contract, therefore does not have to pay the late work penalty and other damages according to the plaint. The Company has the right to file a testimony and counterclaim requesting the Major Residence to pay the principal amount. 75,408,717.84 baht plus interest of 3,144,703.57 baht. The capital amount claimed of 78,553,421.41 baht, the Major Residences Company Limited has to pay the Company according to the counterclaim.



Progress of the lawsuit: There remains one plaintiff's witness to be examined and the court fixed a date for examination of the plaintiff's witness and the defendant on 9 April 2021.



Section 2

Corporate Governance

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6. Corporate Governance

Part 2

Corporate Governance

6. Corporate Governance Policy

Syntec Construction Public Company Limited (“ the Company ”) realizes the importance of management in accordance with good corporate governance principles by defining the corporate governance in according to the meaning of the Stock Exchange of Thailand. It is a system that provides a structure and process of relationship between the Board of Directors, the management and the shareholders to build competitiveness, leading to growth and adding value to shareholders in the long term with consideration of other stakeholders.

The objective is to enable the Company to conduct business with honesty, transparency, fairness and accountability in order to operate efficiently and achieve the goals.

Board of Directors Therefore has prepared a handbook on corporate governance policy. It contains details about the good corporate governance guidelines, management practices, roles and duties of the Board of Directors and internal control. The corporate governance policy is posted on the Company's website for outsiders to be informed. There is an internal communication within the Company for the directors, executives and employees to understand and implement.

6.1 Overview of the corporate governance policy and practices

6.1.1 Policies and guidelines related to the Board of Directors

The Board of Directors has established a good corporate governance policy and prepared a handbook on corporate governance policy containing details about the good corporate governance guidelines, management practices, roles and duties of the Board of Directors and internal control, including monitoring and evaluating implementation of the said policy at least once a year, and the Company has published it to directors and employees for reference and practice, as well as publishing on the Company's internal website.

The Board of Directors Meeting No. 7/2020, held on 22 July 2020 has reviewed, revised and approved the good corporate governance policy and the Company's code of conduct handbook, and monitored and evaluated implementation of the said policy. And the Board of Directors recognizes the role and duties as the leader (Governing Body) of the organization. And more than half of the directors have studied the CG Code to understand the benefits and practices in applying to create sustainable value for the business. They also assessed compliance with each clause of CG Code to ensure that there is a process applying it or a development plan that is suitable for the business.

6.1.2 Policies and practices related to shareholders and stakeholders

The company has complied with good corporate governance principles for listed companies, which contains good principles and practices for the listed companies to apply. In the past year, the Company continues to comply with good corporate governance principles, divided into 5 areas as follows:

Chapter 1: Shareholder Rights

The Company realizes and values the rights of shareholders by not taking any action in violation of rights of shareholders. The Company takes into account the basic rights of shareholders, i.e. equal dividends, right to communicate with each other, right to propose an agenda, right to nominate directors, right to submit questions in advance, right to attend shareholders' meetings and vote, right to appoint a proxy to attend the meeting and vote on their behalf, right to express opinions and ask questions in the shareholders' meeting, right to vote to elect individual director, right to consider remuneration for directors and right to vote to appoint and determine audit fee. In addition, the Company does not hinder or create obstacles for shareholders to communicate with each other.

In addition, the Company has required that the Board of Directors should respect the rights and treat all groups of shareholders equally, especially the minority shareholders, foreign shareholders and institutional shareholders, as well as having a policy to facilitate and encourage all shareholders, including institutional investors to attend the shareholders' meeting of the Company by conducting the shareholders' meeting in accordance with the law and shareholder meeting guidelines. In 2020, the rights that the shareholders received are as follows:

1. The right to receive share certificates and the right to buy, sell or transfer shares

The Company has appointed Thailand Securities Depository Co., Ltd. to act as a securities registrar to facilitate the shareholders for dealing with the Company's securities registration.

2. Right to attend shareholders' meeting

Schedule of the shareholders' meeting

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 11 March, 2020 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 2020, the meeting was held on 30 April 2020 meeting time between 09.00 – 12.00 hrs. The company has held Shareholders Meeting at at Syntec Construction PCL., Head Office, at Meeting room on 23rd floor, No. 555/7-11 SSP Tower Building, Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Subdistrict, Wattana District, Bangkok 10110. 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.

Information of Invitation to the Annual General Meeting of Shareholder

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 shareholder's 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 1 April, 2020 prior the meeting date for 21 days through (TSD) offers securities registration service. This is to open the chance for shareholders to review details of each agenda and prepare the letter of power of attorney in the case of inability of attendance. The stamps for power of attorney letter are available in front of the meeting room without charges.

The company's Disclose of invitation letter to annual general meeting of shareholders in both Thai and English on company's website www.synteccon.com for 30 days' advance before date of shareholders meeting started which is the same information Moreover, includes advertise in newspaper for 3 consecutive days (21-23 April, 2020)

- **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 30 April 2020. There were 7 out of 8 directors attended the meeting, with 1 person was engaged to the mission. There were 59 shareholders attending the meeting both by themselves and by proxies whose shares were collectively amounted to 784,589,007 shares from the total sold shares of 1,600,000,000 or 49.0368% details of which are provided below: - 15 Shareholders attended the meeting by themselves whose shares were collectively amounted to 115,975,345 shares or 31.9985%.

- 44 Shareholders were represented by their proxy holders whose shares were collectively amounted to 272,613,662 shares or 17.0384 %. 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 1 auditor is Mr. Jessada Hungsapruek from **Karin Audit Company 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 this meeting.

Operations in shareholders' meetings

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.

For the agenda on election of directors, votes are made on an individual basis in order to allow shareholders to truly have the right to select the desired director. The voting in the agenda item on election of directors will count by transparency in the votes. Therefore, all shareholders are required to agree, disagree and abstain. Vote in the ballot and the officer will collect ballot papers after voting for all directors. 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. The chairman of the meeting will conduct the meeting according to the agenda and there will be no additional agenda without prior notice to the shareholders.

- 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 the meeting.

- Minutes of the shareholders' meeting

The Company will publish accurate and complete minutes of the meeting in both Thai and English versions, each agenda of which will contain important content, resolution of the meeting, together with results of the votes of agreeing, disagreeing, abstaining from voting and invalid ballot, including recording questions, clarifications and expressing opinions in the meeting, including names of the directors attending the meeting and their positions on the Company's website within 14 days from the date of the meeting to serve as a channel for shareholders to verify the correctness of the information and deliver it to the Ministry of Commerce within the time prescribed by the law. The meeting photos and video were also recorded and published on the Company's website so that those who are interested in can watch retrospectively as well.



In 2020, it was the year of the epidemic of COVID-2019. The Company therefore chose to hold a meeting in the Company's headquarters to adopt the measures to reduce the risk of infection more effectively by strictly implementing the measures such as limiting the number of participants, distancing or screening, etc., which were advised and closely observed by regulators.

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 and rewards for director. 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 2020. The details are as follows:

Table of Directors' Remuneration

Remuneration	2020	2019	2018	2017	2016
1. Board of Directors					
- Meeting allowance (Baht / person / time)	18,000	18,000	18,000	16,000	14,000
2. Audit Committee					
- Gratuities (Baht / person / year)	310,000	330,000	350,000	300,000	250,000

Regarding the table displaying the remuneration of directors, it is evident that the allowance of the meeting of the board in the year 2020 does not change from the meeting allowance in the year 2019. 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 2019 amounting 20,000 or decreased 6.06 % 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.

Section 2. Rights of Shareholders and Equitable Treatments of Shareholders

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

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

2.1 The right to propose the agenda in advance, Nomination to appoint a director and submit questions in advance about the company.

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

2.2 Proxy

- In case the shareholders could not attend the meeting, the Company allows shareholders to appoint independent directors or mutual person to attend the meeting on their behalf to support the voting rights of the shareholders by using the proxy forms B,C which sent by the company together with the notice of Meeting. The Company sent Notice to Call the Annual General Meeting of Shareholders with the supporting data for meeting according to agenda such as information was delivered by post to shareholder's 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 will operate its business with good governance. As well as any action With due diligence and fairness to all shareholders And is committed to building a business for a stable and sustainable financial condition To increase the maximum share value for shareholders.

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.

The company has policies and channels for all stakeholders to Including employees of the company can make complaints. The details are as follows:

Whistle Blowing Policy

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

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

○ The process of receiving the tips or the claims

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

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

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

○ Whistleblower or Complainant Protection Measure

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

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

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

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

5. The Company will not take any action unfair to the whistleblower, person requesting suggestion or complainant such as change of position, job description, working place, the suspension from working, intimidation, working disturbance, dismissal or any actions unfairly treating to the whistleblower, person requesting suggestion, complainant or person cooperating in fact examination.

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

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

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

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.

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. 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.

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 Report 2020 (56-1 One Report). 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 2020 (56-1 One 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 2020, 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.

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 2020, the Company has disclosed its financial statements, Management Discussion and Analysis) to Office the Securities and Exchange Commission Thailand, The Securities and Exchange Commission, Thailand and The Securities Exchange of Thailand in every quarter without delay history and revision.

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.

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. (See details at Section 7 governance structure topic 7.2.3 "Scope of duties of the committee")

Information Disclosure, Use of Inside Information and Confidentiality

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.

The Company has determined the policy for confidentiality of the inside information between the relevant persons only, and has determined the serious penalty for the user of the Company's inside information under below detail.

1. The director, executive and staff shall not use the Company's inside information and the Company's business partner information for self-interest or provide the inside information to other person. In addition, the director, executive and staff shall keep secret and inside information under their responsibility not to be filtered out to other person as well as the Company's irrelevant personnel.

2. The access to inside information which has not yet been publicly disclosed shall be limited to be particularly recognized by specific relevant person.

3. The Company's information disclosure shall be performed by the personnel with duty to disclose information whereas the personnel without authority are unable to disclose the information.

4. All directors, executives and staffs have duty to protect and maintain the inside information and not exploit the benefit from the acknowledged inside information even though they will terminate from the Company's staff status.

5. The duty of the director and top executive is to regularly report the security possession and report the change in security possession according to Section 59 of Securities and Exchange Act B.E. 2535 (1992) within three (3) working days from the selling, buying, transferring or transfer accepting date, to the Office of Securities and Exchange Commission; and gather for reporting to the Board of Directors as well as disclose in Annual Report.

6. The director and top executive should avoid selling, buying, transferring or transfer accepting the Company's security in one-month period prior to the Company's financial statements which will be publicly disclosed, and should wait for elapse of 48 hours so that the normal trading can be started.

7. The person who discloses inside information which has not yet been approved and the information which has not yet been publicly disclosed until affecting damage to the Company, the said person shall be legally liable.

In the year 2020, there were no offenses committed by the directors. Senior management and employees involved in the use of inside information in any way.

6.2 Code of Business Conduct

The company is committed to conducting business with honesty, transparency, accountability and fairness to all concerned parties. The Board of Directors has therefore established "Business ethics" as a guideline in conducting business of the company. Including setting business ethics as work practices for directors, executives and employees to be used as guidelines for practice.

Promoting ethics within the organization

The Company realizes that compliance with the Code of Business Conduct as well as the Company's policies and regulations is the key to the Company's sustainable growth. The company focuses on and encourages employees to comply with business ethics, in the year 2020 there have been actions to promote ethics within the organization. Summarized as follows.



Publish and distribute brochures and posters to campaign and promote anti-corruption to staff within the headquarters and construction site.



Require all employees to study the details of the Code of Conduct and accept the penalties if do not follow the code of business ethics of the company.



Send letters to the business partners and persons involved in the Company's business operations to recognize the Anti-Corruption Policy of the Company.



Organize training for all employees to educate about the anti-corruption policy within the headquarters and construction sites.

Business code of conduct is a discipline that all directors, executives and employees must strictly abide by. And encourage others to follow as well Employees who violate or fail to comply will be subject to disciplinary action.

Below acts are disciplinary offences

1. Not comply with business code of conduct
2. Advise, promote or support other persons not to comply with business code of conduct.
3. Neglect and ignore upon detection of violation or non-compliance with business code of conduct
4. Not cooperate or obstruct investigation for fact-finding in case of violation or non-compliance with business code of conduct.

However, the act within the scope of infamous conduct as aforesaid shall comply with consideration and punishment process according to Rule of Personnel Management. In addition, the staffs who commit the offence may be legally punished if the said act is the legal offence.

6.3 Major Changes and Developments of Policy, Practice and Corporate Governance System in the Past Year

1. The evaluation under the quality assessment of the 2020 Annual General Meeting of Shareholders: The Company was rated of fully 100 scores for the 4th year by the Thai Investors Association.

2. The evaluation under the Corporate Governance of Thai Listed Companies for 2020: The Company was ranked in the level of "Excellence" or 5-star rating for the 4th year by the Thai Institute of Directors.

3. The membership certificate has been renewed Corruption of the Thai private sector in the fight against corruption (Collective Action Against Corruption) or CAC, in which the Company places great emphasis on transparency, accountability

and anti-corruption in all its operations. The certification will be valid for 3 years from the date of approval on June 30, 2020 and the expiration of 3 years is on June 30, 2023.

4. The Company was selected to be listed on the Thailand Sustainability Investment: THSI 2020 or "Thailand Sustainability Investment" for the 4th year, 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 and sustainable growth.

6.3.1 Significant changes and developments in the review of policies, guidelines and corporate governance systems.

The Board of Directors has arranged for "Corporate Governance Policy" and "Business Ethics and Employee Code of Conduct" are published on the Company's website. So that third parties and stakeholders are informed and also used to communicate within the company This is to enable directors, executives and employees to study and understand and be able to use it as a framework for the operation properly.

And most recently, the company has continuously improved its corporate governance practices and systems. The Board of Directors' Meeting No. 1/2021 on January 25, 2021 has reviewed and revised the latest revised "Scope of Approval Manual". And came into effect on April 1, 2021, which the Board recognizes the roles and responsibilities Decision-making power and order according to the assigned framework So that the operations are in accordance with the steps clearly and in the same direction.

6.3.2 Applying the principles of good corporate governance for listed companies in 2017

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.

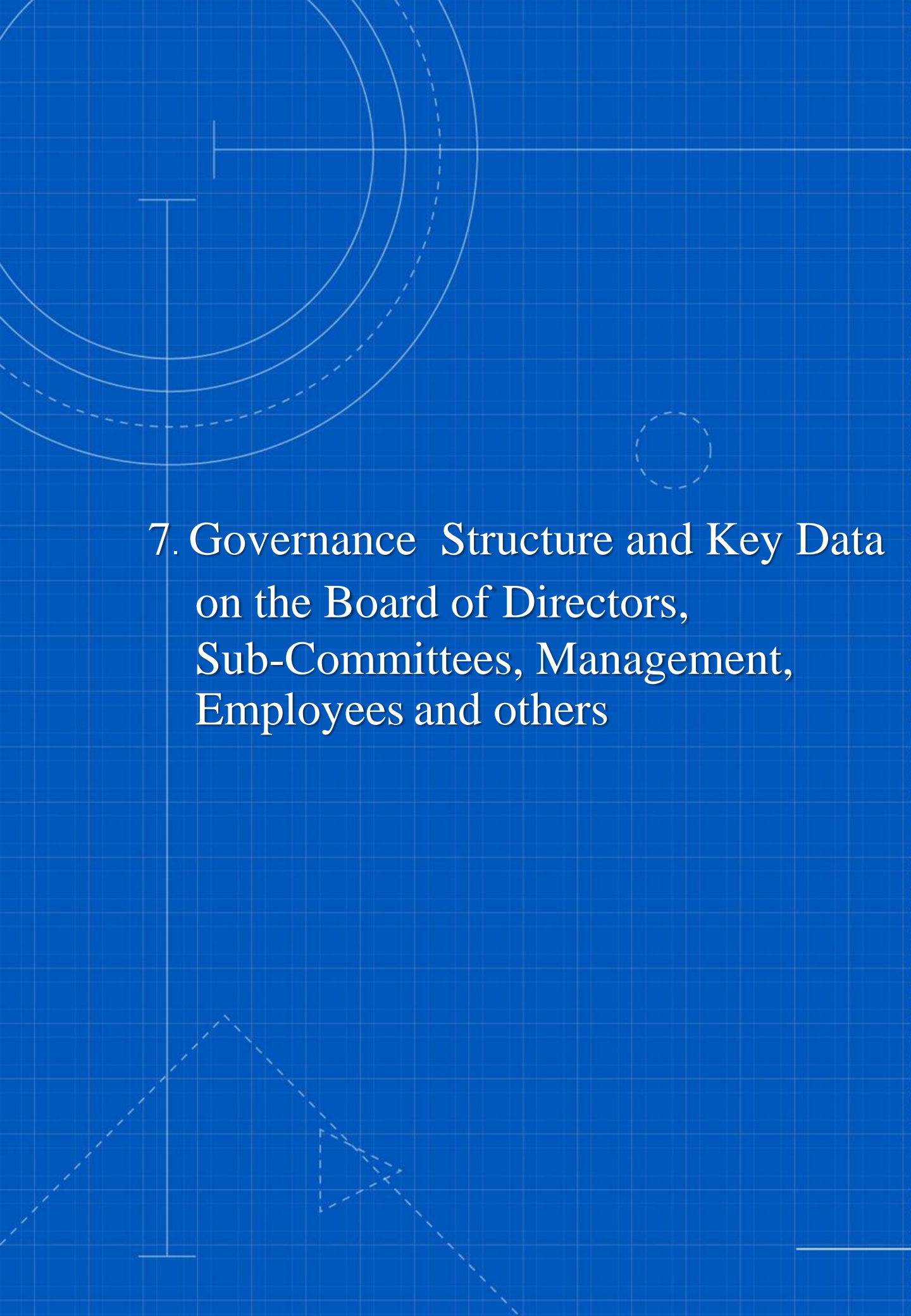
3. The Chairman of the Board of Directors should be an independent director

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. However, the company does not ignore

this rule of thumb. The shareholders were given an opportunity to nominate directors. In order to be selected as the Company's directors Including the selection of direct pool directors as well.

6.3.3) Other practices in accordance with Good Corporate Governance for supporting the assessment

- Not to violate the criteria necessary for maintaining the status as a listed company on the Stock Exchange of Thailand, and allow for Independent Directors and Audit Committee.
- The Company that avoids corrupt practices and authorities have notified investors towards better judgment and decision making.
- The Company prohibits suspicious securities trading behavior by its Directors or Executives, or activities declared as offenses by the SEC.



7. Governance Structure and Key Data on the Board of Directors, Sub-Committees, Management, Employees and others

7. Corporate Governance Structure and Significant Information regarding to the Board of Directors, Sub-Committees, Executives, Employee and others

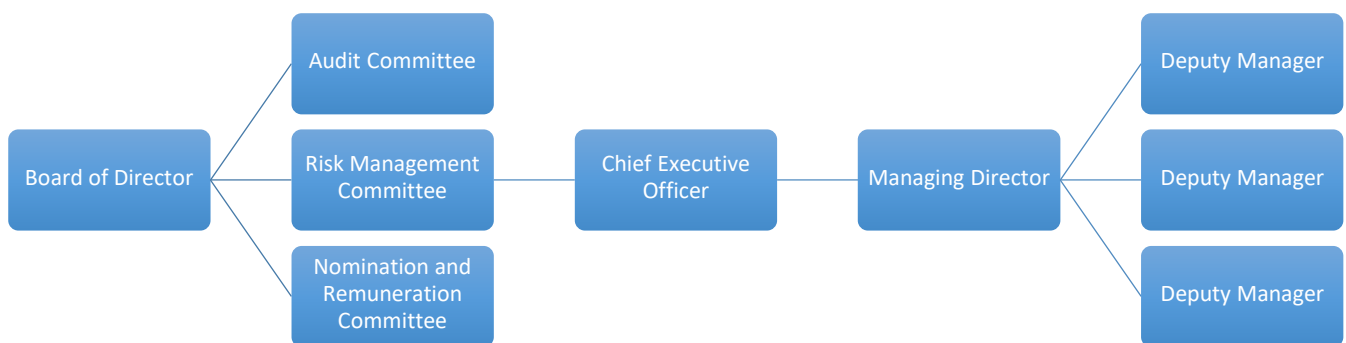
7.1 Corporate governance structure

Syntec Construction Public Company Limited, the “Company”, pays attention to the principles of good corporate governance. And in accordance with the regulations of the Securities and Exchange Commission of Thailand at all levels, from the board of directors, sub-committees, management and employees, which is an important mechanism for corporate governance. Chain of command with support for independent reviews Including separation of duties According to the management structure

7.2 Information regarding the Board of Directors

Organization Chart

Management structure of the Company consists of three set of committees and subcommittees including: Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Details are as follows:



7.2.1 Composition of the Board of Directors

In 2020, the Board of Directors consists of eight following qualified persons:



The eight members of the Board of Directors have diverse knowledge and experience that are beneficial to their operations. And drive the company to grow and achieve both economic, social and environmental goals as well.

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.

7.2.2 As of December 31, 2020. The names of directors are as follows:

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

7.2.3 Roles and Duties of the Board of Directors

According to the company's regulations The Board of Directors has the authority to make decisions and supervise the operations of the company except for the following: The Board of Directors must be approved by the shareholders' meeting prior to operation. In this regard, the list of directors or persons who may have conflicts or have interests, there is no right to vote on this matter.

- 1) Any matters prescribed by the laws that it requires an approval of the shareholders' meeting.
- 2) Making a connected transaction with a large transaction size (20 million baht or 3% of the net tangible assets whichever is higher)
- 3) Acquisition or disposition of important assets with a transaction size of more than 50% but not more than 100% (calculated by asset type)

Roles 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' 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.

7.3 Information of 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

7.3.1 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, 2020, the Audit Committee consists of 3 independent directors as follows:

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

7.3.2 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, 2020, 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 Racatham	Member of the Nomination and Remuneration Committee	Independent director

Ms.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.

7.3.3 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, 2020, 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

Ms. 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.

7.3.4 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:

Name	Position	Director Type
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.

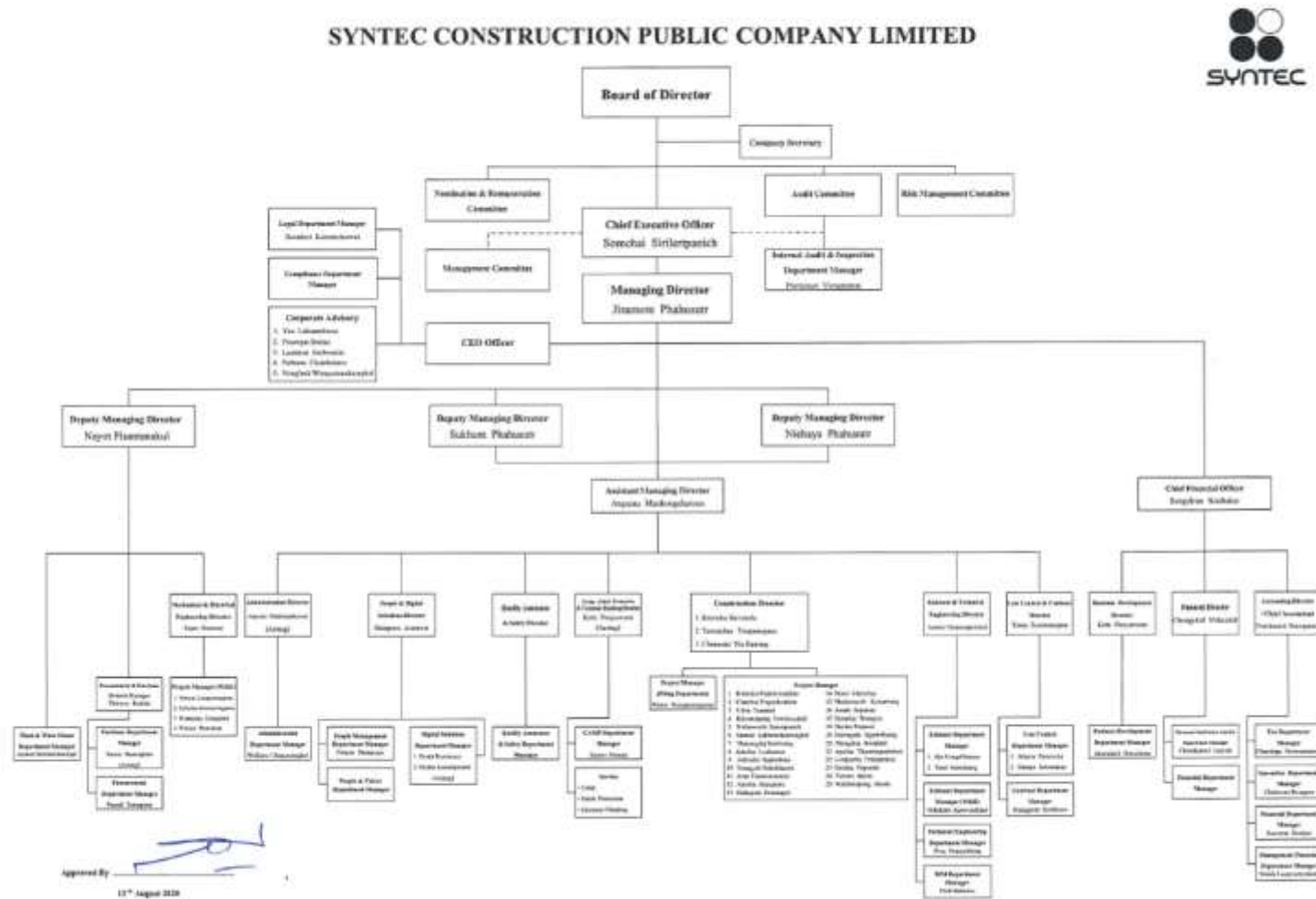
5. Determine the organizational structure and effective management, covering the selection, training, commissioning and dismissal, including salary, benefits, bonuses, other benefits, and the cost and facilities of the company's employees.

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.

7.4 Information of Executive Director

7.4.1 Organization chart



As of December 31, 2020. The names of directors are as follows:

Name		Position
1) Mr. Somchai	Sirilertpanich	Chief Executive Officer
2) Mr. Jiramote	Phahusutr	Managing Director
3) Mr. Sukhum	Phahusutr	Deputy Managing Director
4) Ms. Nichaya	Phahusutr	Deputy Managing Director
5) Mr. Nayot	Pisantanakul	Deputy Managing Director
6) Mrs. Angsana	Mangkongcharoen	Assistant Managing Director
7) Ms. Sangduen	Sornbalee	Chief Financial Officer

Remark: Executives refer to executives according to the definition of the Securities and Exchange Commission. KorJor. 17/2008 Re: Definitions in Notices about Issuance and Offering for Sale of Securities

Scope of duties of the Chief Executive Officer

1. Operate the Company in accordance with the policies and authorities provided by the Board of Directors.
2. Set business goals for both short term and long term, including budget and long-term strategic plan for the Board of Directors to approve and report on progress of implementing the plans and budgets approved to the Board of Directors.
3. Manage through the management committee to achieve the goals set out in the business plan by building competitiveness and provide appropriate return to shareholders.
4. Allocate resources and recruiting personnel with potential in order to generate the best interests of the Company.
5. Place, appoint, remove, transfer, promote or demote, cut salary or wages, take disciplinary action against employees, as well as having employees to vacate their positions in accordance with the prescribed rules.
6. Promote and build a strong corporate culture, support vision and business growth of the Company.
7. Follow up to operations of the Company and measure performance and report the performance of the management to the Board of Directors from time to time.
8. Consider, screen and submit for approval from the Board of Directors on the Company's business policy
9. Prepare details of internal operating power of the Company, decentralize employees to perform tasks and make decisions efficiently.
10. Report financial position and financial statements to the Board of Directors for approval every quarter

7.4.2 Remuneration for directors

The Nomination and Remuneration Committee is responsible for the remuneration of the Executive Directors and the top management. 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 2020, 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: 310,000 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 2020

Name	2020 Compensation and Meeting Fee (Baht)				
	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Management Committee	Total
Mr. Somchai Sirilertpanich	216,000	-	-	-	216,000
Mr. Chaiwat Atsawintarangkul	216,000	310,000	-	-	526,000
Miss Benjawan Sinkuknakorn	216,000	310,000	-	-	526,000
Dr. Arichai Ractham	216,000	310,000	-	-	526,000
Mr. Tavee Kullertprasert	216,000	-	-	-	216,000
Mrs. Angsana Munkongcharoen	216,000	-	-	-	216,000
Mr. Jiramote Phahusutr	216,000	-	-	-	216,000
Mr. Paisarn Tangyuenyong	216,000	-	-	-	216,000
Total	1,728,000	930,000	-	-	2,658,000

7.4.3 Policies on 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.

Remuneration of Executive Director and Chief Executive Officer

The company has 7 high-level executives with the following returns:

Cash Remuneration

- Total cash remuneration including salary, bonus, cost of living and others for the year 2020 amounted to 30,696,500 baht.

- Total provident fund to five from seven top executives approximately 812,400 baht.

Other Remuneration

- Company car, Medical Examination, Training, etc.

Therefore, the remuneration of executive directors and chief executive director, accounted to 6.06 percent of total remuneration of the Company

Shareholding changes of the Director and Executive¹ and spouses during the year 2020

Name – Surname	No. of shares			
	Balance at the end of 2019	Acquired	Sold	Balance at the end of 2020
1. Mr. Somchai Sirilertpanich	-	-	-	-
Spouse and underage children	-	-	-	-
2. Mr. Chaiwat Atsawintarakul	-	-	-	-
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	196,822,160	9,407,400	-	206,229,560
Spouse and underage children	2,329,500	-	-	2,329,500
9. Mr. Sukhum Phahusutr	107,766,600	1,295,300	-	109,061,900
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 Sangduen Sornbalee	-	-	-	-
Spouse and underage children	-	-	-	-

Remarks: ¹ Executive means the first four executives next to the Managing Director and every person who holds his or her position equal to the fourth one including the positions in financial or accounting functional line which is in the equivalent level. / The company has changed the organizational chart according to the resolution of the Board of Directors Meeting No. 8/2020 on August 13, 2020.

7.5) Employees

As of December 31, 2020 the Company had 1,030 employees in total. The total remunerations for all employees can be categorized are as follow:

Cash Remuneration

- Total Monetary including salary, bonus and others for the year 2020 amounted to 642,000,000 baht.
- Other welfares in form of provident fund totaling approximately 14,000,000 baht. (There are 771 employees who are member of the provident fund, accounted of 84.54 percent of total employees)

Non-Monetary Compensation

- Access to personal protective equipment for COVID-19, such as protective face masks and Alcohol Gel

Division	Amount of Employees* (person)
Executive Officers	12
Construction 1	261
Construction 2	-
Construction 3	160
Construction 4	137
Estimate and Technical Engineering and BIM	67
Contact and Cost Control	19
Administration	29
Accounting	22
Financial	6
Procurement and Purchase	29
Quality Assurance and Safety	7
Business Development / Camp	18
People Management	19
People and Talent	5
Digital Solution	8
Internal Audit	4
Compliance and Relation Investor	1
Plant and warehouse	73
Medical Electrical	116
Employer Relations (People with Disabilities)	37
Total	1,030

Remark: The above number of employees are all permanent employees. And there are 3,071 daily employees.

As of 31, December 2020, there are more regular employees as follows:

New Employees (2020)

Male 85 person

Female 31 person

116 person

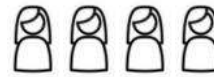


Table showing information of full-time employees by job level and gender as of 31 December 2020.

Level of employees	Male		Female		Total (person)
	Number	Proportion	Number	Proportion	
Executive (High middle Elementary)	87	10.50	20	9.90	107
Senior	242	29.23	69	34.16	311
Operation	413	49.88	69	34.16	482
Support	48	5.80	44	21.79	92
Disabled	38	4.59	0	0	38
Total full-time employees	828	100.00	202	100.00	1,030
%	80.39		19.61		100.00

In 2020, the company has a total of 1,030 employees, divided into 828 males, 202 females, with a male to female ratio of 80.39 and 19.61, respectively, where employees are treated fairly. And equal Without discrimination because of individual differences.

The Company encourages people with disabilities to live equal life with the general public, to make full and effective social participation in an environment accessible and accessible to people with disabilities. In 2020, the company has 48 disabled people as employees 38 regulars, accounting for 3.68 percent of the total workforce and be a daily employee of 10 people. However, the company will provide opportunities and welcome people with disabilities who are knowledgeable, competent and suitable for their respective position to join with the company.

Table showing number of employees resigning as of 31 December 2020.

Level of Employees	Male		Female		Total (person) Proportion
	Number	Proportion	Number	Number	
Executive (High middle Elementary)	5	3.23	3	7.70	8
Senior	53	34.20	20	51.29	73
Operation	78	50.33	9	23.08	87
Support	15	9.68	6	15.39	21
Disabled	4	2.58	1	2.57	5
Total employee resignation	155	100.00	39	100.00	194

From the table showing the number of employees resigning as of December 31, 2020, it was found that the number of resignation workers totaled 194 and were 155 Male and 39 females.

Employment Termination Policy

In the event that the company terminates the employment without the employee committing an offense which gives the Company the right to terminate employment immediately, the Company will notify the employee of termination of employment prior to the due date of wage payment or on the day of payment the latest in order to have the effect of termination of employment in the next payment of wages. Or if the Company does not want the employee to continue working after notice of termination, the Company will pay wages in lieu of prior notice equal to the amount of time required for prior notice and will pay compensation at the final salary rate and for working period as specified by the labor law to the employee.

Employee Compensation and Benefits Management

O Employee compensation

In addition to fair and equal employment, the Company also has an equal compensation policy. The Company's employees will receive compensation in the form of salaries, overtime pay, cost of living allowance, bonuses, provident fund, etc. And to create a motivation for employees' performance, the Company therefore applies KPIs as a tool for managing performance compensation. There will be assessment twice a year, mid-year and at the end of the year. The compensation for employees will be consistent with performance of the Company in both short and long term.

In the year 2020, the Company has 1,030 executives and employees in total, paying a total compensation of 519,513,509 baht, decreasing from 2019 due to the Company restructuring to suit the current business situation. And some is a reduction from normal retirement.

O Employee welfares and benefits

The Company provides welfare to employees as required by law and as appropriate to help and build the morale of employees, leading to an increase in work efficiency. The welfares provided by the Company are as follows.

1. Legal welfare such as the social security fund, annual leave, military service leaves, maternity leave, etc.
2. Health benefits, including annual health check, medical expense benefits, accident insurance and dental fees.
3. Financial benefits, including loan welfare, wedding allowance, childbirth allowance, funeral allowance for parents, spouses, etc.
4. Welfare on social happiness, organizing activities to build good relationships among employees, such as having mentors to teach new employees, Songkran activities, New Year's party, employee relations activities, etc.

Provident fund

The Company established a provident fund on 1 April 2013 in accordance with the Provident Fund Act BE 2530 by TISCO Master Pooled Fund Management Company, which has been registered, in order to save and create a security for employees and their families. This contribution depends on the employee's voluntary and service years.

In 2020, there were 771 employees, out of 912 eligible employees, accounting for 84.54 percent.

Remittance for savings (employee) and contributions (employer) are made after 1 year of work.

Service Years	Employee savings rate	Company contribution rate
Service years less than 6 years	3%, 4%, 5%, 7%, 9%, 11%, 13% and 15%	3%
Service years at 6 but less than 11 years	4%, 5%, 7%, 9%, 11%, 13% and 15%	4%
Service years of 11 years or more	5%, 7%, 9%, 11%, 13% and 15%	5%

Terms of payment: Pay when the employee ceases membership of the fund, divided into 2 cases:

1. Resignation of job
2. Resigning from membership. In case of resigning from provident fund membership but not resigning from employment, the employee will be paid only for the part of membership, while the company's contribution is not subject to the conditions.

Rates for employee's remittance and Company's contribution depend on the service years of the member.

Service Years	Employee's remittance for savings	Company's contribution
Less than 3 years	100%	None
3 years but less than 5 years	100%	50%
5 years or more	100%	100%

7.6 Other important information

7.6.1 Information of the Company's secretary, Company bookkeeping controller, head of internal auditor and head of compliance unit of the Company.

(1) Company Secretary

The Board of Directors has appointed the Company's personnel who are qualified and experienced in holding the position of the Company Secretary to perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Stock Exchange Act (No. 4) BE 2551, effective on 31 August 2008, with responsibility, caution and integrity, as well as having to comply with the law, objectives, articles of association, board resolution, as well as resolution of the shareholders' meeting. The duties and responsibilities are as follows.

Scope of duties and responsibilities of the company secretary

1. Prepare for the Board of Directors meeting, Shareholders' Meeting of the Company to comply with the requirements of the law, related regulations and good practice.
2. Provide initial advice and recommendations to the Board of Directors on issues related to the rules and regulations of the governing regulators and good corporate governance practices.

3. Keep reports of interest reported by directors or executives and submit a copy of the report of interest under Section 89/14 to the Board of Directors to audit within 7 business days from the date the Company receives the report.
4. Ensure disclosure of information and reports of various information to regulators and the public to be correct and complete under the law.
5. Liaise with regulators such as the Securities and Exchange Commission and the Stock Exchange of Thailand

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.

Name -Surname Ms. Rattapawee Lapnan
Position Company Secretary (From July 24, 2017)
 Senior Compliance Officer
 Investor Relations
Age 39 years
Educational Master of Management Science, Sukhothai Thammathirat
 Open University



Bachelor of General Management, Rajamangala Chakrapongphuwana

Work Experience Company secretary

- Company secretary of Syntec PCL. (5 years)
- 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

(2) Company Bookkeeping Controller

Name-Surname:	Miss Nuchanart Sirisupamit
Position:	Director of Accounting/ Bookkeeping Controller
Age:	54 years
Educational qualifications:	Master's degree in banking and finance, Siam University
Shareholding Proportion:	None
Family Relation to the Management:	None
Work experience:	2014 - present
Accounting Director	Syntec Construction Public Company Limited

(3) Head of internal auditors and Head of Compliance Unit of the Company

In addition, at the 4th Audit Committee meeting, held on 15 August 2011, the meeting resolved to appoint Mr. Pornanan Wongniphon to take the position of Head of Internal Auditors of the Company since 15 August 2011 and assigned Ms. Rattapawee Lapnan, Assistant Manager of Rules and Regulations Section, to act on behalf of the Head of the Compliance Unit in 2014. The Company is currently in the process of considering recruitment of the head of compliance unit, responsible for supervising the Company's compliance with the laws, rules, regulations, policies and requirements of relevant government agencies or other departments related to the Company's business operations (Records of the head of internal auditors and head of compliance unit are shown in Attachment 3).

7.6.2 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.

There has been a COVID-19 outbreak in 2020, but the Investor Relations Department continues to organize investor relations activities for shareholders. Securities analysts, investors through online and offline channels with details as follows:

1. Arrange the Analyst Meeting to declare the operating result and business plan,
In the year 2020, one activities were organized on 21 August, 2020 via zoom meeting.
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 2020: Company Visit total 2 times.



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

7.6.3 Remuneration of Auditors

In the past 2020 Annual General Meeting of Shareholders, the meeting considered and resolved to appoint Mr. Jadesada Hungsapruet: CPA License No. 3759 and/or Ms. Kannika Wipaturat: CPA License No. 7305 and/or Mr. Jirote Sirirorote: CPA License No. 5113 and/or Ms. Nongluk Pattanabundit: CPA License No. 4713 and/or Mrs. Soomana Saneewong Na-Ayutthaya: CPA License No.5897. These are the auditors of Karin Audit Co., Ltd for the year 2020. The Audit fee is 4,265,000 Baht.

Other Service Fee - None

(Unit :Baht)

Type of Remuneration	2020	2019	2018
1. Audit Fee of Company	3,277,500	3,277,500	3,465,000
2. Audit Fee of Subsidiary Companies			
- Joint Venture Siam Syntec-Wijitpan-krungthon	-	-	-
- CSM Capital Partners Co., Ltd.	394,250	394,250	420,000
- SCR Asset Management Co., Ltd.	332,500	332,500	380,000
- Natural Ville Service Apartment and Management Co., Ltd.	52,250	52,250	50,000
- PT Three Co., Ltd.	52,250	52,250	
- JT Ten Co., Ltd.	52,250	52,250	-
- An8 Co., Ltd.	52,250	-	-
- SHG Management Co., Ltd.	52,250	-	-
3. Other	-	-	-
Total	4,265,500	4,161,000	4,315,000

From the table of auditors' remuneration, it can be seen that the auditors' remuneration for the year 2020 has been increased from the remuneration for the year 2019 by 104,500 baht or an increase of 2.51 percent, in line with the market price.

However, the auditor has no relationship or may create a conflict of interest with the company. In addition, the directors and executives of the Company do not have any relationship. That may cause a conflict of interest with the auditors that the company has used in the past 3 years.



8. Corporate Governance Milestones

8. Report of Corporate Governance

8.1.1 Nomination, Development and Evaluation of the Board of Directors

1. 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 from 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.

2. Selection of Directors and Executives

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.

Nomination of Company leaders and top management

Appointment of top management from the Department Director up, the Nomination and Remuneration Committee shall select persons with suitable knowledge, capability and qualifications and nominate to the Board of Directors for consideration, while other management shall be considered by the Company's Management Committee.

Nomination of the Company executives to manage various aspects such as engineering work, internal management tasks, etc., the Company selects people with knowledge, ability, management experience suitable for the position in order to acquire people who can benefit the Company to their fullest potential and can manage the work according to the policies

set by the Company with a process of nomination from job postings in various media, determined by a person with direct experience, together with inviting for interview by the original affiliation and presenting information to the chief executive of the Company as an interviewer before considering approving to work with the Company.

8.1.2 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.

Meeting attendance and remuneration for individual committees

In 2020, the company holds a meeting of the board of directors. By disclosing the number of meetings held and the number of times each director attended the meeting is as follows:

Members of The Board of Directors	Position	Annual meeting 2020 (Attendance / meeting rights)			
		Board Meeting	%	AGM 2020	%
Mr. Somchai Sirilertpanich	Vice Chairman, N&R Committee and Chief Executive Director	12/12	100	1/1	100
Mr. Chaiwat Atsawintarakul	Director, Independent Director, Chairman of Audit committee and Chairman of N&R	12/12	100	1/1	100
Miss Benjawan Sinkuknakorn	Director, Independent Director, Audit Committee and N&R Committee	12/12	100	1/1	100

Members of The Board of Directors	Position	Annual meeting 2020 (Attendance / meeting rights)			
		Board Meeting	%	AGM 2020	%
Dr. Arichai Ractham	Director, Independent Director, Audit Committee and N&R Committee and Chairman of Risk Management Committee	12/12	100	1/1	100
Mr. Tavee Kullertprasert	Director, Independent Director	12/12	100	1/1	100
Mr. Paisarn Tangyuenyong	Director, Independent Director	12/12	100	1/1	100
Mr. Jiramote Phahusutr	Director, Managing Director	12/12	100	1/1	100
Mrs. Angsana Munkongcharoen	Director, N&R Committee and Assistant Managing Director	12/12	100	1/1	100

7.4.2 Remuneration for directors

The Nomination and Remuneration Committee is responsible for the remuneration of the Executive Directors and the top management. 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 2020, 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: 310,000 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 2020

Name	2020 Compensation and Meeting Fee (Baht)				
	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Management Committee	Total
Mr. Somchai Sirilertpanich	216,000	-	-	-	216,000
Mr. Chaiwat Atsawintarangkul	216,000	310,000	-	-	526,000
Miss Benjawan Sinkuknakorn	216,000	310,000	-	-	526,000
Dr. Arichai Ractham	216,000	310,000	-	-	526,000
Mr. Tavee Kullertprasert	216,000	-	-	-	216,000
Mrs. Angsana Munkongcharoen	216,000	-	-	-	216,000
Mr. Jiramote Phahusutr	216,000	-	-	-	216,000
Mr. Paisarn Tangyuenyong	216,000	-	-	-	216,000
Total	1,728,000	930,000	-	-	2,658,000

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 Subcommittee 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 2020 in group was 93.56 percent, and in an individual was 95.10 percent, counted as very good-excellent.

2. Nomination and Remuneration Committee The result of the evaluation in 2020 in group was 94.21 percent, and in an individual was 94.75 percent, counted as very good-excellent.

3. Audit Committee The result of the evaluation in 2020 in group was 94.05 percent, and in an individual was 96.25 percent, counted as very good-excellent.

4. Risk Management Committee The result of the evaluation in 2020 in group was 92.34 percent, and in an individual was 98.61 percent, counted as very good-excellent.

5. The result of the evaluation of Chief Executive Officer in 2020 was 100 percent, counted as excellent.

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 2020, 3 directors attended the training courses or participated in seminars to increase their knowledge of the operation, namely,

Name-Surname	Training Courses/ Seminars	Institution
Mr. Chaiwat Asawintarakun	<ul style="list-style-type: none"> - IAASB's work plan and value of the audit to the users of financial statements - Watching a forum on Facebook, Federation of Accounting Professions on Guidelines for Improving NPAE "Impact Study. - TFRS 16 Forum - Responsibilities of accountants and auditors to Anti-Money Laundering Act - Writing a report of the NPAEs auditor - NPAES audit - TFRS9 Bad Debt Provision in Simplified Approach - Fraud risk and control in the new normal age - Reading the Journal of the Federation of Accounting Professions Year 2 No. 5 on Optional Accounting Policy of Land, Buildings and Equipment and Properties for Investment for the Non-Publicly Accountable Entities. - Hearing Seminar on Auditing Standard of Auditing, Code 600 - Reading the Accounting Profession Journal, Year 2, Issue 5, Re: Expectations towards the Audit between Auditors and Users of Financial Statements. - In-depth analysis of information and applications in forensic accounting - Reading the Federation of Accounting Professions Journal Year 2, Issue 5, Re: Important Matters in Auditing and Methods to Respond the Risk of the Auditor of the Listed Companies Eligible for Delisting. - Interesting issues related to TFRSs, the group of financial instruments - Reduction of contractual rental fees from the lessor - TFRS15 Revenue recognition and the Revenue Code basis - Forum of Discussion paper -Business combination, disclosures, good will and impairment - An Upcoming ISQM - Forum on Business Adaptation in Post-Covid Era Part 1 - Forum on Business Adaptation in Post-Covid Era Part 2 - NEW TSA 540: Accounting estimate - Summary report of audit quality examination activity, 1 January 2019 - 31 December 2019 - Federation of Accounting Professions Journal Year 1, Issue 2, Re: Applying Insights Analysis for Auditing - Federation of Accounting Professions Journal Year 2, Issue 4, Re: What New Items are in the Standard of Auditing Quality Management? - Workshop on "Sustainable Development Fund" - Overview of Thai Auditing Standards, Batch#2/63 	- FAP

Name-Surname	Training Courses/ Seminars	Institution
Ms. Benjawan Sinkhunakorn	<ul style="list-style-type: none"> - Financial Model 3 - Financial Protection and DCF (Excel Workshop), Batch# 2/63 - Complying with TFRS16 without difficulties. - Reading Newsletter issue 85 - Reading Newsletter issue 86 + 87 - Reading Newsletter Issue 88 - CFO 2021, NYC Management 	<ul style="list-style-type: none"> - FAP - NYC
Ms. Saengduean Sornbali	<ul style="list-style-type: none"> - Accounting for construction business with guidelines for preparing documents for accounting records, Dharmniti - Techniques for writing monthly and quarterly operating results reports to present interestingly and use effectively, Dharmniti 	- Dharmniti

Succession Plan

The Company has a policy on succession plan as part of the manpower arrangement. The Company has a plan to prepare personnel with suitable qualifications, sufficient knowledge and competence to be ready to replace executives and senior executives in the event of resignation, retirement or being unable to perform duties in any case. This is to ensure the smooth and efficient working in that position and reduce the risk of no successor. Therefore, the Nomination and Remuneration Committee is required to prepare a succession plan and propose to the Board of Directors for consideration.

○ Making a Succession Plan will consider the following steps

1. Analyze business situation of the Company in terms of strategy, policy, direction, plans to expand or slow down the business to assess the current and future manpower requirements that are available and qualified to work in line with the Company's strategy of short-term, long-term and urgent needs

2. Set employee recruitment plans and develop employees in advance before the employees retire or leave their positions early. The development plan must take into account the employee's retirement age and early retirement.

3. Determine competencies, knowledge, skills, personality and attitudes required of the employees in that position.

4. Select and evaluate employees' performance and potential for successors to the vacant positions. When an employee has been chosen as a successor, notify that employee in advance to be prepared for the next higher level of learning, jobs and responsibilities.

5. Selecting a successor, a second and third substitute must always be assigned. The substitute is unnecessary to have equal qualifications to the first one, but should be close to. And the substitute should not be notified in order to prevent any conflicts that may arise.

6. Develop and evaluate employees who have chosen as successors to see if their development and performance are as expected or not. If it does not meet the expectation, the substitution is made in time.

7. Development of successor potential can take many forms, such as building a learning culture within the organization, job rotation, on-the-job training or off-the-job training, and coaching by current executives passing on their experience to the potential executives.

○ The succession plan covers the following positions.

1. Chief Executive Officer and Managing Director

When the position of Chief Executive Officer/ Managing Director is vacant or those in position are unable to perform their duties, the Company will have management at similar level or at the secondary level to act for in such position until a qualified person is nominated and selected according to the criteria set by the Company. The Nomination and Remuneration Committee will consider to propose to the Board of Directors for consideration and approval of appointment to replace.

2. Executive level

When the executive level position becomes vacant or those in the position cannot perform their duties, the Company will present the selected successors to the Management Committee. The process of executive succession planning is as follows:

2.1 Set up a plan to create readiness of personnel, recruit and develop employees in advance before the employees retire or leave their positions early

2.2 Determine qualifications consisting of knowledge, skills, personality and attitudes appropriate for the position and make individual development plans

2.3 Select, assess performance and assess potential of the employees to determine suitability.

2.4 Identify the successors after assessment and analysis of the employee's qualifications. This must be notified to the employees in advance in order to prepare, accept and learn the job.

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.

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.

8.1.3 Investment Policy in Subsidiary and Associated Company

The Company's policy is to invest in the business with business operation that promotes and is relevant to the major business of the Company and has satisfactory growth tendency. The investment proportion and management policy in subsidiary, associated company and joint venture shall mainly depend on the business expertise, investment ability, and management power. According to the management in the business of which the Company is experienced, the Company will deliver the director representative to participate in determining policy and management guideline to be consistent with the Company's plan, and monitoring and controlling the operation of the executives to be in line with determined plan. The management power in other business of which the Company is not experienced in the business, the Company will deliver its representative to be the director instead of entry for direct management.

In the past period, the Company's policy has been to expand its operation to other related business in the way of forward expansion together with the Company's major business expansion plan for increasing growth. The purpose of the operating expansion in other related business is to increase the channel of revenue recognition such as operation of newly constructed service apartment business for renting out, or investment in real estate with good location potential and ability to immediately generate revenue such as management of leasehold for land and building, hotel and service apartment, etc.

8.1.4 Monitoring compliance with the Corporate Governance Policies and Practices

The Company give precedence to good corporate governance by establishing relevant policies and practices in the corporate governance policy and the code of conduct handbook of the Group along with promoting it into practice to build confidence among all groups of stakeholders.

In the past year, the Company had continuously followed up to ensure compliance with the good corporate governance principles, covering various matters such as treatment of shareholders, caring for employees, non-discrimination, combating unfair competition, taking care of the environment, health and safety, etc. As a result, the Company has followed the guidelines completely. The details appear in this report, divided into 5 aspects as follows.

1. Rights of shareholders

1.1 Right to receive share certificates and right to buy, sell or transfer shares

1.2 Right to attend shareholders' meetings

- 1.3 Right to consider remuneration for directors
- 1.4 Right to appoint an auditor and set the audit service fee
- 2. Equitable treatment of shareholders
 - 2.1 Right to propose an agenda in advance, nominate persons to be appointed as directors and send questions in advance about the Company.
 - 2.2 Proxy
- 3. Role of stakeholders
 - 3.1 Shareholders
 - 3.2 Employees
 - 3.3 Customers
 - 3.4 Competitors
 - 3.5 Business Partners
 - 3.6 Creditors
 - 3.7 Treatment to Government Sector
 - 3.8 Community and Society
 - 3.9 Environment
- 4. Disclosure of Information and Transparency
 - 4.1 Shareholding Structure
 - 4.2 Reporting on direct or indirect securities holding of directors and executives
 - 4.3 Report on Interest of Directors
 - 4.4 Disclosure of information, use of inside information and keeping confidentiality
 - 4.5 Entering into connected transactions and related transactions
 - 4.6 Communication channels
 - 4.7 Investor Relations
- 5. Responsibilities of the Board of Directors

In addition, the Company has followed up to ensure compliance with the good corporate governance in 3 other issues:

1. Seek to benefit from use of inside information

The Company ensures the use of inside information in accordance with the law and good corporate governance principles, defined in writing in Code of Business Conduct of the Company, establishing a policy to prevent the use of inside information for seeking to benefit in order to prevent the use of information for trading of the Company's securities by having the directors, executives, including those related to sensitive information, avoid buying, selling, transferring or accepting transfer of the Company's securities in one month before the Company's financial statements are made public and they are allowed for trading 48 hours after it has been published.

In the past year, no directors, executives were found trading securities during the period which the Company requires to refrain from buying, selling, transferring or accepting transfers (See additional details in Chapter 6, Clause 6.1.2, Section 4: Disclosure of Information and Transparency)

2. Anti-Corruption

The Company expressed its intention to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC) network on 24 November 2014 and was certified as a member of the project on 9 March 2017, currently is certified for the second time on 30 June 2020. The certificate is valid for 3 years from the date of the second certification by the CAC committee.

In this regard, the Company has measures to comply with the anti-corruption policy, such as communication of the policy at the level of directors, executives, employees, customers, business partners, and organizing channels for reporting if any violations are found, including protection measures for whistleblowers, etc. Details appear on the topic (Details are in Section 6.1.2, Chapter 3: Role of Stakeholders).

The Company has operated in accordance with the anti-corruption policy with guidelines for supervision and control as follows:

Corruption Supervision and Control Practices

1. Corruption risk assessment: The Company is required to identify risks, analyze the impact, opportunity, and severity, consider appropriate internal controls and measures to reduce the fraud risk to an acceptable level.
2. Review and update the Company's policies, regulations, orders and ethics in order for practitioners to understand the Company's anti-corruption policy and method with regular reviews and updates of the policies and regulations.
3. Communicate to the operators to be aware of the importance and participate in management of fraud risk, as well as communicating to business partners and business related parties to acknowledge the policy to demonstrate transparency and commitment to anti-corruption.
4. Internal control: All departments of the Company must have appropriate work procedures and internal controls established with regular reviews and updates.
5. There are background checks of personnel and business related persons before hiring such as contractors and distributors. These actions must be performed with consent and in accordance with applicable laws.

The Company is fully committed and devoted to operating in accordance with the procedures to comply with the anti-corruption policy of the Company and in accordance with international standards in order to emphasize the anti-corruption seriously in every step. In 2020, there was no complaints on corruption.

Governance and supervision to prevent and monitor fraud risks and monitoring and evaluating the implementation of the Anti-Corruption Policy

1. Publish to all employees to acknowledge through the central publicity board, communicate via Line channel to answer questions and remind of this at the end of the regular training course.
2. Communicate to new employees through orientation along with specifying details in the employee handbook.
3. Train employees at the construction site with the Internal Audit Department conducting a site visit.
4. Disseminate to third parties through the Company's website.
5. Communicate to partners through a signed letter of cooperation.

3. Whistleblowing

The Company has channels for whistleblowing and receiving complaints through the Company website or sending e-mails to relevant departments as appropriate, such as misconduct or corruption practices, impact on society, community, environment, construction damage, availability to listen to suggestions and answering inquiries from executives, employees, customers, business partners, general public and all stakeholders. (More details are in Chapter 6, Clause 6.1.2, Chapter 3: Role of Stakeholders)

Summary of whistleblowing and handling of complaints. In the past year, there were no significant violations of corporate governance policies and practices. The complaints are impacts from the Company's construction on neighboring areas. The Company and the project owner have worked together to mitigate all impacts by implementing measures set for managing neighboring houses, namely before accepting work under the construction contract, during construction after completion of the construction, etc.

All complaints have been resolved for the construction project and the progress and remediation plans have been informed to the complainants and related persons such as the project owner, project consultants and the management of the Company, etc.

8.2 Report on the performance of the Audit Committee for the past year

8.2.1 The Audit Committee of Syntec Construction Public Company Limited (" the Company") consists of 3 independent directors as follows:

Name	Position	Type of Director
Mr. Chaiwat Atsawintarangkul	Chairman of Audit Committee	Independent Director
Ms.Benjawan Sinkunakorn	Audit Committee	Independent Director
Dr. Arichai Ratcham	Audit Committee	Independent Director

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.

During the year 2019, the Audit Committee had regularly arranged 5 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:

8.2.2 Results of performance of the Audit Committee's duties

1. Financial Report

The Audit Committee reviewed material information of financial reports, including quarterly financial statements and annual financial statements of the Company and its subsidiaries, accounting policy, critical estimates based on generally accepted accounting standards, completeness of information presented in financial reports, disclosure of information of financial statements, including key audit matters related to the Company and its subsidiaries in the auditor's report, internal control and preparation of financial statements, considering the observations from the audit and review of the auditor's financial statements, as well as the impact of changes in financial reporting standards. This is to ensure that preparation of the financial reports complies with the requirements of laws and financial reporting standards, is accurate, reliable and

timely, and that the information is disclosed sufficiently for the benefit of users of the financial statements. In this regard, the auditor has reviewed and reported with unqualified opinion.

2. Connected transactions or transactions that may lead to conflicts of interest

The Audit Committee reviewed the connected transactions of the Company and its subsidiaries before presenting to the Board of Directors for consideration. Such reviewing is in accordance with the announcement of the Securities and Exchange Commission, the Stock Exchange of Thailand. This is to ensure that the transaction is carried out in accordance with general trading conditions and is reasonable and is in the best interest of the Company's operations and shareholders and does not cause a transfer of benefits. And the information also is disclosed to the Stock Exchange of Thailand correctly within the specified period. For information on connected transactions, the Company has disclosed in the notes to the financial statements.

3. Internal control system and internal audit

The Audit Committee has reviewed according to assessment of sufficiency of the internal control system under the framework of COSO (The Committee of Sponsoring Organizations of the Tread way Commission), covering 5 areas as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring

It was presented to the Board of Directors for consideration. The essence and summary have already appeared in the relevant sections of this report. And it also has reviewed independence of the internal audit operation, efficiency and effectiveness of the audit, considered and proposed opinions on the annual audit plan, recommend on audit results, especially on matters that are significant in order to have an adequate system of monitoring, supervision and internal control, as well as providing suggestions for adjusting the processes of audit process and development to keep up with the changes, supporting applying the digitalization system to the audit process with emphasis on risk assessment at the activity level, covering works/ units with a level of risk which may have a significant impact on the Company's operations, as well as encouraging the auditors to receive training to increase knowledge to create professionalism and keep up with the changes in accordance with international professional standards on internal audit.

4. Certified Public Accountant

The Audit Committee has considered and selected the certified public accountant of Karin Audit Company Limited to be the certified public accountant of the Company and its subsidiaries for the year 2020 based on qualifications of the auditor, independence in accordance with the auditors' ethics according to the regulations of the Federation of Accounting Professions and requirements of the Securities and Exchange Commission, including performance of the auditor's duties during the past period, adequacy of resources, skills, knowledge and competence. As for the auditor's remuneration, it has considered the scope of responsibility, compensation rates for auditors of other firms that are comparable, including giving various suggestions related to the Board of Directors. The Audit Committee has considered and proposed appointment of a certified public accountant, as well as considering and proposing appropriate compensation to the Board of Directors for

further submission to the Annual General Meeting of Shareholders. For other services of the auditor, during the past year, the Company did not take any other services than auditing the Company and its subsidiaries.

5. Good corporate governance and risk management

The Audit Committee Review and commented on the good corporate governance policy in accordance with the announcement of the Securities and Exchange Commission, the Stock Exchange of Thailand, including in accordance with the Company's situation, action plans, short-term and long-term strategies. As a result of continuous implementation of the said policy, the Company received good evaluation results and awards on good corporate governance, such as evaluation of corporate governance of Thai listed companies for the year 2020 at the "Excellent" or five-star level from the Thai Institute of Directors Association, etc. The Company still adheres to the good corporate governance policy, divided into 5 areas: shareholders' rights, equitable treatment of shareholders, stakeholders' roles, disclosure of information and transparency, and responsibilities of the Board of Directors, etc. For information on performance and related awards during the past year, such information has been disclosed in the Company's annual report.

For reviewing appropriateness of the risk management process, evaluation and risk mitigation guidelines and follow-up, it is in line with the rules provided with suggesting to prepare risk management tools, readiness of personnel to support rapid change, including information technology risk management and cyber threats which may have an impact on the security of the Company's information system in order to ensure that the Company's business operations have appropriate risk management guidelines and measures in accordance with the business operations of the Company, including sufficiency of the risk management system under management of the Risk Management Committee and related working groups, along with enhancing implementation of the aforementioned principles sufficiently.

6. Compliance with relevant rules

The Audit Committee has reviewed the Company's operations to conduct various businesses in accordance with the relevant laws, including the Securities and Exchange Act, Public Act And other laws relating to the Company's business operations based on the audit results of the internal auditors, the Company's auditor and the risk management report from the Risk Management Committee, including compliance with "Self-Assessment on Anti-Corruption Measures", "Thai Private Sector Collective Action Coalition Against Corruption Project", acknowledged the conclusion of complaints and whistleblowing to ensure effectiveness of the assessment, monitoring and control of those responsible for it, as well as suggesting the Company to build knowledge and understanding on governance processes appropriate to business conditions.

The Audit Committee has performed its duties as assigned and in accordance with the Audit Committee Charter, used a wide range of knowledge and competency, with ondependence, carefulness, prudence, transparency and provided constructive suggestions and opinions for the benefit of all stakeholders equally. The Audit Committee is of the opinion that the Company and its subsidiaries place great importance on operating their business with efficiency and effectiveness, with financial reports being prepared accurately and completely, showing significant information, reliability, and adequate disclosure in accordance with financial reporting standards and government regulations, audited by the Certified Public Accountant. Disclosure of the connected transactions or items, that may have conflicts of interest, sufficiently comply with the law on securities and exchange and other laws relevant to the Company's business. They have a good corporate governance process, risk management process continuously developed, and adequate internal control processes,

including compliance with the law and regulations related to business operations, following up any changes to be prepared to encounter the risks arising in the future under promotion according to the "Code of Business Conduct" of the Company

8.3 Performance of duties of other committees

8.3.1 Table showing No. of the Board of Directors', all Committees' Meetings in 2020

Name- Surname	Table showing No. of the Board of Directors', all Committees' Meetings in 2020											
	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	12/12	100					3/3	100	44/44	100
Mr. Chaiwat Atsawintarangkul	1/1	100	12/12	100	5/5	100			3/3	100		
Miss Benjawan Sinkunakorn	1/1	100	12/12	100	5/5	100			3/3	100		
Dr. Arichai Ractham	1/1	100	12/12	100	5/5	100	4/4	100	3/3	100		
Mr. Tavee Kullertprasert	1/1	100	12/12	100								
Mrs. Angsana Munkongcharoen	1/1	100	12/12	100					3/3	100	44/40	91
Mr. Paisarn Tangyuenyong	1/1	100	12/12	100								
Mr. Jiramote Phahusutr	1/1	100	12/12	100							44/40	91
Mr. Nayot Pisantanakul											44/40	91
Mr. Yot Luksanakoset											44/43	98
Mr. Paiboon Chetchotiros							4/4	100			44/42	95
Mr. Yothin Teerattanapun							4/4	100			44/40	91

8.3.2 Performance of duties of sub-committees assigned by the Board of Directors

Risk Management Committee

In 2020, the Risk Management Committee had duties and responsibilities to provide recommendations to the Board of Directors, related to the risk management of the organization as follows:

1. Review of sufficiency of policies and strategies and total risk management to assess whether the organization's risk management adequately covers all types of risks related to the Company's business operations, as well as emerging new risks under appropriate policy implementation.
2. Reporting to the Board of Directors on factors and significant problems, items that needs to be improved, and recommendations of the Board of Directors on risk management and supervision.

Details are disclosed in the topic: Risk Management and Risk Factors, Part 12, Item 2.

Nomination and Remuneration Committee

In 2020, the performance of the Nomination and Remuneration Committee having duties and responsibilities to provide recommendations to the Board of Directors related to the nomination and remuneration is as follows:

1. Considered policies, rules and methods for determining remunerations for the managing director and senior management from the department directors up to propose to the Board of Directors for consideration.
2. Reviewed appropriateness of the said policies and rules in accordance with various situations adequately.
3. Determined the guidelines for evaluating performance of the directors, managing director and senior management from the department directors up to consider adjusting the annual compensation.
4. Considered the information on remuneration of directors in comparison with other companies in the same industry according to the summary of the Stock Exchange of Thailand and/ or other relevant information.
5. Ensured that the directors, managing director and senior management from the department directors up received compensation appropriate to their duties and responsibilities.
6. Presented the remunerations of the managing director and senior management from the department directors up. As for the remuneration of directors, it is proposed to the shareholders for further consideration.
7. Prepared a report on remuneration of directors and top management of the Company, disclosed in the annual report of the Company.
8. Reported performance of duties to the Board of Directors on a regular basis.

The background is a solid blue color with a white grid pattern. In the top-left corner, there is a large technical drawing of a circle with concentric circles and a horizontal line passing through the center. In the bottom-left corner, there is a dashed line forming a triangle. In the middle-right area, there is a small dashed circle.

9. Internal Control and Related Transaction

9. Internal Control and Connected Transaction

9.1 Internal Control

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 2020, 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. There are enough personnel to implement the specified work system. There is an internal control system in the care of assets including transactions with persons who may have sufficient conflicts of interest as a result of the past audits, there were no significant flaws in the internal control system. For internal control on other topics Board of Directors and Audit Committee It is of the view that the Company has an adequate internal control system as well. The essence of all 5 components can be summarized as follows:

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.syntecon.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.

The Audit Committee of the Company ensures that the person holding the position of Internal Audit Supervisor has the appropriate educational experience and training experience that is sufficient for their performance. The Audit Committee is also responsible for considering and approving the appointment, dismissal, and transfer of the head of the Company's internal audit department as well.

9.2 Related Transactions

2020 Related Transactions

Interrelated transactions between the Company with subsidiaries and relevant people in 2020 made by new management. (Debt restructuring plan management and present management)

Name and relationship	Nature of transactions	Amount (Million Baht)	Necessity of transaction
<u>SCR Asset Management Company Limited</u> - Subsidiary - The Company holds 68% of the registered capital of SCR Asset Management Co., Ltd. - The Company's directors (Mr. Jiramot Phahusut and Mr. Somchai Sirilertpanich) are directors of SCR Asset Management Co., Ltd.	- Interest income	2.18	- During 2020, the Company provided a loan for real estate development and working capital of both projects in the amount of 67 million baht, with interest at rate of MLR - 2.75 per year (equivalent to the interest rate offered by Bank of Ayudhya Public Company Limited to the subsidiary), with term of 2 years, remaining outstanding debt of 67 million baht as of 31/12/2020.
	- Loans	67.00	
	- Management fee income	1.26	- The company has hired SCR Asset Management Company Limited to manage the project for both Project 1 and Project 2. The said transaction is considered as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the management fee with other companies and such rate is close to the market rate, which is in accordance with normal trade.
	- Other receivables	0.13	
	- Accrued interest	0.16	
<u>CSM Capital Partners Company Limited</u> - Subsidiary - The Company holds 60% of the registered share capital of CSM Capital Partners Company Limited - Directors of the Company (Mr. Jiramot Phahusut and Mr. Somchai Sirilertpanich) are directors of CSM Capital Partners Company Limited.	- Retention receivables	3.10	- The Company entered into a service agreement with CSM Capital Partners Company Limited to provide services on advice, procurement, survey and comparison of designers and project consultants related to the project, help contact, coordinate and prepare various documents in hiring designers and project consultants. The said transaction is considered as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the management fee with other companies and such rate is close to the market rate, which is in accordance with normal trade.
	- Management fee income	2.52	
	- Administrative expenses	7.37	
	- Other receivables	0.12	
	- Accrued interest	0.02	
	- Interest income	0.39	- During 2020, the Company provided a loan for use in real estate development and working capital to the Eight Thonglor Project with interest rate at MLR - 2.75 per year (equivalent to the interest rate offered by Bank of Ayudhya Public Company Limited to the subsidiary) for a term of 2 years. And during 2020, the Company received loan repayment of 11 million baht and provided additional loan of 10 million baht, with the balance as of 31 December 2020 in the amount of 9 million baht.
	- Loans	9.00	

Name and relationship	Nature of transactions	Amount (Million Baht)	Necessity of transaction
<u>PT 3 Land Company Limited</u> - Subsidiary - The Company holds 84.98% of the registered share capital of PT 3 Company Limited. - The Company's directors (Mr. Jiramot Phahusut and Mr. Somchai Sirilertpanich) are directors of PT 3 Land Company Limited	-Service fee income - Other receivables	0.36 0.06	The Company entered into a service agreement with PT 3 Land Company Limited to provide project consultation and coordination to prepare work and documents. The said transaction is classified as a connected transaction in type of supporting normal business transaction with general commercial terms because there is a credit term of 30 days, which is the same as the general public.
<u>JT 10 Company Limited</u> - Subsidiary - The Company holds 69.98% of the registered share capital of JT 10 Company Limited. - The Company's directors (Mr. Jiramot Phahusut and Mr. Somchai Sirilertpanich) are directors of JT 10 Company Limited	- Interest income -Service fee income - Other receivables	0.03 0.36 0.06	- During 2020, the Company provided a loan for real estate development in the amount of 5 million baht, with interest at rate of MLR - 2.75 per year (equivalent to the rate offered by Bank of Ayudhya Public Company Limited to the subsidiary) for a term of 2 years. But during 2020, JT 10 Company Limited paid off the loan in full. - The Company entered into a service agreement with JT 10 Company Limited to provide project consultation and coordination to prepare work and documents. The said transaction is classified as a connected transaction in type of supporting normal business transaction with general commercial terms because there is a credit term of 30 days, which is the same as the general public.
<u>AN 8 Co., Ltd.</u> - Subsidiary - The Company holds 79.90% of the registered share capital of AN8 Company Limited. - The Company's directors (Mr. Jiramot Phahusut and Mr. Somchai Sirilertpanich) are directors of AN 8 Company Limited	- Loan - Interest income - Accrued interest	110.00 2.14 0.26	- During 2020, AN8 Company Limited provided a loan to CSM Capital Partners Company Limited, a subsidiary in the same group, for real estate development in amount of 110 million baht with interest rate MLR - 2.75 per year (equivalent to the rate offered by Bank of Ayudhya Public Company Limited to the subsidiary)
<u>Natural Ville Service Apartment and Management Company Limited</u> - Subsidiary - The Company holds 99% of the registered share capital of Natural Ville Service Apartment and Management Company Limited - The Company's directors (Mr. Jiramot Phahusut and Mr. Somchai Sirilertpanich) are directors of Natural Ville Service Apartment and Management Company Limited	- Management Fee - Other receivables - Other payables	16.01 16.46 18.27	- The Company hires Natural Ville Service Apartment and Management Company to manage the service apartment. It is considered as a connected transaction in type of supporting normal since the Company had compared the management fee with other companies and such rate is close to the market rate, which is in accordance with normal trade.

Name and relationship	Nature of transactions	Amount (Million Baht)	Necessity of transaction
<u>SHG Management Company Limited</u> - Subsidiary - The Company holds 70% of the registered share capital of SHG Management Company Limited - The Company's directors (Mr. Jiramot Phahusut and Mr. Somchai Sirilertpanich) are directors of SHG Management Company Limited	- Management Fee - Lease pay - Other payables - Management Fee - Trade Receivables	1.28 0.58 0.07 2.06 0.11	- The Company hires SHG Management Co., Ltd. to manage the service apartment. This is considered as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the management fee with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade. - The Company hires Tate Enterprise Co., Ltd. to manage the service apartment. This is considered as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the management fee with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade.
<u>Tate Enterprise Company Limited</u> - Related company - The Company's management (Mr. Nayot Pisanthanakul), key management personnel and persons related to the Company altogether holds shares in Tate Enterprise, accounting for 99.98% of registered capital of the company.	- Purchase of foods and drinks to be used in meetings or banquets according to various agenda	0.66	- The Company purchases products from Tate Enterprise Co., Ltd. to use food and beverages in meetings or banqueting according to various agendas. The said transaction is classified as a connected transaction in type of supporting normal business transaction with general commercial terms because there is a credit term of 30 days, which is the same as the general public.
<u>Safe Series Co., Ltd.</u> -Related company - Key management personnel (Mr. Nayot Pisanthanakul) and persons related to the Company jointly hold shares in Safe Series Company Limited, accounting for 9.25% of the egistered capital.	- Material and service costs - Trade payable - Retention payable	190.11 3.07 7.46	- The Company purchases services from Safe Series Co., Ltd., which are cost of materials and services related to the system used in the building and is considered a part of the building construction cost. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the service charge with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade.
<u>Narai Phand Company Limited</u> - Related company - The Company's director (Mr. Jiramot Phahusut), key management personnel and persons related to the Company altogether hold shares in Narai Phand Co., Ltd., representing 36.11% of the company's registered capital.	- Purchase of souvenirs, presents, gifts and New Year baskets - Trade payable	2.46 2.37	- The Company buys products from Narai Phand Company for use as souvenirs, presents, gifts and New Year baskets according to various occasions and festivals. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms because there is a credit term of 30 days, which is the same as the general public.
<u>Chuaphaibul Steel Co., Ltd.</u> -Related company -The Company's director (Mr. Jiramot Phahusut), key management personnel and persons related to the Company altogether hold shares in Chuaphaibul Steel Co., Ltd., representing 22.84% of the company's registered capital.	- Purchase of construction material - Trade payable	55.62 4.32	- The Company and its subsidiaries purchased construction materials from Chuaphaibul Steel Co., Ltd., which are materials used in construction of buildings and are considered part of the building construction costs. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the rate of construction materials with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade.

Name and relationship	Nature of transactions	Amount (Million Baht)	Necessity of transaction
<u>N&J Asset Management Company Limited</u> - Related company - The Company's director (Mr. Jiramot Phahusut), key management personnel and persons related to the Company altogether hold shares in N&J Asset Management Co., Ltd., representing 100% of the company's registered capital.	- Building space lease to use as an office	2.78	- The Company entered into an office building space lease agreement, 23 rd floor, SSP Tower, total area of 614.93 square meters, rental rate of 215,225 baht (350 baht per square meter) for the purpose of using as the Company's office. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the rental rate of office buildings in the same building and nearby buildings. The average rental rate of others is 450 baht per square meter, which is higher than the rate which the Company is paying.
<u>Thonglor Management Co., Ltd.</u> -Related company - The Company's director (Mr. Jiramot Phahusut), key management personnel and persons related to the Company altogether hold shares in Thonglor Management Co., Ltd., representing 51% of the registered capital.	- Management Fee - Other payables	18.37 1.26	- CSM Capital Partners Company Limited hired Thonglor Management Company Limited on management of serviced apartments. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the management fee with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade.
<u>TRR Property Company Limited</u> -Related company - The Company's director (Mr. Jiramot Phahusut), key management personnel and persons related to the Company altogether hold shares indirectly through Thai Roong Ruang Industry Co., Ltd. in TRR Property Co., Ltd., representing 45% of the registered capital.	- Receivable of rentention under construction contract - Unbilled contract value - Construction income -Trade receivable	31.83 12.28 156.20 0.25	- The Company entered into a contract for construction of TRR Building, with construction work including structural work, architecture and building system work. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the service charge with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade.
<u>Thai Roong Ruang Industry Co., Ltd.</u> - Related company - The Company's director (Mr. Jiramot Phahusut), key management personnel and persons related to the Company altogether hold shares in Thai Roong Ruang Industry Co., Ltd., representing 20.80% of the registered capital.	- Trade receivable - Unbilled contractual construction value - Receivable of rentention under construction contract - Other receivables - Deferred income for construction - Construction income	30.32 16.99 29.57 0.18 9.30 302.41	- The Company conducted a survey on area of Sakon Nakhon Sugar Factory Project during 2017, which is currently under construction of a factory building. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the service charge with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade.
<u>The Gas Carrier Co., Ltd.</u> - Related company - The key management personnel (Mr. Jiramot Phahusut), which is a director of The Gas Carrier Co., Ltd., and persons related to the director altogether hold shares in The Gas Carrier Co., Ltd., representing 40% of the registered capital.	- Service income - Other receivables	0.17 0.06	- The Company entered into a service contract with The Gas Carrier Co., Ltd. to provide services on advice, procurement, survey, comparison of designers of various works and project consultants related to the project, help contact, coordinate and prepare various documents in hiring designers and project consultants. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms.

Name and relationship	Nature of transactions	Amount (Million Baht)	Necessity of transaction
<u>Wrightman Restaurant Co., Ltd.</u> -Related company - The Company's director (Mr. Jiramot Phahusut), key management personnel and persons related to the Company altogether hold shares in Wrightman Restaurant Co., Ltd., representing 40% of the registered capital.	- Rental and service income - Management fee - Trade receivable - Other receivables - Other payables	3.60 9.24 1.52 0.09 0.22	- The Company entered into a space rental contract to be used for establishment of an office of rental rate and other service fees. It is intended to be used as a corporate office building and operate a restaurant business. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms. - The Company hires Wrightman Restaurant Co., Ltd. to provide food preparation services to the guests staying at the serviced apartments. This is classified as a connected transaction in type of supporting normal business transaction with general commercial terms since the Company had compared the management fee with other companies, which the Company took service, and such rate is close to the market rate, which is in accordance with normal trade.

9.2.2 Necessity and justification of the connected transactions

The company has proceeded with caution in making connected transactions for the best benefit of the Company and of those who are involved. The connected transactions with businesses related to the company are in accordance with the general commercial principles/ conditions of the business, done fairly at the market price and according to normal trades, including the same price as the transactions made with third parties. The the Company considered approving those transactions as same as general customers.

The connected transactions have been considered within the framework of good ethics and under requirements of the Stock Exchange of Thailand, as well as the disclosure of related information by the Audit Committee of the Company which consists of qualified directors, who are independent, according to the regulations of the governing body. The Audit Committee has an opinion that the connected transactions are normal business transactions at the same price as doing transactions with third parties and have been applied for approval with disclosure of adequate information in accordance with the prescribed rules.

9.2.3 Measures or procedures for approval of connected transactions

The Company gives precedence to consideration of the connected transactions by organizing measures to approve the transactions in accordance with the rules, announcement from the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand strictly. They must be considered by the Board of Directors. And the Audit Committee has to consider and approve the said transaction as well. For the meeting of the Board of Directors in the agenda where there is a director who has a conflict of interest, such director will not participate and has no right to vote on that agenda in order to allow the meeting to discuss and vote independently.

9.2.4 Policy or trend of conducting connected transactions in the future

The connected transactions in the future shall being line with the Company's general business operations with policies and procedures conforming to and in accordance with the requirements of the law, rules, announcements from the Securities and Exchange Commission and the Stock Exchange of Thailand strictly in regard to the connected transaction, including acquisition or disposition of assets of listed companies. To conduct the connected transactions, the Company mainly has taken into account justification of the transaction, the best interests of the Company and of those who are involved.



Section 3

Financial Report

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FINANCIAL REPORTING
FOR THE YEAR ENDED DECEMBER 31, 2020
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 statement of Syntec Construction Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position as at December 31, 2020, 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.

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, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standard on Auditing, 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements 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

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 2020, the Group and the Company had contract revenues amounted to Baht 7,623.87 million and Baht 7,623.87 million (accounting for 95 percent and 99 percent, respectively of total revenues), contract costs amounted to Baht 6,894.78 million and Baht 6,894.78 million (accounting for 89 percent and 94 percent, respectively of total expenses), unbilled construction in progress amounted to Baht 653.30 million and Baht 653.30 million (net amount was 6 percent and 8 percent, respectively of total assets), and provisions such as the estimated costs of rectification in the period of guarantee work totaled to Baht 10.76 million and Baht 10.76 million (accounting for 0.10 percent and 0.13 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 labor, 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 credit losses

Under the financial reporting standards, The Group is required to determine allowance for trade receivables or contract assets under IFRS 15 that do not have a significant financing element. Using a simplified approach for measuring the value of expected credit losses (ECL).

The management is required to make significant judgment in calculation of the expected credit losses. Because the method has to take into account the mean probability with the expected probability, time value of money and the best information that can find about forecasting the future. Also, as at December 31, 2020, the Group and the Company had those receivables totaling Baht 2,577.79 million and Baht 2,573.06 million, respectively, and allowance for credit losses totaling Baht 178.77 million and Baht 175.86 million, respectively. (net amount was 23 percent and 29 percent of total assets, respectively)

Therefore, I pay particular attention to the adequacy of allowance for credit losses 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;
- Evaluate and test relevant inputs and assumptions used to calculate expected credit losses.
- Review the management's judgment in estimating the expected credit losses;
- 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;
- Calculation test the allowance for credit losses.
- 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 appropriateness of collateral value;
- Review the adequacy of disclosures in note to financial statements.

Emphasis of Matter

I draw attention to Note 2.3 to the financial statements. Due to the impact of COVID-19 pandemic, in preparing the financial information for the year ended December 31, 2020, the Group has adopted the Accounting Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation” announced by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other matters

The consolidated and separate statements of financial position for the year ended December 31, 2019, of Syntec Construction Public Company Limited and its subsidiaries, presented herewith for comparative purpose only, were audited by another auditor in my firm whom expressed an unqualified opinion on those financial statements, dated on February 27, 2020.

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 management 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 Ms. Kannika Wipanurat

Ms. Kannika Wipanurat

Certified Public Accountant (Thailand) No. 7305

Karin Audit Company Limited

February 26, 2020.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

		Consolidated		Separate	
	Notes	December 31, 2020	December 31,2019	December 31, 2020	December 31,2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		638,059,322	926,504,515	542,710,098	743,394,541
Current investments	4	-	609,221,887	-	608,366,149
Other current financial assets	4, 7	1,516,060,291	-	1,515,197,223	-
Trade accounts receivable	5, 8	918,847,063	894,476,638	913,915,395	884,927,204
Other current receivables	4, 9	66,339,410	106,979,903	57,223,213	70,432,576
Current contract assets	5, 10	829,669,567	1,047,354,271	829,669,567	1,047,354,271
Short-term loans	5	-	-	76,000,000	98,000,000
Inventories	11	103,623,953	133,581,989	102,822,330	132,842,589
Advance payments to subcontractors		169,316,327	379,127,229	169,316,327	379,127,229
Other current assets	12	72,841	-	-	-
TOTAL CURRENT ASSETS		4,241,988,774	4,097,246,432	4,206,854,153	3,964,444,559
NON-CURRENT ASSETS					
Investments for sale	4	-	819,368,282	-	819,368,282
Other non-current financial assets	4, 5	623,922,637	-	623,922,637	-
Investments in associated companies	12	-	130,360	-	-
Investment in subsidiaries	13	-	-	1,469,331,650	1,402,689,700
Other long-term investments		-	191,715	-	191,715
Non-current contract assets	10	650,510,178	662,073,826	653,610,570	665,174,217
Property investments	15	529,825,492	545,184,111	7,104,445	3,042,895
Property, plant and equipment	16	3,266,356,966	3,465,875,976	618,022,752	688,189,380
Right of use assets	4, 17	1,002,783,513	-	480,904,158	-
Leasehold right	4, 18	-	453,704,620	-	269,672,196
Intangible assets	19	6,544,244	5,078,778	6,306,100	4,553,863
Withholding tax		172,337,247	124,127,559	159,994,461	114,381,993
Pledged deposit at bank		27,558,282	52,800,778	7,557,250	32,799,750
Deferred tax assets	24	60,819,287	-	60,819,287	-
Other non-current assets		21,252,241	22,372,913	10,696,660	10,985,312
TOTAL NON-CURRENT ASSETS		6,361,910,087	6,150,908,918	4,098,269,970	4,011,049,303
TOTAL ASSETS		10,603,898,861	10,248,155,350	8,305,124,123	7,975,493,862

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

		Consolidated		Separate	
	Notes	December 31, 2020	December 31,2019	December 31, 2020	December 31,2019
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payables	5, 20	370,799,436	392,562,786	364,761,182	378,125,960
Other current payables	5, 21	675,267,158	350,026,429	656,220,511	321,197,389
Current portion of long-term loans	23	185,048,969	737,900,514	-	-
Current portion of lease liabilities	4, 17	35,178,606	-	34,738,721	-
Corporate income tax payable		283,408	-	-	-
Current provisions for employee benefits	25	17,980,488	6,620,914	17,980,488	6,532,749
Contract liabilities	5, 10	381,929,362	635,438,055	381,929,362	635,438,055
Retention payables from subcontractors	5, 22	374,812,980	345,196,241	374,812,980	345,196,241
Undue value added tax		102,567,378	118,046,455	102,567,378	118,046,455
Other current provisions	26	10,756,280	10,254,642	10,756,280	10,254,642
Other current liabilities		34,144,469	22,699,781	7,488,135	7,308,039
TOTAL CURRENT LIABILITIES		2,188,768,534	2,618,745,817	1,951,255,037	1,822,099,530
NON-CURRENT LIABILITIES					
Long-term loans	23	1,447,195,469	1,080,703,706	-	-
Lease liabilities	4, 5, 17	567,935,682	-	204,451,309	-
Deferred tax liabilities	24	3,249,178	44,214,777	-	44,214,777
Non-current provisions for employee benefits	25	185,270,364	213,537,697	177,296,195	207,406,898
Other non-current provisions	26	33,566,492	28,209,958	29,876,092	28,209,958
Deposit from customers		11,267,833	22,696,978	-	-
TOTAL NON-CURRENT LIABILITIES		2,248,485,018	1,389,363,116	411,623,596	279,831,633
TOTAL LIABILITIES		4,437,253,552	4,008,108,933	2,362,878,633	2,101,931,163

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit : Baht)

	Notes	Consolidated		Separate	
		December 31, 2020	December 31,2019	December 31, 2020	December 31,2019
LIABILITIES AND EQUITY					
SHAREHOLDER'S EQUITY					
Share capital					
Authorized share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Issued and paid share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Treasury shares	28	(22,899,616)	(22,899,616)	(22,899,616)	(22,899,616)
Share premium					
Share premium on ordinary shares		23,744	23,744	23,744	23,744
Discount from changes in the ownership interests in subsidiary					
		(6,869,861)	(6,869,861)	-	-
Retained earnings					
Appropriated					
Legal reserves		160,000,000	160,000,000	160,000,000	160,000,000
Treasury share reserves	28	22,899,616	22,899,616	22,899,616	22,899,616
Unappropriated		3,521,947,903	3,409,801,632	3,860,481,728	3,635,442,421
Other components of shareholders' equity		321,740,018	478,096,534	321,740,018	478,096,534
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT COMPANY		5,596,841,804	5,641,052,049	5,942,245,490	5,873,562,699
Non-controlling interests	14	569,803,505	598,994,368	-	-
TOTAL SHAREHOLDERS' EQUITY		6,166,645,309	6,240,046,417	5,942,245,490	5,873,562,699
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,603,898,861	10,248,155,350	8,305,124,123	7,975,493,862

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)				
	Consolidated		Separate	
Notes	2020	2019	2020	2019
Revenues				
Contract revenues	7,623,868,989	7,921,605,725	7,623,868,989	7,930,104,617
Revenue from rendering of services	308,167,281	461,412,785	40,584,725	103,577,027
Gain on disposal and write off of assets	1,687,438	9,640,536	1,514,291	13,202,985
Reversal of estimated allowance for litigation cases	-	20,812,858	-	20,812,858
Interest income	5,403,481	18,888,406	7,593,400	21,431,334
Other income	48,990,944	129,868,960	32,661,300	114,508,908
Total revenues	7,988,118,133	8,562,229,270	7,706,222,705	8,203,637,729
Expenses				
Contract costs	6,894,777,236	7,091,826,985	6,894,777,236	7,095,020,776
Cost of rendering of services	330,914,011	366,223,303	67,277,319	90,295,981
Distribution costs	31,428,225	41,312,159	18,467,998	19,882,736
Administrative expenses	376,460,428	476,556,854	276,967,341	371,996,943
Other expenses	29,067,653	132,614,534	29,067,654	124,709,622
Finance costs	81,703,924	75,210,221	10,592,994	8,148
Total expenses	7,744,351,477	8,183,744,056	7,297,150,542	7,701,914,206
Share of loss of associate	12	(57,519)	-	-
Profit before income tax expense		243,709,137	409,072,163	501,723,523
Income tax expense	32	59,921,193	55,941,698	130,362,064
Profit for the year		183,787,944	353,130,465	371,361,459
Other comprehensive income				
Items that will be reclassified				
subsequently to profit or loss :-				
Gains on remeasuring available-for-sale investments		- 90,205,680	-	90,205,680
Income tax relating to items that will be reclassified				
subsequently to profit or loss		- (18,041,136)	-	(18,041,136)
Total items that will be reclassified				
subsequently to profit or loss		- 72,164,544	-	72,164,544

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)				
Notes	Consolidated		Separate	
	2020	2019	2020	2019
Items that will not be reclassified				
subsequently to profit or loss :-				
Gains (loss) on investment in equity designated at fair value				
through other comprehensive income	5	(195,445,645)	-	(195,445,645)
Gains on remeasurements of defined benefit plans	25	8,920,966	-	8,332,894
Income tax relating to components of other comprehensive				
income that will not be reclassified to profit or loss	32	37,422,550	-	37,422,550
Total items that will not be reclassified				
subsequently to profit or loss		(149,102,129)	-	(149,690,201)
Other comprehensive income for the year, net of tax		(149,102,129)	72,164,544	(149,690,201)
Total comprehensive income for the year		34,685,815	319,427,320	203,440,264
Profit (loss) attributable to :-				
Owners of the parent		239,823,297	294,166,450	353,130,465
Non - controlling interests	14	(56,035,353)	(46,903,674)	-
Profit for the year		183,787,944	247,262,776	353,130,465
Total comprehensive income (loss) attributable to :-				
Owners of the parent		90,547,228	366,330,994	203,440,264
Non - controlling interests		(55,861,413)	(46,903,674)	-
Total comprehensive income for the year		34,685,815	319,427,320	203,440,264
Earnings per share				
Basic (in Baht)	33	0.15	0.18	0.22

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

Consolidated														
Equity attributable to owners of the parent														
Notes					Retained earnings		Other components of shareholder's equity			Total equity attributable to owners of the parent	Non Controlling interests	Total shareholders' equity		
					Appropriated		Gains (Losses) on remeasurements of defined benefit plan	Available equity securities	Total other components of shareholder's equity					
					Issued and paid share capital	Treasury shares							Share premium on ordinary shares	Discount from changes in the ownership interests in subsidiary
	share capital	shares	on ordinary shares	interests in subsidiary										
Balance as at January 1, 2019	1,600,000,000	(4,767,321)	23,744	(6,869,861)	160,000,000	4,767,321	3,340,740,550	-	405,931,990	405,931,990	5,499,826,423	564,844,242	6,064,670,665	
Treasury stock reserve	-	(18,132,295)	-	-	-	-	-	-	-	-	(18,132,295)	-	(18,132,295)	
Dividends to owner of the company	34	-	-	-	-	-	(206,973,073)	-	-	-	(206,973,073)	-	(206,973,073)	
Acquisition for non-controlling interests		-	-	-	-	-	-	-	-	-	-	81,053,800	81,053,800	
Total comprehensive income (expense) for the year		-	-	-	-	-	294,166,450	-	72,164,544	72,164,544	366,330,994	(46,903,674)	319,427,320	
Allocation of treasury stock reserve		-	-	-	-	18,132,295	(18,132,295)	-	-	-	-	-	-	
Ending balance as at December 31, 2019		1,600,000,000	(22,899,616)	23,744	(6,869,861)	160,000,000	22,899,616	3,409,801,632	-	478,096,534	478,096,534	5,641,052,049	598,994,368	6,240,046,417
Balance as at January 1, 2020 - as reported		1,600,000,000	(22,899,616)	23,744	(6,869,861)	160,000,000	22,899,616	3,409,801,632	-	478,096,534	478,096,534	5,641,052,049	598,994,368	6,240,046,417
Impact of first-time adoption of new financial reporting standards	4	-	-	-	-	-	(7,483,614)	-	-	-	(7,483,614)	-	(7,483,614)	
Balance as at January 1, 2020 - restated		1,600,000,000	(22,899,616)	23,744	(6,869,861)	160,000,000	22,899,616	3,402,318,018	-	478,096,534	478,096,534	5,633,568,435	598,994,368	6,232,562,803
Dividends to owner of the company	34	-	-	-	-	-	(127,273,859)	-	-	-	(127,273,859)	-	(127,273,859)	
Acquisition for non-controlling interests		-	-	-	-	-	-	-	-	-	-	26,670,550	26,670,550	
Transferred to Retained earnings		-	-	-	-	-	7,080,447	(7,080,447)	-	(7,080,447)	-	-	-	
Total comprehensive income (expense) for the year		-	-	-	-	-	239,823,297	7,080,447	(156,356,516)	(149,276,069)	90,547,228	(55,861,413)	34,685,815	
Ending balance as at December 31, 2020		1,600,000,000	(22,899,616)	23,744	(6,869,861)	160,000,000	22,899,616	3,521,947,903	-	321,740,018	321,740,018	5,596,841,804	569,803,505	6,166,645,309

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

Separate										
Notes	Retained earnings						Other components of shareholder's equity			
	Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Legal reserve	Treasury shares reserve	Unappropriated	Gains (Losses) on remeasurements of defined benefit plan	Available equity securities	Total other components of shareholder's equity	Total shareholders' equity
Balance as at January 1, 2019	1,600,000,000	(4,767,321)	23,744	160,000,000	4,767,321	3,489,186,330	-	405,931,990	405,931,990	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	-	72,164,544	72,164,544	443,526,003
Allocation of treasury stock reserve	-	-	-	-	18,132,295	(18,132,295)	-	-	-	-
Ending balance as at December 31, 2019	<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>-</u>	<u>478,096,534</u>	<u>478,096,534</u>	<u>5,873,562,699</u>
Balance as at January 1, 2020 - as reported	4	1,600,000,000	(22,899,616)	23,744	160,000,000	22,899,616	3,635,442,421	-	478,096,534	478,096,534
Impact of first-time adoption of new financial reporting standards		-	-	-	-	(7,483,614)	-	-	-	(7,483,614)
Balance as at January 1, 2020 - restated		<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>3,627,958,807</u>	<u>-</u>	<u>478,096,534</u>	<u>5,866,079,085</u>
Dividends to owner of the company	34	-	-	-	-	(127,273,859)	-	-	-	(127,273,859)
Transferred to Retained earnings		-	-	-	-	6,666,315	(6,666,315)	-	(6,666,315)	-
Total comprehensive income (expense)										
for the year	-	-	-	-	-	353,130,465	6,666,315	(156,356,516)	(149,690,201)	203,440,264
Ending balance as at December 31, 2020		<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>3,860,481,728</u>	<u>-</u>	<u>321,740,018</u>	<u>5,942,245,490</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit for the period	183,787,944	247,262,776	353,130,465	371,361,459
Adjustments to reconcile profit to cash receipts (payments)				
Reversal of allowance for credit losses	(711,142)	(217,184)	(711,142)	(217,184)
Allowance for receivable credit losses	27,834,227	131,175,608	27,834,227	123,270,696
Depreciation and amortization	385,876,758	363,275,564	200,401,140	194,434,382
Interest income	(5,403,481)	(18,888,406)	(7,593,400)	(21,431,334)
Interest expense	81,703,924	75,210,221	10,592,994	8,148
Loss on write-off withholding tax paid	5,108	629,013	-	-
Gain on disposal of fixed assets	(1,834,602)	(9,725,134)	(1,661,333)	(13,254,987)
Loss on write-off of equipment	147,164	84,598	147,042	52,002
Unrealized gains from changes in fair value				
of investment in debt securities	(3,700,262)	(8,684,786)	(3,692,931)	(8,670,974)
Gain from modification of longterm loan agreements	(3,946,850)	-	-	-
Share of loss of associates	57,519	56,693	-	-
Estimated costs of rectification in the period				
of guarantee work (reversal)	15,053,940	16,188,719	15,053,940	16,188,719
Provision for litigation (reversal)	1,666,134	(19,156,747)	1,666,134	(19,156,747)
Provision for employee benefit	35,675,993	57,492,836	33,247,284	55,638,989
Tax expense	59,921,193	131,165,745	55,941,698	130,362,064
	776,133,567	965,869,516	684,356,118	828,585,233
Changes in operating assets and liabilities				
Trade accounts receivables	(51,586,874)	268,646,403	(56,204,640)	275,538,741
Other current receivables	40,200,905	16,703,788	12,662,261	23,358,617
Contract assets	222,737,390	(364,489,694)	222,737,390	(365,108,836)
Inventories	30,381,391	6,890,008	30,443,613	6,519,220
Advance payments to subcontractors	209,810,901	(170,174,715)	209,810,901	(170,174,715)
Other non-current assets	1,120,672	(11,453,692)	288,650	(1,562,120)
Trade accounts payables	(21,763,349)	(24,052,871)	(13,364,778)	(28,767,194)
Contract liabilities	(253,508,693)	(14,591,833)	(253,508,693)	(14,591,833)
Undue value added tax	(15,479,078)	(5,024,161)	(15,479,078)	(5,024,161)
Deposit received from customers	(164,552)	(1,103,581)	-	-

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Retention payables from subcontractors	29,616,740	26,170,345	29,616,740	26,170,345
Other current payables	325,347,862	(4,851,042)	335,023,122	21,234,400
Other current liabilities	180,096	(190,810)	180,096	(190,812)
Payment of estimated costs of rectification in the period of guarantee work	(14,552,302)	(13,957,994)	(14,552,302)	(13,957,994)
Payment of provisions for employee benefits	(43,662,786)	(5,799,562)	(43,577,354)	(5,482,221)
Payment of provisions for litigation	-	(11,098,700)	-	(11,098,700)
Net Cash generated from operation	1,234,811,890	657,491,405	1,128,432,046	565,447,970
Withholding tax paid	(172,214,916)	(242,741,262)	(169,165,679)	(241,053,866)
Net cash from operating activities	1,062,596,974	414,750,143	959,266,367	324,394,104
Cash flows from investing activities				
Interest received	4,963,781	19,539,024	7,261,215	21,798,095
Purchase of other current financial assests/temporary investment	(2,740,120,882)	(1,776,435,586)	(903,138,143)	(1,776,435,586)
Proceeds from other current financial assests/temporary investment	1,836,982,738	2,168,165,674	-	2,168,165,674
Purchase of investment in subsidiaries	-	-	(66,641,950)	(246,946,200)
Payment of short-term loans from related parties	-	-	-	(108,200,000)
Proceeds from short-term loans from related parties	-	-	22,000,000	45,200,000
Proceeds from long-term investments	191,715	19,381,504	191,715	19,381,504
Pledged deposit at bank Increase (Decrease)	25,242,496	33,412,969	25,242,500	33,412,977
Purchase of property, plant and equipment	(71,653,030)	(192,157,603)	(55,944,180)	(108,383,120)
Purchase of property investments	(6,956,132)	(4,211,003)	(3,967,131)	-
Purchase of right-of-use assets	-	(95,000,000)	-	-
Acquisition of right-of-use assets	(73,509)	-	-	-
Purchase of intangible assets	(5,781,907)	(658,360)	(5,721,907)	(622,450)
Sale of equipment	4,037,268	21,596,549	3,524,357	21,077,832
Net cash from (used in) investing activities	(953,167,462)	193,633,168	(977,193,524)	68,448,726

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Cash flows from financing activities				
Interest paid	(68,256,815)	(75,773,273)	(10,592,994)	-
Dividend paid	(127,273,859)	(206,973,073)	(127,273,859)	(206,973,073)
Payment of short-term loans from financial institutions	-	(100,040,341)	-	(99,140,187)
Proceeds from long-term loans	-	31,800,000	-	-
Payment of long-term loans	(183,722,284)	(150,269,090)	-	-
Payment of lease liabilities	(45,292,297)	-	(44,890,433)	-
Proceeds from non-controlling interests	26,670,550	81,153,800	-	-
Payment of treasury stock reserve	-	(18,132,295)	-	(18,132,295)
Payment of non-controlling interests	-	(100,000)	-	-
Net cash used in financing activities	(397,874,705)	(438,334,272)	(182,757,286)	(324,245,555)
Net increase (decrease) in cash and cash equivalents	(288,445,193)	170,049,039	(200,684,443)	68,597,275
Cash and cash equivalents at 1 January	926,504,515	756,455,476	743,394,541	674,797,266
Cash and cash equivalents at 31 December	638,059,322	926,504,515	542,710,098	743,394,541
Supplemental cash flows information				
Non-cash transactions:				
Increase in right-of-use asset under lease	11,985,542	-	10,743,192	-

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020 were as follows:

	<i>(% of total paid share capital)</i>
Phahusutr Group	30.71

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:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			December 31, 2020	December 31, 2019
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	79.98
6) AN 8 Co., Ltd. *	Service apartment or real estate development for rental	Thailand	79.90	79.90
7) SHG Management Co., Ltd	Hotel business management and services	Thailand	70.00	70.00

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			December 31, 2020	December 31, 2019
8) Delta Infra One Co., Ltd.*	Service in consulting, purchasing and installing of sanitary, electrical, pipeline and air conditioning systems.	Thailand	90.00	-

* Not commercial operations yet

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).

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

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 COVID-19 pandemic

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

2.4 New Financial reporting standard

a) Financial reporting standards that become effective in the current year

During the year, the Company has adopted the revised (revised 2019) and new 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. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements. However, the new standard involves changes to key principles, which are summarized below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

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

- Classification and measurement of investments in trading securities - The Group's trading securities investments in fixed income funds. The Group decided to classify these investments as financial assets at fair value through profit or loss.
- Classification and measurement of investments in equity instruments of listed company - The Group measures investments in equity instruments of listed company at fair value and classifies the investments as financial assets at fair value through other comprehensive income.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

The cumulative effect of the change is described in Note 4.1

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.

The Group adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated by choosing to use indulgent guidelines. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognized in the statement of financial position as at January 1, 2020.

The cumulative effect of the change is described in Note 4.2

b) Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2021. 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

2.5 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

2.6 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 thousand/million unless otherwise stated.

2.7 Use of estimates and judgments

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.

2.7.1 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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2.7.2 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

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Significant accounting judgments and estimates are summarized as follows:

Allowance for impairment of investments in equity securities

The Group/ Company treats available- for- sale investments in equity securities 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.

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, labor 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, labor 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 labor 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.

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2.8 Measurement of fair value

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

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

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

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

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

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

If the inputs used to measure the fair value of an asset or liability might be 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 recognized 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 other non-current financial assets
Note 7	Measurement of other current financial assets
Note 35	Financial instruments

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2.9 The consolidated and separate financial statements for the year ended December 31, 2020 and 2019 included the investment and share of loss of an associate, which had been accounted for by equity method amounted to Baht 0.07 million and Baht 0.06 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 such associate and an allowance for impairment of investment in the above mentioned associate was set up as at December 31, 2020 and 2019 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 values of the investments in the associate were immaterial.

3 Significant accounting policies

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

3.1 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 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.

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3.3 Trade and other current receivables

Trade and other current receivables are stated at their invoice value less allowance for credit losses.

The Company applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3.4 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.

3.5 Contract assets / Contract liabilities

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group have an obligation to transfer services to a customer. Contract liabilities are recognised as revenue when the Group fulfil their performance obligations under the contracts.

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3.6 Investment 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.

3.7 Financial assets and financial liabilities

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- ☐ Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.

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- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. The Group reclassifies all financial liabilities as subsequently measured at amortised cost, except for derivatives.

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Recognition and derecognition

The Group shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies general approach for credit-impaired consideration.

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.

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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.

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.

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3.10 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.

3.11 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.

Calculation of recoverable amount

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

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.

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3.12 Leases

Lease - where the Group is the lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

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The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.13 Interest - bearing liability

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's/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's/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)).

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- 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's/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.

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.

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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.

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.

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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

The Group has determined that its construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Sales 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.

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.

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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 Financial costs

Financial 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 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.

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

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

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

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

3.22 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.

3.23 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.

3.24 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.

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3.25 Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Note to take into account forward-looking information when determining expected credit losses, in cases where
- To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

4 Impact of first-time adoption of new financial reporting standards

This note explains the impact of the adoption of TFRS 9, Financial Instruments and group of financial reporting standards relate to financial instruments and TFRS 16, Leases on the Group and Company’s financial statements and discloses the new accounting policies that have been applied from January 1, 2020 in Note 2.4.

The Group has adopted these accounting policies from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at January 1, 2020.

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The impact of the first-time adoption of new accounting standards on the consolidated statement of financial position is as follows:

	(Unit : Baht)			
	Consolidated			
	December 31,			January 1,
	2019	TFRS9	TFRS16	2020
Statement of financial position				
Current assets				
Current investments	609,221,887	(609,221,887)	-	-
Other current financial assets	-	609,221,887	-	609,221,887
Other current receivables	106,979,903	(972,652)	-	106,007,251
Current retention receivables under construction contracts	130,268,705	(6,510,962)	-	123,757,743
Non-current assets				
Available-for-sale investments	819,368,282	(819,368,282)	-	-
Other non-current financial assets	-	819,368,282	-	819,368,282
Leasehold right, net	453,704,620	-	(453,704,620)	-
Right-of-use assets, net	-	-	1,089,164,803	1,089,164,803
Total assets	<u>2,119,543,397</u>	<u>(7,483,614)</u>	<u>635,460,183</u>	<u>2,747,519,966</u>
Current liabilities				
Current portion of lease liabilities, net	-	-	42,846,723	42,846,723
Non-current liabilities				
Lease liabilities, net	-	-	588,923,060	588,923,060
Estimated demolition cost	-	-	3,690,400	3,690,400
Total liabilities	<u>-</u>	<u>-</u>	<u>635,460,183</u>	<u>635,460,183</u>
Unappropriated retained earnings	<u>3,409,801,632</u>	<u>(7,483,614)</u>	<u>-</u>	<u>3,402,318,018</u>
Total equity	<u>2,119,543,397</u>	<u>(7,483,614)</u>	<u>-</u>	<u>2,112,059,783</u>
Total liabilities and shareholders' equity	<u>2,119,543,397</u>	<u>(7,483,614)</u>	<u>635,460,183</u>	<u>2,747,519,966</u>

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FOR THE YEAR ENDED DECEMBER 31, 2020

The impact of the first-time adoption of new accounting standards on the separate statement of financial position is as follows:

	(Unit : Baht)			
	Separate			
	December 31,			January 1,
	2019	TFRS9	TFRS16	2020
Statement of financial position				
Current assets				
Current investments	608,366,149	(608,366,149)	-	-
Other current financial assets	-	608,366,149	-	608,366,149
Other current receivables	70,432,576	(972,652)	-	69,459,924
Current retention receivables under construction contracts	130,268,705	(6,510,962)	-	123,757,743
Non-current assets				
Available-for-sale investments	819,368,282	(819,368,282)	-	-
Other non-current financial assets	-	819,368,282	-	819,368,282
Leasehold right, net	269,672,196	-	(269,672,196)	-
Right-of-use assets, net	-	-	550,603,097	550,603,097
Total assets	1,898,107,908	(7,483,614)	280,930,901	2,171,555,195
Current liabilities				
Current portion of lease liabilities, net	-	-	42,663,977	42,663,977
Non-current liabilities				
Lease liabilities, net	-	-	238,266,924	238,266,924
Total liabilities	-	-	280,930,901	280,930,901
Unappropriated retained earnings	3,635,442,421	(7,483,614)	-	3,627,958,807
Total equity	1,898,107,908	(7,483,614)	-	1,890,624,294
Total liabilities and shareholders' equity	1,898,107,908	(7,483,614)	280,930,901	2,171,555,195

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4.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	(Unit : Baht)	
	Consolidated	Separate
Unappropriated retained earnings as at December 31, 2019 (Audited)	3,409,801,632	3,635,442,421
Increase in loss allowance for other current receivables	(972,652)	(972,652)
Increase in loss allowance for current retention receivables under construction contracts	(6,510,962)	(6,510,962)
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020	(7,483,614)	(7,483,614)
Unappropriated retained earnings as at January 1, 2020 - TFRS 9 (before restatement for TFRS 16) (Unaudited)	<u>3,402,318,018</u>	<u>3,627,958,807</u>

Classification and measurement

On January 1, 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and financial liabilities held by the Group and has classified the financial assets and liabilities as below.

	(Unit : Baht)			
	Consolidated			
Financial assets	FVPL	FVOCI	Amortized cost	Total
as at January 1, 2020				
Cash and cash equivalents	-	-	926,504,515	926,504,515
Other current financial assets	586,734,503	-	22,487,384	609,221,887
Trade accounts receivables	-	-	894,476,638	894,476,638
Other current receivables	-	-	106,979,903	106,979,903
Retention receivables	-	-	792,342,531	792,342,531
Other non-current financial assets	-	819,368,282	-	819,368,282
Long-term investments	-	-	191,715	191,715
Restricted deposits with financial institutions	-	-	52,800,778	52,800,778
Other non-current assets	-	-	22,372,913	22,372,913
	<u>586,734,503</u>	<u>819,368,282</u>	<u>2,818,156,377</u>	<u>4,224,259,162</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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(Unit : Baht)

Financial liabilities	Consolidated			
	FVPL	FVOCI	Amortized cost	Total
as at January 1, 2020				
Trade accounts payables	-	-	392,562,786	392,562,786
Other current payables	-	-	350,026,249	350,026,249
Other current liabilities	-	-	22,699,781	22,699,781
Long-term loans from financial institutions	-	-	1,818,604,221	1,818,604,221
	-	-	2,583,893,037	2,583,893,037

(Unit : Baht)

Financial assets	Separate			
	FVPL	FVOCI	Amortized cost	Total
as at January 1, 2020				
Cash and cash equivalents	-	-	743,394,541	743,394,541
Other current financial assets	585,878,765	-	22,487,384	608,366,149
Trade accounts receivables	-	-	884,927,204	884,927,204
Other current receivables	-	-	70,432,576	70,432,576
Retention receivables	-	-	795,442,922	795,442,922
Short-term loans	-	-	98,000,000	98,000,000
Other non-current financial assets	-	819,368,282	-	819,368,282
Long-term investments	-	-	191,715	191,715
Restricted deposits with financial institutions	-	-	32,799,750	32,799,750
Other non-current assets	-	-	10,985,312	10,985,312
	585,878,765	819,368,282	2,658,661,404	4,063,908,451

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	(Unit : Baht)			
	Separate			
Financial liabilities	FVPL	FVOCI	Amortized cost	Total
as at January 1, 2020				
Trade accounts payables	-	-	378,125,960	378,125,960
Other current payables	-	-	321,197,389	321,197,389
Other current liabilities	-	-	7,308,039	7,308,039
	-	-	706,631,388	706,631,388

Financial assets and liabilities measured at amortised cost approximate fair value.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of TAS 17, Leases. It is the right to use the asset with the value equal to the liabilities under the lease agreement. Adjusted by the amount of payment required to be paid in advance or payable in accordance with the lease agreement recognized in the statement of financial position before the date of first use. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group's weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2020 was range between 3.43 to 4.95 and 6.16, respectively.

	(Unit : Baht)	
	Consolidated	Separate
Operating lease commitments disclosed as at December 31, 2019 (Audited)	1,016,933,603	352,552,167
<u>Less:</u> Short- term leases recognised on a straight-line basis as expenses	(10,171,000)	(10,171,000)
<u>Less:</u> Deferred interest expenses	(374,992,820)	(61,450,266)
Additional lease liabilities from TFRS 16 adoption	631,769,783	280,930,901
Finance lease liabilities as at December 31, 2019	-	-
Lease liabilities recognized as at January 1, 2020 (Unaudited)	<u>631,769,783</u>	<u>280,930,901</u>
Of which are:		
Current lease liabilities	42,846,773	42,663,977
Non-current lease liabilities	588,923,060	238,266,924

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The recognised right-of-use assets relate to the following types of assets:

	(Unit: Baht)	
	Consolidated	Separate
As at January 1, 2020		
Land	578,644,977	40,474,449
Building and building improvement	477,781,502	477,781,502
Vehicles	32,738,324	32,347,146
Total right-of-use assets	1,089,164,803	550,603,097

5 Related parties

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

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Subsidiaries		
1. SCR Asset Management Co., Ltd.	Thailand	Subsidiary, 68% shareholding, and some common directors
2. Natural Ville Service Apartment and Management Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding and some common directors
3. CSM Capital Partners Co., Ltd.	Thailand	Subsidiary, 60% shareholding and some common directors
4. JT Ten Co., Ltd.	Thailand	Subsidiary, 84.98% shareholding and some common directors
5. PT Three Land Co., Ltd.	Thailand	Subsidiary, 79.98% shareholding and some common directors
6. AN 8 Co., Ltd.	Thailand	Subsidiary, 79.90% shareholding and some common directors
7. SHG Management Co., Ltd.	Thailand	Subsidiary, 70% shareholding and some common directors

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Name of entities	Country of incorporation/ nationality	Nature of relationships
8. Delta Infra One Co., Ltd.	Thailand	Subsidiary, 90% shareholding and some common directors
Associate		
1. Natural Hotel Sukhumvit Co., Ltd	Thailand	Associate, 25% Shareholding
Joint ventures		
1. SVK Joint venture	Thailand	Joint venture, 51% portion of joint venture and registered to cease operations
Related companies		
1. Bangkok Expressway and Metro Public Company Limited	Thailand	Related company, 0.49% shareholding
2. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venture in Syntec-Mivan Joint Venture
3. Siam Syntec Planner Co., Ltd.	Thailand	Related company, some common directors
4. Tate Enterprise Co., Ltd.	Thailand	Related company, some common shareholder
5. N&J Assets Management Co., Ltd.	Thailand	Related company, some common directors
6. Narai Phand Co., Ltd.	Thailand	Related company, directors related to the director of the Company
7. N & J Hospitality Co., Ltd.	Thailand	Related company, directors related to the director of the Company
8. Pink Cafe Co., Ltd.	Thailand	Related company, directors related to the director of the Company
9. Safe Series Co., Ltd.	Thailand	Related company, shareholder as a key management personnel of the Company
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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
16. Thai Roong Ruang Industry Co., Ltd.	Thailand	Related company, shareholder and director related to the shareholders and directors of the Company
17. TRR Property Co., Ltd.	Thailand	Related company, shareholder and director as the shareholder and director of the subsidiary
18. CSNJ Patong 3 Co., Ltd.	Thailand	Related company, shareholder related to the Company's directors
19. The Gas Carrier Co., Ltd.	Thailand	Related company, directors related to the Company's directors
Related persons		
1. Six related persons	Thailand	Related persons, as the Company's and the subsidiaries' directors, shareholders, key management personnel or related to the key management personnel.
2. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director of the Group/Company (whether executive or otherwise).

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

	<u>Pricing policies</u>
Sale of steel and others	As invoices (cost price)
Interest income	MLR - 2.48 and MLR - 2.75 per annum
Contract revenues	Cost price plus profit margin not less than 12%
Rendering of service	Service income to be refunded under the contract on the basis determined by related concern which approximated the market price
Contract costs	Market price
Purchase of steel	Market price
Cost of service (management fee for service apartment and others)	Contract price on the basis determined by the related concerned which approximated the market rate
Service expenses	Contract price on the basis determined by the related concerned which was not higher than employment rate
Consulting fee for security system	Contract price on the basis determined by the related concerned
Land rental	Contract price on the basis determined by the related concerned which approximated the market rate
Interest expenses	MLR - 2.48 and 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

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Significant transactions for the year ended December 31 with related parties were summarized as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Revenue				
Subsidiaries				
Contract revenues	-	-	-	8,498,892
Rendering of service and others	-	-	5,077,182	8,967,200
Interest income	-	-	2,588,019	2,825,472
Related companies				
Contract revenues	458,603,955	725,709,613	458,603,955	725,709,613
Rental and service expenses	5,769,683	4,230,073	3,707,805	4,320,073
Other income	-	800,000	-	-
Expenses				
Subsidiaries				
Cost of service	-	-	16,006,314	26,882,710
Administrative expenses	-	-	1,284,660	45,501
Related companies				
Contract costs	190,111,263	218,854,673	190,111,263	218,854,673
Cost of service	18,424,603	31,892,415	57,217	15,817,274
Space rental and services	2,777,106	2,777,106	2,777,106	2,777,106
Other service expenses	3,119,024	11,320,831	3,119,024	11,320,831
Purchase of steel	55,617,705	129,492,649	55,617,705	129,492,649
Related Persons				
Consulting fee for security system	-	3,600,000	-	3,600,000
Land rental expense	-	38,400	-	38,400
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	53,683,487	70,857,534	46,710,550	56,507,063
Post-employment benefits	1,693,370	5,134,907	1,693,370	5,134,907
Total key management personnel compensation	55,376,857	75,992,441	48,403,920	61,641,970

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Key management compensation for the years ended December 31, 2020 and 2019, separately shown as follows

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Construction cost	12,097,400	13,607,800	12,097,400	13,607,800
Cost of service	4,968,868	10,975,727	-	-
Cost of distribution	3,179,800	3,169,800	3,179,800	3,169,800
Administrative expenses	35,130,789	48,239,114	33,126,720	44,864,370
	<u>55,376,857</u>	<u>75,992,441</u>	<u>48,403,920</u>	<u>61,641,970</u>

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

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Assets</u>				
<u>Trade accounts receivables - related parties</u>				
Related companies	<u>31,975,281</u>	<u>74,343,976</u>	<u>31,866,562</u>	<u>74,343,976</u>
<u>Retention receivables under construction contracts - related parties</u>				
Subsidiaries	-	-	3,100,391	3,100,391
Related companies	<u>61,398,009</u>	<u>48,234,251</u>	<u>61,398,009</u>	<u>48,234,251</u>
Total	<u>61,398,009</u>	<u>48,234,251</u>	<u>64,498,400</u>	<u>51,334,642</u>
<u>Other current receivables and advances</u>				
Subsidiaries	-	-	17,003,194	18,095,326
Related companies	<u>332,817</u>	<u>83,397</u>	<u>332,817</u>	<u>83,397</u>
Related persons	<u>510,080</u>	<u>1,651,000</u>	<u>470,080</u>	<u>1,651,000</u>
Total	<u>842,897</u>	<u>1,734,397</u>	<u>17,806,091</u>	<u>19,829,723</u>
<u>Less</u> allowance for credit losses	-	-	-	-
Net	<u>842,897</u>	<u>1,734,397</u>	<u>17,806,091</u>	<u>19,829,723</u>
<u>Unbilled construction in progress - related parties</u>				
Related companies	<u>29,264,753</u>	<u>-</u>	<u>29,264,753</u>	<u>-</u>

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	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	76,000,000	98,000,000
	(Unit : Baht)			
	Consolidated and Separate			
	2020		2019	
	Cost	Fair value	Cost	Fair value
<u>Other non-current financial assets</u>				
<u>Equity securities/Investments for sale</u>				
Related companies				
Cost	221,747,612	623,922,637	221,747,612	819,368,282
Profit (loss) from fair value adjustment	402,175,025	-	597,620,670	-
Fair value	623,922,637	623,922,637	819,368,282	819,368,282
	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Liabilities</u>				
<u>Trade accounts payable - related parties</u>				
Related companies	9,765,986	25,321,143	9,765,986	25,321,143
<u>Other current payables - related parties</u>				
Subsidiaries	-	-	18,339,743	16,084,598
Related companies	1,523,982	2,566,797	224,139	768,733
Total	1,523,982	2,566,797	18,563,882	16,853,331
<u>Advance received from customers under</u>				
<u>construction contracts - related parties</u>				
Related companies	9,097,032	10,239,312	9,097,032	10,239,312
<u>Retention payables from subcontractors -</u>				
<u>related parties</u>				
Related companies	7,460,329	7,544,275	7,460,329	7,544,275

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	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Lease liabilities - related parties</u>				
Related companies	224,798,954	-	-	-

Movements of short - term loans to related parties for year ended December 31, 2020 were as follows:

		(Unit : Baht)			
		Separate			
		Balance as at January, 1	During the period		Balance as at December, 31
	Relationship	2020	Increase	Decrease	2020
<u>Loan to related parties</u>					
CSM Capital Partners Co., Ltd.	Subsidiary	10,000,000	10,000,000	(11,000,000)	9,000,000
SCR Asset Management Co., Ltd.	Subsidiary	83,000,000	15,000,000	(31,000,000)	67,000,000
JT Ten Co., Ltd.	Subsidiary	5,000,000	-	(5,000,000)	-
		<u>98,000,000</u>	<u>25,000,000</u>	<u>(47,000,000)</u>	<u>76,000,000</u>

As at December 31, 2020 and December 31, 2019, the Company had short-term loans to a subsidiary (“CSM Capital Partners Co., Ltd.”) of Baht 9 million and Baht 10 million, respectively, represented short-term loans under 3 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at MLR-2.48% and MLR-2.75% per annum.

As at December 31, 2020 and December 31, 2019, the Company had short-term loans to a subsidiary (“SCR Asset Management Co., Ltd.”) of Baht 67 million and Baht 83 million represented short-term loans under 15 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 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 30, 2020, resolved the approval of Directors’ remunerations for the year 2020 which were represented the meeting allowance of Baht 18,000 per time per head, and the annual audit committee directors’ remunerations of Baht 310,000 per head.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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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.

6 Financial assets and financial liabilities

On January 1, 2020 (the date of initial application of new financial reporting standards), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below. The disclosure for balances as at January 1, 2020 has been disclosed in Note 4.

	(Unit : Baht)			
	Consolidated			
			Amortized	
Financial assets	FVPL	FVOCI	cost	Total
As at December 31, 2020				
Cash and cash equivalents	-	-	638,059,322	638,059,322
Other current financial assets	1,403,452,025	-	112,608,266	1,516,060,291
Trade accounts receivable	-	-	918,847,063	918,847,063
Other current receivables	-	-	66,339,410	66,339,410
Contact assets	-	-	1,480,179,745	1,480,179,745
Other non-current financial assets	-	623,922,637	-	623,922,637
Restricted deposits with financial institutions	-	-	27,558,282	27,558,282
Other non-current assets	-	-	21,252,241	21,252,241
	1,403,452,025	623,922,637	3,264,844,329	5,292,218,991
Financial liabilities				
As at December 31, 2020				
Trade accounts payables	-	-	370,799,436	370,799,346
Other current payables	-	-	675,267,158	675,267,158
Other current liabilities	-	-	7,488,135	7,488,135
Long-term loans from financial institutions	-	-	1,632,244,438	1,632,244,438
	-	-	2,685,799,167	2,685,799,167

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(Unit : Baht)

Financial assets	Separate			
	FVPL	FVOCI	Amortized	Total
			cost	
As at December 31, 2020				
Cash and cash equivalents	-	-	542,710,098	542,710,098
Other current financial assets	1,402,588,957	-	112,608,266	1,515,197,223
Trade accounts receivable	-	-	913,915,395	913,915,395
Other current receivables	-	-	57,223,213	57,223,213
Contract assets	-	-	1,483,280,137	1,483,280,137
Short-term loans	-	-	76,000,000	76,000,000
Other non-current financial assets	-	623,922,637	-	623,922,637
Restricted deposits with financial institutions	-	-	7,557,250	7,557,250
Other non-current assets	-	-	10,696,660	10,696,660
	1,402,588,957	623,922,637	3,203,991,019	5,230,502,613
Financial liabilities				
As at December 31, 2020				
Trade accounts payables	-	-	364,761,182	364,761,182
Other current payables	-	-	656,220,511	656,220,511
Other current liabilities	-	-	7,488,135	7,488,135
	-	-	1,028,469,828	1,028,469,828

The Group classified debt investments that do not qualify for measurement at either amortised cost or FVOCI at fair value through profit or loss (FVPL).

Financial assets mandatorily measured at FVPL include the following:

	(Unit : Baht)	
	Consolidated	Separate
	2020	2020
Mutual Fund	1,403,452,025	1,402,588,957

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The Company classifies investments in equity securities that are not held for trading that do not qualify for measurement at fair value through profit and loss as fair value type through other comprehensive income.

Financial assets mandatorily measured at FVOCI include the following:

	(Unit : Baht)
	Consolidated and Separate
	2020
Investments in equity securities	623,922,637

The Company recognized dividends from equity securities in the income statement for the year ended December 31, 2020 as follows

	(Unit : Baht)
	Consolidated and Separate
Dividends	6,765,426

7 Other current financial assets

	(Unit : Baht)			
	Consolidated			
	2020		2019	
	Cost	Fair value	Cost	Fair value
Other current financial assets				
Premium savings	22,608,266	22,608,266	-	-
Fixed Deposit	90,000,000	90,000,000	-	-
Mutual fund – debt securities	1,399,751,763	1,403,452,025	-	-
Total	1,512,360,029	1,516,060,291	-	-

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	(Unit : Baht)			
	Separate			
	2020		2019	
	Cost	Fair value	Cost	Fair value
Other current financial assets				
Premium savings	22,608,266	22,608,266	-	-
Fixed Deposit	90,000,000	90,000,000	-	-
Mutual fund – debt securities	1,398,896,026	1,402,588,957	-	-
Total	1,511,504,292	1,515,197,223	-	-

As at December 31, 2020 and 2019, investments in mutual fund – debt securities of the Company amounted to Baht 138 million and Baht 162 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

8 Trade accounts receivables

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Related companies	31,980,238	74,343,976	31,866,562	74,343,976
Other parties	1,044,523,269	951,815,177	1,036,800,366	939,360,832
Total	1,076,503,507	1,026,159,153	1,068,666,928	1,013,704,808
<u>Less</u> allowance for receivable credit losses	(157,656,444)	(131,682,515)	(154,751,533)	(128,777,604)
Net	918,847,063	894,476,638	913,915,395	884,927,204

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Aging analyses for trade accounts receivables were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Within credit terms	651,288,774	605,518,018	649,566,108	599,256,290
Still litigation	159,515,229	155,994,053	154,751,533	155,994,053
Overdue:				
- Less than 3 months	89,812,077	148,575,714	88,610,321	147,270,042
- Over 3 months to 6 months	138,105,109	24,528,117	137,956,648	24,415,592
- Over 6 months to 12 months	11,100,818	85,332,493	11,100,818	82,748,331
- Over 12 months	26,681,500	6,210,758	26,681,500	4,020,500
Total overdue	265,699,504	264,647,082	264,349,287	258,454,465
Total	1,076,503,507	1,026,159,153	1,068,666,928	1,013,704,808

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

The loss allowance for trade receivables can be reconciled as follows:

	Consolidated			Separate		
	Average	Trade		Average	Trade	
	expected	receivables		expected	receivables	
	loss rate	(Gross)	Loss allowance	loss rate	(Gross)	Loss allowance
	%	Baht	Baht	%	Baht	Baht
As at December 31, 2020						
Within credit terms	-	651,288,774	-	-	649,566,108	-
Overdue:						
- Less than 3 months	-	89,812,077	-	-	88,610,321	-
- Over 3 months to 6 months	-	138,105,109	-	-	137,956,648	-
- Over 6 months to 12 months	-	11,100,818	-	-	11,100,818	-
- Over 12 months	-	26,681,500	-	-	26,681,500	-
Still litigation	8	159,515,229	(157,656,444)	100	154,751,533	(154,751,533)
Total		1,076,503,507	(157,656,444)		1,068,666,928	(154,751,533)

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The loss allowance for trade receivables can be reconciled as follows:

	(Unit : Baht)	
	Consolidated	Separate
For the year ended December 31, 2020		
As at January 1, 2020	(131,682,515)	(128,777,604)
(Increase) Decrease in loss allowance recognised in profit or loss	(27,216,449)	(27,216,449)
Receivables written off during the year as uncollectible	1,242,520	1,242,520
As at December 31, 2020	(157,656,444)	(154,751,533)

As at December 31, 2020, one of the trade receivables pending litigation has ended. The Supreme Court ruled that the debtor would not be liable for all debt owed against the Company. The Company therefore reversed allowance for credit losses of trade receivables amount to Baht 21.14 million, which consisted of allowance for credit losses of trade receivables amount to Baht 1.24 million, retentions receivables amount to Baht 14.52 million and unbilled construction in progress amount to Baht 5.38 million.

9 Other current receivables

	(Unit :Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Other receivables	25,909,621	32,215,019	42,526,986	50,104,177
Accrued income	13,709,544	4,758,052	2,250,794	3,536,315
Prepaid expenses	13,133,378	14,650,057	9,350,215	9,603,123
Input tax not due	5,235,095	6,716,134	4,627,070	6,394,114
Advances	5,817,646	6,481,376	5,614,672	5,749,624
Prepaid value added tax	9,719,388	48,465,239	38,738	1,351,197
Total	73,524,672	113,285,877	64,408,475	76,738,550
<u>Less allowance for credit losses</u>	<u>(7,185,262)</u>	<u>(6,305,974)</u>	<u>(7,185,262)</u>	<u>(6,305,974)</u>
Net	66,339,410	106,979,903	57,223,213	70,432,576
Related parties	332,817	83,397	17,336,011	18,178,723
Key management personnel	510,080	1,651,000	470,080	1,651,000
Other parties	72,681,775	111,551,480	46,602,384	56,908,827
Total	73,524,672	113,285,877	64,408,475	76,738,550
<u>Less allowance for credit losses</u>	<u>(7,185,262)</u>	<u>(6,305,974)</u>	<u>(7,185,262)</u>	<u>(6,305,974)</u>
Net	66,339,410	106,979,903	57,223,213	70,432,576

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The loss allowance for trade receivables can be reconciled as follows:

	(Unit : Baht)
	<u>Consolidated and Separate</u>
For the year ended December 31, 2020	
As at January 1, 2020	(6,305,974)
Impact of first-time adoption of TFRS 9 (note 4.1)	(972,652)
(Increase) Decrease in loss allowance recognised in profit or loss	93,364
Receivables written off during the year as uncollectible	-
As at December 31, 2020	<u>(7,185,262)</u>

10 Contract assets

10.1 Contract balance

	(Unit : Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Contract assets				
Retentions receivables under construction				
contracts	826,881,385	792,342,531	829,981,777	795,442,922
Unbilled construction in progress	<u>653,298,360</u>	<u>917,085,566</u>	<u>653,298,360</u>	<u>917,085,566</u>
Total	<u>1,480,179,745</u>	<u>1,709,428,097</u>	<u>1,483,280,137</u>	<u>1,712,528,488</u>
Current	829,669,567	1,047,354,271	829,669,567	1,047,354,271
Non-current	<u>650,510,178</u>	<u>662,073,826</u>	<u>653,610,570</u>	<u>665,174,217</u>
Total contract assets	<u><u>1,480,179,745</u></u>	<u><u>1,709,428,097</u></u>	<u><u>1,483,280,137</u></u>	<u><u>1,712,528,488</u></u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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10.2 Retentions receivables under construction contracts

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Retentions receivables under				
Construction contract	839,030,645	812,505,031	842,131,037	815,605,422
<u>Less</u> allowance for credit losses	(12,149,260)	(20,162,500)	(12,149,260)	(20,162,500)
Net	826,881,385	792,342,531	829,981,777	795,442,922
Current	176,371,207	130,268,705	176,371,207	130,268,705
Non-current	650,510,178	662,073,826	653,610,570	665,174,217
Total	826,881,385	792,342,531	829,981,777	795,442,922

10.3 Unbilled construction in progress

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Unbilled construction in progress	662,260,285	931,428,138	662,260,285	931,428,138
<u>Less</u> allowance for credit losses	(8,961,925)	(14,342,572)	(8,961,925)	(14,342,572)
Net	653,298,360	917,085,566	653,298,360	917,085,566

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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	(Unit : Million Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Construction project contracts amount	51,362	44,995	51,362	44,995
Contract revenue recognized as revenue since commencing date to present	44,888	36,395	44,888	36,395
<u>Less</u> progress billings (as invoices)	(44,322)	(35,566)	(44,322)	(35,566)
Unbilled construction in progress	566	829	566	829
Unbilled construction in progress (in litigation)	96	102	96	102
Unbilled construction in progress at the end of year	662	931	662	931
<u>Less</u> allowance for credit losses	(9)	(14)	(9)	(14)
Net	653	917	653	917
Excess of progress billing over work in progress (Contract liabilities)	(382)	(635)	(382)	(635)
Net	271	282	271	282

11 Inventories

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Construction materials	89,844,583	118,201,007	89,844,583	118,201,007
Spare parts and supplies	13,779,370	15,380,982	12,977,747	14,641,582
<u>Less</u> allowance for devaluation of inventories	-	-	-	-
Spare parts and supplies, net	13,779,370	15,380,982	12,977,747	14,641,582
Total	103,623,953	133,581,989	102,822,330	132,842,589
The cost of inventories is recorded as expenses and included in the construction cost accounting (Million Baht).	1,694	2,037	1,694	2,037

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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12 Other current assets/Investments in associate

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
As at January 1, 2020	130,360	187,053	9,375,000	9,375,000
Share of loss from investment				
Under equity method	(57,519)	(56,693)	-	-
	72,841	130,360	9,375,000	9,375,000
<u>Less</u> allowance for devaluation				
of investments	-	-	(9,375,000)	(9,375,000)
As at December 31, 2020	72,841	130,360	-	-

No purchase and sales of investments in associated companies during the years ended December 31, 2020 and 2019.

The Extraordinary Shareholder's Meeting No.1/2020 of the associated company held on December 17, 2020 passed the resolution to liquidate the associated company. On December 18, 2020, the associated company had already registered for dissolution and appointed liquidators with the Ministry of Commerce. Currently in the process of liquidation.

Summary of significant financial information of Natural Hotel Sukhumvit Company Limited

Summary of the financial status list

	(Unit: Million Baht)	
	As at December 31	
	2020	2019
Total assets	0.36	0.56
Total liabilities	0.08	0.05
Net assets	0.28	0.51
Investment proportion (%)	25	25
Carrying amount of interest in an associated company	0.07	0.13

Summary of income statement

	(Unit: Million Baht)	
	As at December 31	
	2020	2019
Income	0.0002	0.0001
Profit (Loss)	(0.23)	(0.23)

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13 Investments in subsidiaries

Company's name	(Unit : Baht)			
	Paid-up Share Capital		Cost	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
	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
CMS Capital Partners Co., Ltd.	1,225	1,175	735,000,000	705,000,000
PT Three Land Co., Ltd.	120	120	95,976,000	95,976,000
JT Ten Co., Ltd.	140	100	118,972,000	84,980,000
AN 8 Co., Ltd.	130	130	103,870,000	103,870,000
SHG Management Co., Ltd.	6	4	4,550,000	2,800,000
Delta Infra One Co., Ltd.	1	-	899,950	-
Total			1,469,331,650	1,402,689,700

The Extraordinary General Meeting of the subsidiary company ("SHG Management Co., Ltd."), held on September 18, 2020, Approved to increase the company's authorized share capital from Baht 4 million to Baht 9 million in order to use as working capital of the subsidiary. The subsidiary company registered the capital increase with the Ministry of Commerce on October 2, 2020.

According to the Board of Directors' Meeting of the Company held on June 29, 2020, the resolution approved the registration of a subsidiary company ("Delta Infra One Co., Ltd."). The subsidiary provides services in consulting, purchasing and installing of sanitary, electrical, pipeline and air conditioning systems. The subsidiary was registered on July 13, 2020, which the Company holding 90%.

The Extraordinary General Meeting of the subsidiary company ("CMS Capital Partners Co., Ltd"), held on April 9, 2020, received important approval to increase the registered capital of the subsidiary company from Baht 1,175 million to Baht 1,225 million in order to repay the principal in accordance with the loan conditions with a local commercial bank. The subsidiary company registered the capital increase with the Ministry of Commerce on April 20, 2020.

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.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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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

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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)

	Natural Ville																	
	SCR Asset		Service apartment		CSM Capital		PT Three Land						SHG Management		Delta Infra One			
	Management Co.,		and Management		Partners Co., Ltd.		Co., Ltd.		JT Ten Co., Ltd.		AN 8 Co., Ltd.		Co., Ltd.		Co., Ltd.		Total	
	Ltd.		Co., Ltd.		Co., Ltd.		Co., Ltd.		Co., Ltd.		Co., Ltd.		Co., Ltd.		Co., Ltd.			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Percentage of non-controlling interests	32.00	32.00	0.03	0.03	40.00	40.00	20.02	20.02	15.02	15.02	20.10	20.10	30.00	30.00	10.00	-		
Current assets	30	65	23	22	46	43	5	7	29	4	122	125	1	4	1	-		
Non-current assets	968	1,022	-	-	2,216	2,321	315	106	237	97	5	-	2	-	-	-		
Current liabilities	(135)	(606)	(17)	(18)	(310)	(749)	-	-	-	(5)	-	-	-	-	-	-		
Non-current liabilities	(448)	-	(4)	(3)	(1,018)	(660)	(225)	-	(142)	-	-	-	(2)	-	-	-		
Net assets	415	481	2	1	934	955	95	113	124	96	127	125	1	4	1	-		
Carrying amounts of non-controlling interests	133	154	-	-	374	382	19	23	19	14	25	25	-	1	-	-	570	599

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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(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.		Delta Infra One Co., Ltd.		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income	78	77	16	28	209	282	-	-	-	-	2	-	4	-	-	-		
Profit (Loss)	(65)	(63)	1	2	(72)	(59)	(18)	(7)	(12)	(3)	2	(5)	(5)	-	-	-		
Other comprehensive income	(1)	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income	(66)	(63)	1	2	(71)	(59)	(18)	(7)	(12)	(3)	2	(5)	(5)	-	-	-		
Profit (loss) allocated for Non-controlling interests	(21)	(20)	-	-	(29)	(24)	(3)	(1)	(2)	(1)	-	(1)	(1)	-	-	-	(56)	(47)
Cash flows from operating activities	50	(10)	(2)	2	60	109	-	(6)	-	(3)	-	(10)	(4)	-	-	-		
Cash flows from investing activities	-	(54)	1	-	(7)	(15)	(1)	(99)	(10)	(5)	(108)	-	(1)	-	-	-		
Cash flows from financing activities	(48)	60	-	-	(55)	(114)	-	108	35	5	-	130	2	4	1	-		
Cash and equivalent Net increase (decrease) in cash	2	(4)	(1)	2	(2)	(20)	(1)	3	25	(3)	(108)	120	(3)	4	1	-		

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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15 Investment properties

	(Unit : Baht)				
	Consolidated				
	Land	Condominium	Furniture	Construction in progress	Total
Cost					
As at January 1, 2020	306,571,138	316,400,182	3,282,543	-	626,253,863
Additions	-	2,849,650	139,350	3,967,132	6,956,132
Disposals	-	-	-	-	-
Adjustment	-	-	-	371,154	371,154
As at December 31, 2020	306,571,138	319,249,832	3,421,893	4,338,286	633,581,149
Accumulated depreciation					
At January 1, 2020	-	79,123,483	1,946,269	-	81,069,752
Depreciation charge for the year	-	22,269,108	416,797	-	22,685,905
Disposals	-	-	-	-	-
At December 31, 2020	-	101,392,591	2,363,066	-	103,755,657
Net book value					
At December 31, 2019	306,571,138	237,276,699	1,336,274	-	545,184,111
At December 31, 2020	306,571,138	217,857,241	1,058,827	4,338,286	529,825,492
Fair value measurement					
Appraised price	400,949,468	296,570,155	1,384,788		
Evaluation criteria	Income Approach	Market Approach, Cost Approach and Income Approach	Income Approach		

Depreciation was included in:

	(Unit: Baht)	
	Consolidated	
	2020	2019
Room service costs	22,409,170	22,230,416
Administrative expenses	276,735	275,979
Total	22,685,905	22,506,395

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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	(Unit : Baht)		
	Separate		
	Construction		
	Condominium	in progress	Total
Cost			
At January 1, 2020	7,555,522	-	7,555,522
Additions	-	3,967,131	3,967,131
Disposals	-	-	-
Adjustment	-	371,154	371,154
At December 31, 2020	7,555,522	4,338,285	11,893,807
Accumulated depreciation			
At January 1, 2020	4,512,627	-	4,512,627
Depreciation charge for the year	276,735	-	276,735
At December 31, 2020	4,789,362	-	4,789,362
Net book value			
At December 31, 2019	3,042,895	-	3,042,895
At December 31, 2020	2,766,160	4,338,286	7,104,445
Fair value measurement			
Appraised price	15,263,000		
Evaluation criteria	Market Approach and Cost Approach		

	(Unit: Baht)	
	Separate	
	2020	2019
Depreciation for the year is included in administrative expenses	276,735	275,979

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Measurement of fair value

Investment property as of December 31, 2020, appraised by independent valuers According to the report dated January 20, 2021 the fair value measurement of investment properties is organized in the hierarchy of fair value measurements at level 2 and level 3.

Investment property as of December 31, 2020 of the subsidiary appraised by independent valuers According to the report dated February 15, 2021, the fair value measurement of investment properties is organized in the hierarchy of fair value measurements at level 3.

Pledge

As of December 31, 2020, the subsidiary company used the investment property, which is a condominium in Eight Thonglor Project, with a book value of Baht 513 million, as collateral for loans from a domestic commercial bank amount of Baht 1,150 million and Please also see note 23 to the financial statements

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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16 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the year ended December 31, 2020 were 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
Cost							
At January 1, 2020	1,295,186,410	2,119,760,232	1,110,063,237	171,209,056	331,387,388	155,306,950	25,742,482 5,208,655,755
Additions	-	11,066,535	16,555,359	4,806,873	9,374,285	3,600,000	26,249,978 71,653,030
Transfers in (out)	-	-	2,112,490	-	-	-	(2,112,490) -
Adjustment	-	(501,454)	-	-	(6,400)	-	(371,153) (879,007)
Disposals/write-off	-	(105,671)	(6,354,401)	(13,965,643)	(10,133,200)	(6,545,256)	- (37,104,171)
At December 31, 2020	1,295,186,410	2,130,219,642	1,122,376,685	162,050,286	330,622,073	152,361,694	49,508,817 5,242,325,607
Accumulated depreciation							
At January 1, 2020	-	540,860,821	759,396,041	109,323,408	217,854,102	115,345,407	- 1,742,779,779
Depreciation charge for the year	-	147,071,432	55,185,426	13,789,077	39,737,825	12,244,064	- 268,027,824
Transfers in (out)	-	-	-	-	-	-	- -
Disposals	-	(78,101)	-	-	(6,399)	-	- (84,500)
Disposals/write-off	-	(105,670)	(4,589,502)	(13,890,144)	(10,039,037)	(6,130,109)	- (34,754,462)
At December 31, 2020	-	687,748,482	809,991,965	109,222,341	247,546,491	121,459,362	- 1,975,968,641

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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(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
Net book value							
Owned assets	1,295,186,410	1,578,899,411	350,667,196	61,885,648	113,533,286	39,961,543	25,742,482 3,465,875,976
Total at December 31, 2019	1,295,186,410	1,578,899,411	350,667,196	61,885,648	113,533,286	39,961,543	25,742,482 3,465,875,976
Owned assets	1,295,186,410	1,442,471,160	312,384,720	52,827,945	83,075,582	30,902,332	49,508,817 3,266,356,966
Total at December 31, 2020	1,295,186,410	1,442,471,160	312,384,720	52,827,945	83,075,582	30,902,332	49,508,817 3,266,356,966

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

	(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
Cost							
At January 1, 2020	85,869,331	278,035,806	1,110,063,236	185,717,875	224,769,179	154,099,474	829,604 2,039,384,505
Additions	-	7,601,055	16,555,360	4,806,873	7,852,364	3,600,000	15,528,528 55,944,180
Transfers in (out)	-	-	2,112,490	-	-	-	(2,112,490) -
Adjustment	-	(501,454)	-	-	(6,400)	-	(371,154) (879,008)
Disposals/write-off	-	(105,671)	(6,354,401)	(13,965,643)	(8,469,557)	(5,337,779)	- (34,233,051)
At December 31, 2020	85,869,331	285,029,736	1,122,376,685	176,559,105	224,145,586	152,361,695	13,874,488 2,060,216,626
Accumulated depreciation							
At January 1, 2020	-	192,462,235	759,396,041	123,832,227	161,064,822	114,439,800	- 1,351,195,125
Depreciation charge for the year	-	22,180,564	55,185,426	13,789,077	19,907,104	12,244,064	- 123,306,235
Transfers in (out)	-	-	-	-	-	-	- -
Adjustment	-	(78,101)	-	-	(6,399)	-	- (84,500)
Disposals/write-off	-	(105,671)	(4,589,502)	(13,890,144)	(8,413,168)	(5,224,501)	- (32,222,986)
At December 31, 2020	-	214,459,027	809,991,965	123,731,160	172,552,359	121,459,363	- 1,442,193,874

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

(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
Net book value								
Owned assets	85,869,331	85,573,571	350,667,195	61,885,648	63,704,357	39,659,674	829,604	688,189,380
Total at December 31, 2019	85,869,331	85,573,571	350,667,195	61,885,648	63,704,357	39,659,674	829,604	688,189,380
Owned assets	85,869,331	70,570,709	312,384,720	52,827,945	51,593,227	30,902,332	13,874,488	618,022,752
Total at December 31, 2020	85,869,331	70,570,709	312,384,720	52,827,945	51,593,227	30,902,332	13,874,488	618,022,752

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

Depreciation was included in:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Contract costs	102,750,554	141,201,391	100,750,554	141,201,391
Room service costs	148,742,427	147,817,035	4,106,844	9,021,949
Distribution costs	156,672	138,624	156,672	138,624
Administrative expenses	18,378,171	19,597,597	18,292,165	19,593,130
Total	268,027,824	308,754,647	123,306,235	169,955,094

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

	(Unit : Baht)	
	Consolidated	
	2020	2019
Interest capitalized for the year	-	1,210,472
Accumulated interest capitalized	9,257,493	9,257,493
Capitalization rate (% per annum)	MLR-2.375	MLR-2.375
	๙๙% MLR-2.75	๙๙% MLR-2.75

As at December 31, 2020 and 2019, buildings and equipment of the group companies at cost of Baht 794 million and Baht 755 million, respectively, have been fully depreciated but still in use.

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, 2020 in the amount of Baht 6 million, (recorded as construction in progress of Baht 6 million), remaining amounted to Baht 544 million.

Pledge:

As at December 31, 2020, land, buildings and building improvement of the Company in the carrying amount of Baht 102 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, 2020, land with existing structures of the subsidiary (SCR Asset Management Co., Ltd) in the carrying amount of Baht 742 million and structures to be constructed in the future was mortgaged as collateral for contingent on borrowings from the domestic commercial bank in the credit line amounting to Baht 620 million. (Note 23)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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As at December 31, 2020, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co., Ltd) in the carrying amount of Baht 1,627 million were mortgaged as collateral for contingent on borrowings from the domestic commercial bank in the credit line amounting to Baht 1,150 million. (Note 23)

17 Right-of-use assets, net and Lease liabilities, net

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2020	January 1, 2020	December 31, 2020	January 1, 2020
Right-of-use assets				
Land	537,391,334	578,644,977	16,811,941	40,474,449
Building and building improvement	440,050,455	477,781,502	440,050,455	477,781,502
Vehicles	25,341,724	32,738,324	24,041,762	32,347,146
Total right-of-use assets	1,002,783,513	1,089,164,803	480,904,158	550,603,097
Lease liabilities				
Current	35,178,606	42,846,723	34,738,721	42,663,977
Non- Current	567,935,682	588,923,060	204,451,309	238,266,924
Total lease liabilities	603,114,288	631,769,783	239,190,030	280,930,901

During 2020, additions to the right-of-use assets of the Group and the Company were Baht 12 million and Baht 11 million, respectively.

The statement of income included following transactions related to leases.

	(Unit : Baht)	
	Consolidated	Separate
As at December 31, 2020		
Depreciation charge of right-of-use assets		
Land	44,403,204	26,812,069
Building and building improvement	37,731,047	37,731,047
Vehicles	8,712,459	8,305,384
Total Depreciation charge of right-of-use assets	90,846,710	72,848,500
Finance cost relating to leases	22,879,051	10,592,994
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	10,171,000	10,171,000

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The Group has adopted TFRS 16 from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption of new financial reporting standards on the lease liabilities as at January 1, 2020 has been presented in Note 4.

The total cash outflow for leases of the Group and the Company in 2020 were Baht 45 million and 44 million, respectively.

18 Leasehold right

	(Unit : Baht)	
	Consolidated	Separate
Cost		
At January 1, 2019	488,120,490	395,000,000
Addition	95,000,000	-
At December 31, 2019	583,120,490	395,000,000
Accumulated amortization		
At January 1, 2019	105,174,170	105,174,170
Amortization charge for the year	24,241,700	20,153,634
At December 31, 2019	129,415,870	125,327,804
Net book value		
At December 31, 2019 and January 1, 2020	453,704,620	269,672,196
Adjustments from the adoption of TFRS 16 as of		
January 1, 2020 (Note 4)	(453,704,620)	(269,672,196)
At December 31, 2020	-	-

Depreciation was included in:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Room service costs	-	20,153,635	-	20,153,635
Administrative expenses	-	4,088,065	-	-
Total	-	24,241,700	-	20,153,635

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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.

19 Intangible assets

	(Unit : Baht)		
	Consolidated		
	List of customers and existing business	Software license	Total
Cost			
At January 1, 2019	8,000,000	44,110,136	52,110,136
Additions	-	658,360	658,360
At December 31, 2019 and January 1, 2020	8,000,000	44,768,496	52,768,496
Additions	-	5,781,907	5,781,907
Disposals/write-off	-	(588,240)	(588,240)
At December 31, 2020	8,000,000	49,962,163	57,962,163
Accumulated amortization			
At January 1, 2019	7,145,206	35,208,561	42,353,767
Amortization charge for the year	854,794	4,481,157	5,335,951
At December 31, 2019 and January 1, 2020	8,000,000	39,689,718	47,689,718
Amortization charge for the year	-	4,316,319	4,316,319
Disposals/write-off	-	(588,118)	(588,118)
At December 31, 2020	8,000,000	43,417,919	51,417,919
Net book value			
At December 31, 2019	-	5,078,778	5,078,778
At December 31, 2020	-	6,544,244	6,544,244

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	(Unit : Baht)	
	Separate	
	Software license	Total
Cost		
At January 1, 2019	41,874,934	41,874,934
Additions	622,450	622,450
At December 31, 2019 and January 1, 2020	42,497,384	42,497,384
Additions	5,721,907	5,721,907
At December 31, 2020	48,219,291	48,219,291
Accumulated amortization		
At January 1, 2019	33,893,847	33,893,847
Amortization charge for the year	4,049,674	4,049,674
At December 31, 2019 and January 1, 2020	37,943,521	37,943,521
Amortization charge for the year	3,969,670	3,969,670
At December 31, 2020	41,913,191	41,913,191
Net book value		
At December 31, 2019	4,553,863	4,553,863
At December 31, 2020	6,306,100	6,306,100

Amortization for the year was included in:

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Cost of rendering of services	133,699	153,388	133,699	153,388
Room service costs	685,877	1,717,390	365,865	449,473
Administrative expenses	3,496,743	3,465,173	3,470,106	3,446,813
Total	4,316,319	5,335,951	3,969,670	4,049,674

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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20 Trade accounts payables

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Related companies	9,765,986	25,321,143	9,765,986	25,321,143
Other parties	361,033,450	367,241,643	354,995,196	352,804,817
Total	370,799,436	392,562,786	364,761,182	378,125,960

21 Other current payables

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Related companies	1,523,982	2,566,797	18,563,882	16,853,331
Other parties	673,743,176	347,459,632	637,656,629	304,344,058
Total	675,267,158	350,026,429	656,220,511	321,197,389
Other parties				
Other payables	23,653,058	22,853,753	3,778,938	5,048,006
Accrued value added tax	13,089,529	2,292,415	11,579,409	297,490
Accrued withholding tax	10,510,718	12,266,663	10,239,494	11,950,597
Other accrued expenses	130,127,105	156,764,363	115,696,022	133,765,527
Accrued estimated construction cost	496,362,766	153,282,438	496,362,766	153,282,438
Total	673,743,176	347,459,632	637,656,629	304,344,058

22 Retention payables from subcontractors

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Related companies	7,460,329	7,544,275	7,460,329	7,544,275
Other parties	367,352,651	337,651,966	367,352,651	337,651,966
Total	374,812,980	345,196,241	374,812,980	345,196,241

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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23 Long-term loans

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Long-term loans	1,634,881,936	1,818,604,220	-	-
(Profit) loss from changes in contract terms	(3,946,850)	-	-	-
Additional (deduction) the principal based on effective real interest rate method	1,309,352	-	-	-
At December 31, 2020	1,632,244,438	1,818,604,220	-	-
<u>Less</u> current portion of long-term loans	(185,048,969)	(737,900,514)	-	-
Net	1,447,195,469	1,080,703,706	-	-

The movements of long-term loans for the year ended December 31 is as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
At January 1, 2020	1,818,604,220	1,937,073,310	-	-
Addition	-	31,800,000	-	-
Deduction	(183,722,284)	(150,269,090)	-	-
At December 31, 2020	1,634,881,936	1,818,604,220	-	-

Loans from domestic financial institution

23.1 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, 2020, 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.

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Under the above loan agreement contains certain restrictive conditions such as opening operating account with a commercial bank, shareholding of the main shareholder of the Company and the events of default or non-compliance with the loan agreements, which assumes that it is default. The default entitles the bank to accelerate the maturity of all amounts outstanding and immediately payable. Since the year 2019, the agreement requires certain financial ratio (DSCR) not less than 1.1.

On 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, 2020, 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:

	<u>Financial ratio per</u> <u>agreements</u>	<u>Financial ratio as at</u> <u>December 31, 2020</u>
Financial ratio (DSCR)	Not less than 1.1	0.16

On October 19, 2020, the subsidiary received a letter notifying except for the conditions of DSCR under the loan agreement for the year 2020.

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 27, 2020, Domestic financial institutions has approved to change the terms of the loan agreement. According to the objectives of the subsidiary that requested the domestic financial institutions to relax the conditions for repayment of the original loan agreements, the details are as follows:

Credit line of Baht 390.70 million

1. The Company agrees to pay only interest for a period of 12 months starting from July 2020 to June 2021.
2. The Company agrees to repay the principal amounting to Baht 390.70 million to the domestic financial institutions within a period of 96 months, starting from July 2021 to June 2029.

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Credit line of Baht 224 million

1. The Company agrees to pay only interest for a period of 12 months starting from May 2020 to April 2021.
2. The Company agrees to repay the principal amounting to Baht 94.18 million to the domestic financial institutions within a period of 28 months, starting from May 2021 to August 2023.

As of the date of the modification of loan agreements, the subsidiary had loss from the modification amounting to Baht 4.03 million.

23.2 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.

On April 28, 2020, the subsidiary (“CSM Capital Partners Co., Ltd.”) had entered into the 2 loan agreement with a domestic commercial bank in credit line of Baht 150 million and Baht 1,000 million, respectively. The purpose of the loan agreements is to repay the original loan agreements of April 7, 2016.

Subsequently, on October 16, 2020, Domestic financial institutions has approved the amendment of the loan agreement on April 28, 2020 for the amounting of Baht 1,000 million. According to the objectives of the subsidiary that requested the domestic financial institutions to relax the conditions for repayment of the original loan agreements, the details are as follows:

Credit line of Baht 150 million

The repayment of principal and payment of interest shall be paid within 2 years from the date of the first drawdown. The interest rate is charged at MLR-2.48 per annum.

Credit line of Baht 1,000 million

The repayment of principal and payment of interest shall be paid within 10 years 6 months from the date of the first drawdown. The interest rate is charged at MLR-2.25 to MLR-2.48 per annum.

As of the date of the modification of loan agreements, the subsidiary had profit from the modification amounting to Baht 7.98 million.

The loan agreements were secured by Eight Thonglor Residences Project of 137 units.

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Under the above loan agreements contain 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 agreements that assumes to be default. This may entitle the bank has the right to accelerate the subsidiary repay all outstanding immediately. Since the year 2020, the loan agreements also require the subsidiary to maintain debt service coverage ratio (DSCR) not less than 1.1. In addition, the agreement determines certain financial ratios of the Company as follows:

	<u>Financial ratio per</u> <u>agreements</u>	<u>Financial ratio as at</u> <u>December 31, 2020</u>
Debt to equity ratio	Not more than 2.00	1.42

	<u>Financial ratio per</u> <u>agreements</u>	<u>Financial ratio as at</u> <u>December 31, 2020</u>
Financial ratio (DSCR)	Not less than 1.1	1.60

24 Deferred income tax

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

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Deferred tax assets - Net	60,819,287	-	60,819,287	-
Deferred tax liabilities - Net	(3,249,178)	(44,214,777)	-	(44,214,777)
Deferred tax assets (liabilities), net	57,570,109	(44,214,777)	60,819,287	(44,214,777)

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

(Unit : Million Baht)					
Consolidated					
	At December 31, 2020	Adjustments from the (note 4)	At January 1, 2020	Charged / credited to	
				Profit (loss)	Other comprehensive income
					At December 31, 2020
Deferred tax assets					
Estimated cost of construction	31	-	31	69	-
Non - current provisions for employee benefits	42	-	42	(2)	(2)
Provisions	9	-	9	-	-
Total	82	-	82	67	(2)
Deferred tax liabilities					
Property, plant and equipment	1	-	1	3	-
Accrued rental and service income	-	-	-	2	-
Lease liabilities	5	-	5	(4)	-
Gain (loss) on measuring investment in equity	120	-	120	-	(39)
Long-term loans	-	-	-	1	-
Total	126	-	126	2	(39)
Net	(44)	-	(44)	65	37

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(Unit : Million Baht)

	Separate				
	At December 31, 2020	Adjustments from the (note 4)	At January 1, 2020	Charged / credited to	
				Profit (loss)	Other comprehensive income
					At December 31, 2020
Deferred tax assets					
Estimated cost of construction	31	-	31	69	-
Non - current provisions for employee benefits	42	-	42	(2)	(2)
Provisions	9	-	9	-	-
Total	82	-	82	67	(2)
Deferred tax liabilities					
Property, plant and equipment	1	-	1	3	-
Lease liabilities	5	-	5	(4)	-
Gain (loss) on measuring investment in equity	120	-	120	-	(39)
Total	126	-	126	(1)	(39)
Net	(44)	-	(44)	68	37

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

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Deductible temporary differences	46	14	39	13
Tax losses	123	42	-	-
Total	169	56	39	13

The tax losses will be expired in 2021 to 2025. 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

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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: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Post-employment benefits: -				
Legal severance payments plan	203,250,852	220,158,611	195,276,683	213,939,647
<u>Less</u> Current provision for				
employee benefits	17,980,488	6,620,914	17,980,488	6,532,749
Non-current provision for				
employee benefits	<u>185,270,364</u>	<u>213,537,697</u>	<u>177,296,195</u>	<u>207,406,898</u>

Movement in the present value of the defined benefit obligations

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Defined benefit obligations				
at January 1	220,158,611	168,465,337	213,939,647	163,782,879
Recognized in profit or loss				
Past service costs and				
(gains) or losses on settlement	12,006,667	28,370,606	12,006,667	27,848,101
Current service costs	21,280,793	24,182,868	18,943,993	22,996,636
Interest on obligations	2,388,533	4,939,362	2,296,624	4,794,252
	<u>35,675,993</u>	<u>57,492,836</u>	<u>33,247,284</u>	<u>55,638,989</u>
Recognized in the other				
comprehensive income				
Actuarial (gains) loss	(8,920,966)	-	(8,332,894)	-
Other				
Employee benefit paid	<u>(43,662,786)</u>	<u>(5,799,562)</u>	<u>(43,577,354)</u>	<u>(5,482,221)</u>
Non - current provisions for				
employee benefit at				
December 31	<u>203,250,852</u>	<u>220,158,611</u>	<u>195,276,683</u>	<u>213,939,647</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Financial assumptions	1,789,336	-	1,324,137	-
Demographic assumptions	748,780	-	832,301	-
Experience adjustment	(11,459,082)	-	(10,489,332)	-
Total	(8,920,966)	-	(8,332,894)	-

Expense recognized in profit or loss.

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Past service costs and (gains) or losses on settlement	12,006,667	28,370,606	12,006,667	27,848,101
Current service costs	21,280,793	24,182,868	18,943,993	22,996,636
Interest on obligation	2,388,533	4,939,362	2,296,624	4,794,252
Total	35,675,993	57,492,836	33,247,284	55,638,989

Expenses are recognized in the statement of comprehensive income.

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Contract costs	21,261,461	38,061,405	21,261,461	38,061,405
Cost of service	1,182,882	-	-	-
Administrative expenses	13,231,650	19,431,431	11,985,823	17,577,584
Total	35,675,993	57,492,836	33,247,284	55,638,989

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Principal actuarial assumptions at the reporting date

	Consolidated	
	2020	2019
	(%)	
Discount rate	1.29 - 1.83	2.46-2.93
Salary increase rate	2.00 - 4.00	3.00-5.00
Staff turnover rate	0-30.00	0-23.00
Mortality rate (Thai Mortality Ordinary Table)	TMO 2017	TMO 2017
Disability rate	5% of mortality rate	5% of mortality rate

	Separate	
	2020	2019
	(%)	
Discount rate	1.31	2.46
Salary increase rate	2.00-4.00	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 Baht)			
	Consolidated			
	December 31, 2020		December 31, 2019	
	Increase	Decrease	Increase	Decrease
1 percent change				
Discount rate	(11.32)	12.95	(11.88)	13.51
Salary increase rate	11.84	(10.58)	14.64	(13.06)
Employee turnover rate	(11.94)	7.16	(12.68)	7.49
Mortality table (1 year)	0.77	(0.76)	0.62	(0.62)

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	(Unit : Million Baht)			
	Separate			
	December 31, 2020		December 31, 2019	
	Increase	Decrease	Increase	Decrease
1 percent change				
Discount rate	(10.53)	12.02	(11.31)	12.86
Salary increase rate	11.02	(5.87)	13.96	(12.53)
Employee turnover rate	(11.13)	6.78	(12.08)	7.22
Mortality table (1 year)	0.54	(0.54)	0.59	(0.59)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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

	(Unit : Million Baht)			
	Defined benefit obligations		Experience adjustments	
	Consolidated	Separated	Consolidated	Separated
	financial statements	financial statements	financial statements	financial statements
Year 2020	203	195	(9)	(8)
Year 2019	220	214	-	-
Year 2018	168	164	(11)	(10)
Year 2017	163	159	-	-
Year 2016	140	137	(7)	(6)

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.

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26 Provisions

	(Unit : Million Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Provision for the estimating costs of rectification and guarantee work	10,756,280	10,254,642	10,756,280	10,254,642
Provision for litigation	29,876,092	28,209,958	29,876,092	28,209,958
Estimated demolition cost	3,690,400	-	-	-
Total	44,322,772	38,464,600	40,632,372	38,464,600
Current	10,756,280	10,254,642	10,756,280	10,254,642
Non-current	33,566,492	28,209,958	29,876,092	28,209,958
Total	44,322,772	38,464,600	40,632,372	38,464,600

Movements for the year ended December 31 were as follows:

	(Unit : Million Baht)							
	Consolidated							
	Provision for the estimating costs of rectification and guarantee work		Provision for litigation		Estimated demolition cost		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
As at January 1	10	8	28	58	-	-	38	66
Provision increased	15	18	1	2	4	-	20	20
Reversal	(14)	(2)	-	(21)	-	-	(14)	(23)
Payment of provision	-	(14)	-	(11)	-	-	-	(25)
As at December 31	11	10	29	28	4	-	44	38

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(Unit : Million Baht)

	Separate					
	Provision for the estimating costs of rectification and guarantee work		Provision for litigation		Total	
	2020	2019	2020	2019	2020	2019
As at January 1	10	8	28	58	38	66
Provision increased	15	18	1	2	16	20
Reversal	(14)	(2)	-	(21)	(14)	(23)
Payment of provision	-	(14)	-	(11)	-	(25)
As at December 31	11	10	29	28	40	38

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, 2020 and 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.

In 2018, the Board of Directors of the Company approved a treasury share plan (“Plan”) to re-purchase not more than 3.70%, 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.

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.

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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.

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Information about reportable segments:

	(Unit: Million Baht)							
	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from customer								
- External	7,651	8,088	335	473	2	1	7,988	8,562
- Inter - segments	8	2	2	-	17	27	27	29
- Eliminated	8	(2)	0	-	(17)	(27)	(27)	(29)
Total revenue	7,651	8,088	335	473	2	1	7,988	8,562
Segment profit (loss)								
before income tax	439	516	(175)	(114)	(20)	(24)	244	378
Interest income	5	19	-	-	-	-	5	19
Interest expense	4	-	78	75	-	-	82	75
Depreciation and amortization	161	165	225	198	-	-	386	363
Segment assets	6,263	6,243	4,333	3,996	8	9	10,604	10,248
Investment properties	7	-	523	545	-	-	530	545
Property, plant and equipment	590	656	2,676	2,810	-	-	3,266	3,466
Right-of-use assets	43	-	959	-	1	-	1,002	-
Leasehold right	-	-	-	454	-	-	-	454
Segment liabilities as at	2,143	2,075	2,288	1,928	6	5	4,437	4,008

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Revenues				
Total revenue from reportable segments	7,949	8,419	7,673	8,035
Other revenue	66	172	41	170
Elimination of inter-segment revenue	(27)	(29)	(8)	(2)
Consolidated revenue	7,988	8,562	7,706	8,203
Profit or loss				
Total profit for reportable segments	244	378	409	502
Elimination of inter-segment profits	-	-	-	-
Profit before income tax	244	378	409	502

	(Unit: Million Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Assets				
Segmental assets	7,338	6,782	6,218	5,884
Investments in subsidiaries	-	-	1,469	1,403
Property, plant and equipment	3,266	3,466	618	688
Total assets	10,604	10,248	8,305	7,975
Liabilities				
Total liabilities for reportable segments	4,437	4,008	2,363	2,102
Other liabilities	-	-	-	-
Total liabilities	4,437	4,008	2,363	2,102

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	(Unit: Million Baht)		
	Reportable segment totals	Adjustments	Consolidated totals
Other material items			
2020			
Interest income	10	(5)	5
Interest expense	87	(5)	82
Depreciation and amortization	387	(1)	386
2019			
Interest income	22	(3)	19
Interest expense	78	(3)	75
Depreciation and amortization	363	-	363

Major customers

Revenue from one customer of the Company's segment 1 for the years 2020 and 2019 approximately Baht 1,162 million and Baht 1,318 million, respectively.

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.

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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	
	2020	2019	2020	2019
Raw material and consumables used	1,694	2,037	1,694	2,037
Room service costs	69	121	28	61
Subcontractor cost	3,530	2,993	3,530	2,993
Employee and workers expenses	1,287	1,629	1,227	1,551
Depreciation and amortization expenses	386	363	200	194
Management benefit expenses	55	76	49	61
Bad debt and doubtful debts expense	27	131	27	123
Other expenses	614	759	531	682
Finance costs	82	75	11	-
Total expenses	7,744	8,184	7,297	7,702

32 Income tax

Income tax for the years ended December 31, 2020 and 2019 are summarized as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Current income tax				
For the current year	125	152	124	151
Deferred income tax:				
Changes in temporary differences	(65)	(21)	(68)	(21)
Income tax presented in the income statement	60	131	56	130

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The amount of income tax related to components in the statements of comprehensive income for the years ended December 31, 2020 and 2019 are summarized as follows:

	(Unit: Million Baht)					
	Consolidated					
	2020			2019		
	Income			Income		
	Before	(expense)	Net of	Before	(expense)	Net of
	income	income	income	income	income	income
	tax	tax	tax	tax	tax	tax
Change in fair value of equity securities	(195)	39	(156)	90	(18)	72
Profit (loss) on remeasurement of employee benefits	9	(2)	7	-	-	-
Total	(186)	37	(149)	90	(18)	72

	(Unit: Million Baht)					
	Separate					
	2020			2019		
	Income			Income		
	Before	(expense)	Net of	Before	(expense)	Net of
	income	income	income	income	income	income
	tax	tax	tax	tax	tax	tax
Change in fair value of equity securities	(195)	39	(156)	90	(18)	72
Profit (loss) on remeasurement of employee benefits	8	(2)	6	-	-	-
Total	(187)	37	(150)	90	(18)	72

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Reconciliation to find the effective tax rate

	(Unit: Million Baht)			
	Consolidated			
	2020		2019	
	Tax rate (Percent)	Amount	Tax rate (Percent)	Amount
Profit before income tax	20	244	20	378
Tax amount according to income tax rate		49		76
Expenses that have the right to deduct increased		(10)		(6)
Expenses not deductible for tax purposes		2		19
Losses in the current year that are not recognized as assets		5		42
Other		(14)		-
Total		60		131

	(Unit: Million Baht)			
	Separate			
	2020		2019	
	Tax rate (Percent)	Amount	Tax rate (Percent)	Amount
Profit before income tax	20	409	20	502
Tax amount according to income tax rate		82		100
Expenses that have the right to deduct increased		(14)		(6)
Expenses not deductible for tax purposes		2		20
Losses in the current year that are not recognized as assets		5		42
Other		(19)		(26)
Total		56		130

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33 Earnings per share

The calculation of basic earnings per share for the ended year ended December 31, 2020 and 2019 was 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	
	2020	2019	2020	2019
Profit for the period attributable to				
shareholders of the Company (basic)	239,823,297	294,166,450	353,130,465	371,361,459
Number of ordinary shares outstanding	1,590,957,300	1,593,205,284	1,590,957,300	1,593,205,284
Basic earnings per share (in Baht)	0.15	0.18	0.22	0.23

34 Dividends

Year 2020: -

The Board of Directors' Meeting of the Company held on August 13, 2020, the resolved to pay an interim dividend for the period from January 1, 2020 to June 30, 2020 at the rate of Baht 0.03 per share totaling Baht 47.73 million, which the Company made the payment on September 11, 2020.

On April 30, 2020, the annual general meeting of shareholders approved the payment of dividend at the rate of Baht 0.05 per share, totaling Baht 79.54 million on May 29, 2020.

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, totalling Baht 144 million, which the Company made the payment on May 24, 2019.

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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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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 Baht)					
	Consolidated				Total
	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	
2020					
Current					
Cash and cash equivalents	0.68	638	-	-	638
Other current financial assets	-	1,516	-	-	1,516
Long-term loans	3.45	(185)	-	-	(185)
Non-current					
Pledged deposit at banks	0.01	-	28	-	28
Long-term loans	3.45	-	(635)	(812)	(1,447)
Total		1,969	(607)	(812)	550
2019					
Current					
Cash and cash equivalents	0.71	926	-	-	926
Current investments	-	609	-	-	609
Long-term loans	4.12	(738)	-	-	(738)
Non-current					
Pledged deposit at banks	0.01	-	53	-	53
Long-term loans	4.12	-	(581)	-	(1,081)
Total		797	(528)		(231)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Million Baht)

	Separate				Total
	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	
2020					
Current					
Cash and cash equivalents	0.70	542	-	-	542
Other current financial assets	-	1,515	-	-	1,515
Short-term loans	3.00	76	-	-	76
Non-current					
Pledged deposit at banks	0.01	-	8	-	8
Total		2,133	8	-	2,141
2019					
Current					
Cash and cash equivalents	0.74	743	-	-	743
Current investments	-	608	-	-	608
Short-term loans	4.43	98	-	-	98
Non-current					
Pledged deposit at banks	0.01	-	33	-	33
Total		1,449	33	-	1,482

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. The exposure to credit risk is represented by the carrying amount less an allowance for credit losses

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

In the reporting date as described in note 8 to the financial statement. However, due to the large number of parties comprising the Group's/Company's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

The 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 equity securities is determined by reference to the quoted price at the reporting date.

The fair value of investments in debt securities - 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.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
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For financial assets and liabilities other than the above, the book values and fair values are as follows:

	(Unit : Million Baht)				
	Consolidated				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
December 31, 2020:					
Financial assets measured at fair value through profit or loss					
Mutual fund – debt securities	1,403	-	1,403	-	1,403
Financial assets measured at fair value through other comprehensive income					
Equity securities	624	624	-	-	624
	2,027	624	1,403	-	2,027

	(Unit : Million Baht)				
	Consolidated				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
December 31, 2019:					
Financial assets measured at fair value					
Current investments – Mutual fund	609	-	609	-	609
Available-for-sale investment- equity securities	819	819	-	-	819
	1,428	819	609	-	1,428

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Million Baht)

	Separate				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
December 31, 2020:					
Financial assets measured at					
fair value through profit or loss					
Mutual fund – debt securities	1,402	-	1,402	-	1,402
Financial assets measured at					
fair value through other					
comprehensive income					
Equity securities	624	624	-	-	624
	<u>2,026</u>	<u>624</u>	<u>1,402</u>	<u>-</u>	<u>2,026</u>
December 31, 2019:					
Financial assets measured at					
fair value					
Current investments – Mutual fund	608	-	608	-	608
Available-for-sale investment-					
equity securities	819	819	-	-	819
	<u>1,427</u>	<u>819</u>	<u>608</u>	<u>-</u>	<u>1,427</u>

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

36 Commitments with non-related parties

As at December 31, 2020 the Group/Company had commitments as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
Capital commitments: -		
Not provide for		
Condominium	4	4
Camp and other buildings	4	4
Cost of construction building for service room	586	4
Total	594	12
Commitments under non- cancellable operating leases		
Within one year	16	16
After one year but within five years	72	72
Over five years	158	158
Total	246	246
Other commitments: -		
Subcontractor agreements	1,825	1,825
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	2,150	2,150
Total	3,975	3,975

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.

As at December 31, 2020 the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 5,198 million.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

37 Contingent liabilities and assets

Litigations

As at December 31, 2020, 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 on October 28, 2020, the Supreme Court ruled in accordance with the Appeal Court. On December 31, 2020, the Company already recorded the provision on the above lawsuits amounting to Baht 0.59 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 26, 2020, the case has been in the process of the Court's consideration, the result has not been finalized. However, on December 31, 2020, the Company already recorded the provision on the above lawsuits amounting to Baht 29 million (inclusive interest).
- ☐ On December 27, 2018, the Company was sued for infringement and claiming damage a compensation by one non-related person regarding construction claim amounting to Baht 50 million 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. Later, the plaintiffs filed an appeal on May 8, 2020 and the Company also submitted an amendment of testimony on June 12, 2020. Currently, the Court of Appeal will appoint the date for judgement on April 29, 2021.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

- ☐ On March 13, 2019, the Company was sued by one customer claiming damage 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 29, 2021.
- ☐ On May 31, 2019, the Company and the subsidiary were sued for infringement and claiming damage a compensation by an insurance company regarding construction claim amounting to Baht 0.42 million. Subsequently, on July 12, 2019, the Company and the subsidiary submitted an answer to the Court of First Instance. The court has completed the examination of the witnesses of the plaintiffs and the 1st to 3rd defendants on July 14-15, 2020. And the examination of the witnesses of the 4th defendant will be carried out on September 28, 2020. On November 24, 2020, the Court of First Instance dismissed the case against the Company and its subsidiary. The plaintiff filed an appeal on January 21, 2021 and is currently under consideration by the Appeal Court.
- ☐ On December 4, 2019, the Company was sued for breach of contract and claiming damage by a condominium juristic person claim amounting to Baht 4.20 million with interest rate 7.5% per annum from the filing date onwards until the payment was completed. Subsequently, on September 16, 2020, the Company has submitted an answer to the court. Due to the impact of the COVID-19 outbreak situation, the Court of First Instance has postponed the date for the hearing of the plaintiff and appointment of witnesses to the defendants goes out indefinitely.
- ☐ On April 30, 2020, the Company was sued as the 4th defendant for breach of working capital withdrawal agreement from claim transfer agreement and claiming damage by a commercial bank in Thailand claim amounting to Baht 10.16 million with interest rate 18% per annum from the filing date onwards until the payment was completed. Subsequently, on September 28, 2020, the Company has submitted an answer to the court. Currently, The Court of First Instance arranged for the mediation and examination of the plaintiffs and the defendants on June 9-10, 2021.
- ☐ On November 19, 2020, the Subsidiary was sued for breach of contract and claiming damage by a company claim amounting to Baht 22.94 million with interest rate 7.5% per annum from the filing date onwards until the payment was completed. Subsequently, on January 19, 2021, the Subsidiary has submitted an answer to the court. Currently, the Court of First Instance fixed the day for settlement of issues on April 26, 2021.

38 Pledge assets

As at December 31, 2020 and 2019, the Group/Company's cash at banks of Baht 28 million and Baht 53 million in consolidated financial statements and Baht 8 million and Baht 33 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

As at December 31, 2020 and 2019, current investments in debt securities amounted to Baht 138 million and Baht 162 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

As at December 31, 2020 and 2019 land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 102 million and Baht 85 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 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This event has affected to the Group's businesses as follows:

Rental and services in shopping centers

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the subsidiary's shopping centers (Eight Thonglor). The shopping centers remain to open the supermarket and restaurants (take-away), and some businesses according to provincial government orders and in May 2020, the subsidiary's shopping centers began to resume its businesses under provincial governments restriction.

The subsidiary considered to provide rental discounts to tenants in the shopping centers that has effect in during temporarily shut down the shopping centers and after resumes its businesses. Such transactions were lease modification under TFRS 16 and gradually recognise rental discount throughout the remaining lease terms by straight line method. The subsidiary recognised rental income from the lease modification for the year ended December 31, 2020 as follows:

	(Unit : Baht)
	Consolidated
Recognised in profit or loss	
Revenue from rendering of services before adjustment according to TRFS 16	181,880,563
Impact of lease modification under TFRS 16	9,642,058
Revenue from rendering of services after adjustment according to TRFS 16	191,522,621
Profit (loss) before adjustment according to TFRS 16 (before tax expense)	(81,576,589)
Profit (loss) after adjustment according to TFRS 16 (before tax expense)	(71,934,531)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

40 Reclassification

As at December 31, 2020, the Company reclassified the comparative figures conform to changes in presentation in current year.

The effects from reclassifications to the statements of financial position as at December 31, 2019 are summarized as follows:

(Unit : Thousand Baht)			
	Consolidated		
	Increase (decrease)		
	As previously reported	from reclassification	After reclassification
Statement of financial position			
As at December 31, 2019			
Current assets			
Current retention receivable under construction contracts	130,269	(130,269)	-
Unbilled construction in progress	917,085	(917,085)	-
Current contract assets	-	1,047,354	1,047,354
Non-current assets			
Non-current retention receivables under construction contract	662,074	(662,074)	-
Non-current contract assets	-	662,074	662,074
Current liabilities			
Advances received from customers under construction contracts	635,438	(635,438)	-
Contact liabilities	-	635,438	635,438

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)			
	Separate		
	Increase (decrease)		
	As previously reported	from reclassification	After reclassification
Statement of financial position			
As at December 31, 2019			
Current assets			
Current retention receivable under construction contracts	130,269	(130,269)	-
Unbilled construction in progress	917,085	(917,085)	-
Current contract assets	-	1,047,354	1,047,354
Non-current assets			
Non-current retention receivables under construction contract	665,174	(665,174)	-
Non-current contract assets	-	665,174	665,174
Current liabilities			
Advances received from customers under construction contracts	635,438	(635,438)	-
Contact liabilities	-	635,438	635,438

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

The effects from reclassifications to the statements of comprehensive income for year ended December 31, 2019 are summarized as follows:

	(Unit : Thousand Baht)		
	Consolidated		
	Increase (decrease)		
	As previously reported	from reclassification	After reclassification
Statement of comprehensive income			
For the year ended December 31, 2019			
Contract costs	7,024,563	67,264	7,091,827
Administrative expenses	543,821	(67,264)	476,557

	(Unit : Thousand Baht)		
	Separate		
	Increase (decrease)		
	As previously reported	from reclassification	After reclassification
Statement of comprehensive income			
For the year ended December 31, 2019			
Contract costs	7,027,756	67,264	7,095,020
Administrative expenses	439,261	(67,264)	371,997

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

The effects from reclassifications to the statements of cash flows for year ended December 31, 2019 are summarized as follows:

	(Unit : Thousand Baht)		
	Consolidated		
	Increase (decrease)		
	As previously reported	from reclassification	After reclassification
Statement of cash flows			
For the year ended December 31, 2019			
Gain on disposal and write off of equipment	(9,641)	9,641	-
Gain on disposal of fixed assets	-	(9,725)	(9,725)
Loss on write-off of equipment	-	84	84

	(Unit : Thousand Baht)		
	Separate		
	Increase (decrease)		
	As previously reported	from reclassification	After reclassification
Statement of cash flows			
For the year ended December 31, 2019			
Gain on disposal and write off of equipment	(13,203)	13,203	-
Gain on disposal of fixed assets	-	(13,255)	(13,255)
Loss on write-off of equipment	-	52	52

41 Approval of financial statements

These interim financial statements have been approved for issue by the Company's Board of Directors on February 26, 2021.



Section 4

Certification of the Correctness of Information

Certification of the Correctness of Information

Certification of the correctness of the information in the annual registration statement The authorized director shall sign with the company seal (if any) in the annual registration statement. As well as authorize any person to sign documents in the annual registration statement instead by using the following text and format.

The company has reviewed the information in this annual registration statement. With caution, the company. I hereby certify that the aforementioned information is correct, complete, not false, and does not misrepresent others or lack of information that should be informed in essence addition. The company hereby certifies that:

(1) Financial statements and financial information summarized in the annual registration statement. Has shown accurate and complete information about the financial position. Performance and cash flow of the Company and its subsidiaries.

(2) The company has set up a good disclosure system. This is to ensure that the Company discloses material information of both the Company and its subsidiaries. Correctly and completely as well as supervising the implementation of the aforementioned systems.

(3) The company has established a good internal control system. And supervise the implementation of the aforementioned systems and the company has already informed the internal control system assessment information as of March 11, 2020 to the auditor and the audit committee of the company. This covers significant deficiencies and changes in the internal control system. Including any wrongdoing that may affect the financial reporting of the Company and its subsidiaries.

For this purpose, as evidence that all documents are the same documents that the company has verified as correct. The company has assigned Mr. Somchai Sirilertpanich. Has signed this document on every page as well If any document does not contain Mr. Somchai Sirilertpanich's signature, the company will consider it not the information that the company has certified the correctness of the information as mentioned above.

Name	Position	Signature
1. Mr. Somchai Sirilertpanich	Director	
2. Mr. Jiramote Phahusutr	Director	

Attorney Mr. Somchai Sirilertpanich Director





Section 5

Other Attachment

**Attachment 1: Details of Directors, Executive Officers, Controlling Persons, Person assigned with highest responsibility in accounting and finance,
Persons assigned to be directly responsible for supervision of bookkeeping, Company secretary**

As of 31 December 2020

Name-Surname/ Title (1)	Age (years)	Educational Degree (2)	Shareholding Proportion in the Company (%) (3)	Family Relationship Between executives (4)	Work experience in the past 5 years		
					Duration	Position	Name of organization/ company/ Business Type (5)
Mr. Somchai Sirilertpanich - Acting Chairman of the Board, Vice-Chairman of the Board, Nomination and Remuneration Committee, Chairman of the Management Committee, Chief Executive Officer and authorized director	59	- MBA Operation Management University of Scranton Pennsylvania, USA * Trained from IOD DAP, Class 1/2003	-	-	2020-Present	- Director	- Delta Infra One Co., Ltd.
					2019-Present	- Director	- SHG Management Co., Ltd.
					2019-Present	- Director	- AN 8 Co., Ltd.
					2018-Present	- Director	- PT 3 Land Co., Ltd.
					2018-Present	- Director	- JT 10 Co., Ltd.
					2015-Present	- Director	- CSM Capital Partners Co., Ltd.
					2013-Present	- Director	- Natural Ville Service Apartment and Management Co., Ltd.
					2012-Present	- Director	- SCR Asset Management Co., Ltd.
					2004-Present	- Director	- Syntec Construction Plc.
					2000-Present	- Director	- Siam Syntec Planner Co., Ltd.
Mr. Chaiwat Atsawintarakul - Independent Director, Chairman of Audit Committee and Chairman of Nomination and Chairman of Nomination and Remuneration Committee	69	- Master of Education (Curriculum and Teaching Methodology), Beijing Languages and Cultural University - Master of Business Administration, Thammasat University - Barrister-at-Law, Institute of Legal Education of the Thai Bar Association * IOD DAP, Class 24/2004, DCP, Class 81/2006 And ACP, Class 12/2006 - The Audit Committee's Role in Compliance and Ethical Culture Over sight: IOD	-	-	2020-Present	- Audit Committee	- Nation Broadcasting Corporation Plc.
					2013-Present	- Chairman of Audit Committee	- Eastern Polymer Group Plc.
					2005-Present	- Chairman of Audit Committee	- U City Plc.
					2005-Present	- Chairman of Audit Committee	- Eastern Power Group Plc.
					2005-Present	- Director	- Boat House Hua Hin Co., Ltd.
					2004-Present	- Chairman of Audit Committee	- Krungthai Car Rent and Lease Plc.
					2004-Present	- Director	- Syntec Construction Plc.
					2000-Present	- Director	- Bright Lilly (Thailand) Co., Ltd.
					1997-Present	- Director	- Prospect Consulting Co., Ltd.

Details of Directors (Continued)

Name-Surname/ Title (1)	Age (years)	Educational Degree (2)	Shareholding Proportion in the Company (%) (3)	Family Relationship Between executives (4)	Work experience in the past 5 years		
					Duration	Position	Name of organization/ company/ Business Type (5)
Miss Benjawan Sinkunakorn - Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member	63	Literature Chinese Language (Economics and Trade), Beijing Language and Culture University - Master of Business Administration, Thammasat University - Bachelor of Accounting, Bachelor of Laws, Thammasat University - Barrister-at-Law, Institute of Legal Education of the Thai Bar Association * Trained from IOD DAP, Class 24/2004, DCP, Class 79/2006 and ACP, Class 12/2006 -The Audit Committee's Role in Compliance and Ethical Culture Over sight: IOD	-	-	2020- Present	- Independent Director and Audit Committee	- Wiik Plc.
					2016-Present	- Director	- Wealth Magic Plc.
					2005-Present	- Independent Director and Audit Committee	- Multi Bax Plc.
					2004-Present	- Director	- Syntec Construction Plc.
					1997-Present	- Managing Director	- Prospect Consulting Co., Ltd.
Mr. Jiramote Phahusutr - Director, Managing Director, Authorized Director	38	- Bachelor and Master Degree, Imperial College of Science, Technology and Medicine, London, UK - High School Education, Sherborne School for boys, Sherborne, UK * Trained from IOD DAP, Class 105/2013	12.89	Son of Mr. Sukhum Phahusutr	2020-Present	- Director	- Delta Infra One Co., Ltd.
					2019-Present	- Director	- SHG Management Co., Ltd.
					2019-Present	- Director	- AN 8 Co., Ltd.
					2018-Present	- Director	- PT 3 Land Co., Ltd.
					2018-Present	- Director	- JT 10 Co., Ltd.
					2015-Present	- Director	- CSM Capital Partners Co., Ltd.
					2013-Present	- Director/ Managing Director	- Syntec Construction Plc.
					2013-Present	- Director	- SCR Asset Management Co., Ltd.
					2013-Present	- Director	- Natural Ville Service Apartment and Management Co., Ltd
					2013-Present	- Director	- N&J Asset Management Co., Ltd.

Details of Directors (Continued)

Name-Surname/ Title (1)	Age (years)	Educational Degree (2)	Shareholding Proportion in the Company (%) (3)	Family Relationship Between executives (4)	Work experience in the past 5 years		
					Duration	Position	Name of organization/ company/ Business Type (5)
Dr. Arichai Ractham - Independent Director, Audit Committee, Member of the Nomination and Remuneration Committee, Chairman of the Risk Management Committee	54	- 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 * Training of IOD by DAP, Class 35/2004, DCP, Class 61/2005 and ACP, Class 15/2006 -The Audit Committee's Role in Compliance and Ethical Culture Oversight : IOD	-	-	2016-Present	- Independent Director	- More Return Plc.
					2015-Present	- Chairman of the Board of Directors, Independent Director and Chairman of Audit Committee	- Advanced Connection Corporation Plc.
					2007-Present	- Independent Director	- Syntec Construction Plc.
Mrs. Angsana Mankongcharoen - Director, Member of the Nomination and Remuneration Committee, Assistant Managing Director, Authorized Director	70	- The Oxford and County Secretarial College * Training from IOD DAP, Class 2/2003	-	-	2013-Present	- Director	- Natural Ville Service Apartment and Management Co., Ltd
					2005-Present	- Director	- Natural Hotel Sukhumvit Co., Ltd.
					2004-Present	- Director	- Syntec Construction Plc.

Details of Directors (Continued)

Name-Surname/ Title (1)	Age (years)	Educational Degree (2)	Shareholding Proportion in the Company (%) (3)	Family Relationship Between executives (4)	Work experience in the past 5 years		
					Duration	Position	Name of organization/ company/ Business Type (5)
Mr. Tavee Kunlertprasert - Independent Director	48	<ul style="list-style-type: none"> - Master of Finance, Golden Gaten University - Bachelor of Laws (First Class Honors), Chulalongkorn University - Bachelor of Finance, University of the Thai Chamber of Commerce - Certificate of TLCA Executive Development Program , Class 4, Thai Listed Companies Association - Certificate of Senior Executive Program, Class 20, Sasin Graduate Institute of Business Administration of Chulalongkorn University * Training from IOD DAP, Class 35/2005, DCP, Class 79/2006 and ACP, Class 12/2006 * Training from TLCA Leadership Development Program (LDP), Class 3/2015 	-	-	2014-Present	- Director	- Dark Horse Development Co., Ltd.
					2018-Present	- Director	- Steel Plus Fabrication Co., Ltd.
					2018-Present	- Director	- Steelers Steel Works Co., Ltd.
					2007-Present	- Director	- Practicum Engineering Co., Ltd.
					2004-Present	- Independent Director	- Syntec Construction Plc.
					2000-Present	- Director	- Knight Club Capital Asset Management Co., Ltd.
Mr. Paisan Tangyuenyong - Independent Director	56	<ul style="list-style-type: none"> - Master's Degree in Mechanical Engineering, Wisconsin State University, Madison Campus, USA - Bachelor's degree in Mechanical Engineering, Wisconsin State University, Madison Campus, USA * Training from IOD DAP, Class 28/2004 	-	-	2016-Present	- Independent Director	- Syntec Construction Plc.

Details of the management (continued)

Name-Surname/ Title (1)	Age (years)	Educational Degree (2)	Shareholding Proportion in the Company (%) (3)	Family Relationship Between executives (4)	Work experience in the past 5 years		
					Duration	Position	Name of organization/ company/ Business Type (5)
Mr. Sukhum Phahusutr - Deputy Managing Director	75	- Master Degree of Civil Engineering, M.S.C.F. (University of the Philippines)	6.82	Father of Mr. Jiramote Phahusutr And Ms. Nichaya Phahusutr	2004-Present	- Deputy Managing Director	- Syntec Construction Plc.
					1990-Present	- Director	- Huay Mongkol Agriculture Co., Ltd.
					1989-Present	- Director	- Bangthongsamun Agriculture Co., Ltd.
					1989-Present	- Director	- Bangpakong Agriculture Co., Ltd.
					1989-Present	- Director	- Hin Lek Fai Agriculture Co., Ltd.
					1989-Present	- Director	- Nong Plub Agriculture Co., Ltd.
					1988-Present	- Director	- Or Ngern Agriculture Co., Ltd.
					1988-Present	- Director	- Nawang Agriculture Co., Ltd.
					1988-Present	- Director	- Surasak Agriculture Co., Ltd.
					1988-Present	- Director	- Dan Sam Agriculture Co., Ltd.
Ms. Nichaya Phahusutr - Deputy Managing Director	40	- Master Degree, Risk Management, Reading University, UK	11.00	Daughter of Mr. Sukhum Phahusutr	2019-Present	- Director	- Hajikyu Restaurant Co., Ltd.
					2019-Present	- Director	- PT 3 Retail Co., Ltd.
					2019-Present	- Director	- SNJ Asset Co., Ltd.
					2015-Present	- Deputy Managing Director	- Syntec Construction Plc.
					2554-Present	- Director	- N&J Asset Management Co., Ltd.
					2013-Present	- Director	- N&J Hospitality Co., Ltd.
					2005-Present	- Director	- Pink Cafe Co., Ltd.

Details of the Company's management and controlling person (continued)

Name-Surname / Title (1)	Age (years)	Educational Degree (2)	Shareholding Proportion in the Company (%) (3)	Family Relationship Between executives (4)	Work experience in the past 5 years		
					Duration	Position	Name of organization/ company/ Business Type (5)
Mr. Nayot Pisanthanakul - Deputy Managing Director and Authorized Director	44	- Bachelor of Engineering in Mechanical Engineering of Kasetsart University - Master of Science in Mechanical Engineering University of California, Irvine, (Irvine, CA, U.S.A) - Master of Management, College of Management, Mahidol University	0.08	-	2002-Present	- Deputy Managing Director	- Syntec Construction Plc.
Ms. Sangduen Sornbalee - Chief Accounting and Finance Officer	48	- Master of Accounting, Chulalongkorn University - Executive Certificate Program, St. Gallen University, Switzerland *CPA License No.11168	-	-	2020-Present 2016-2019 2010-Present 2009-2015 2005-2552 2002-2005 1993-2002	- Chief Accounting and Finance Officer - Accounting and Finance Manager - Director - Accounting and Finance Director - Accounting and Finance Director - Accounting and Finance Manager - Assistant Accounting and Finance Manager	- Syntec Construction Plc. - Spirax Sarco (Thailand) Co., Ltd. - JAH Co., Ltd. - Siam Shoreside Service Co., Ltd. - Smart Concrete Plc. - Conwood Co., Ltd. - Siam City Cement Plc.
Ms. Nuchanart Sirisupamit - Accounting Controller/ Accountant	54	- Master of Banking and Finance, Siam University - Bachelor of Business Administration, Ramkhamhaeng University - Bachelor of Accounting, Krirk University	-	-	2020-Present 2017-2020 2014-2017	- Accounting Controller/ Accountant - Chief Accounting and Finance Officer - Accounting Manager	- Syntec Construction Plc.

Note:- * Training from Thai Institute Of Directors (IOD) : / DAP = Director Accreditation Program, / DCP = Director Certification Program, / ACP = Audit Committee Program

* Training from Federation of Accounting Professions of Thailand/ CPA=Certified Public Accountant

Duties and responsibilities of the company secretary and liaison representative

The Company secretary must perform duties as stipulated in Section 89/ 15 and Section 89/ 16 of the Securities and Exchange Act (No. 4) B.E. 2551, which came into force on 31 August 2008 with responsibility, caution and honesty, as well as having to comply with the law, objectives, articles of association, the board resolutions, as well as resolutions of the shareholders' meeting. The legal duties of the Company secretary are as follows:

1. Prepare and maintain the following documents:

- A. Register of Directors;
- B. Notice of directors' meeting, Minutes of the Board of Directors' meetings and the Company's annual reports;
- C. Invitation letter to shareholders' meeting and minutes of shareholders' meeting

2. Keep reports of interest reported by the board or executives, deliver a copy of the report of interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the Company receives the report.

3. Take other actions as specified by the Capital Market Supervisory Board.



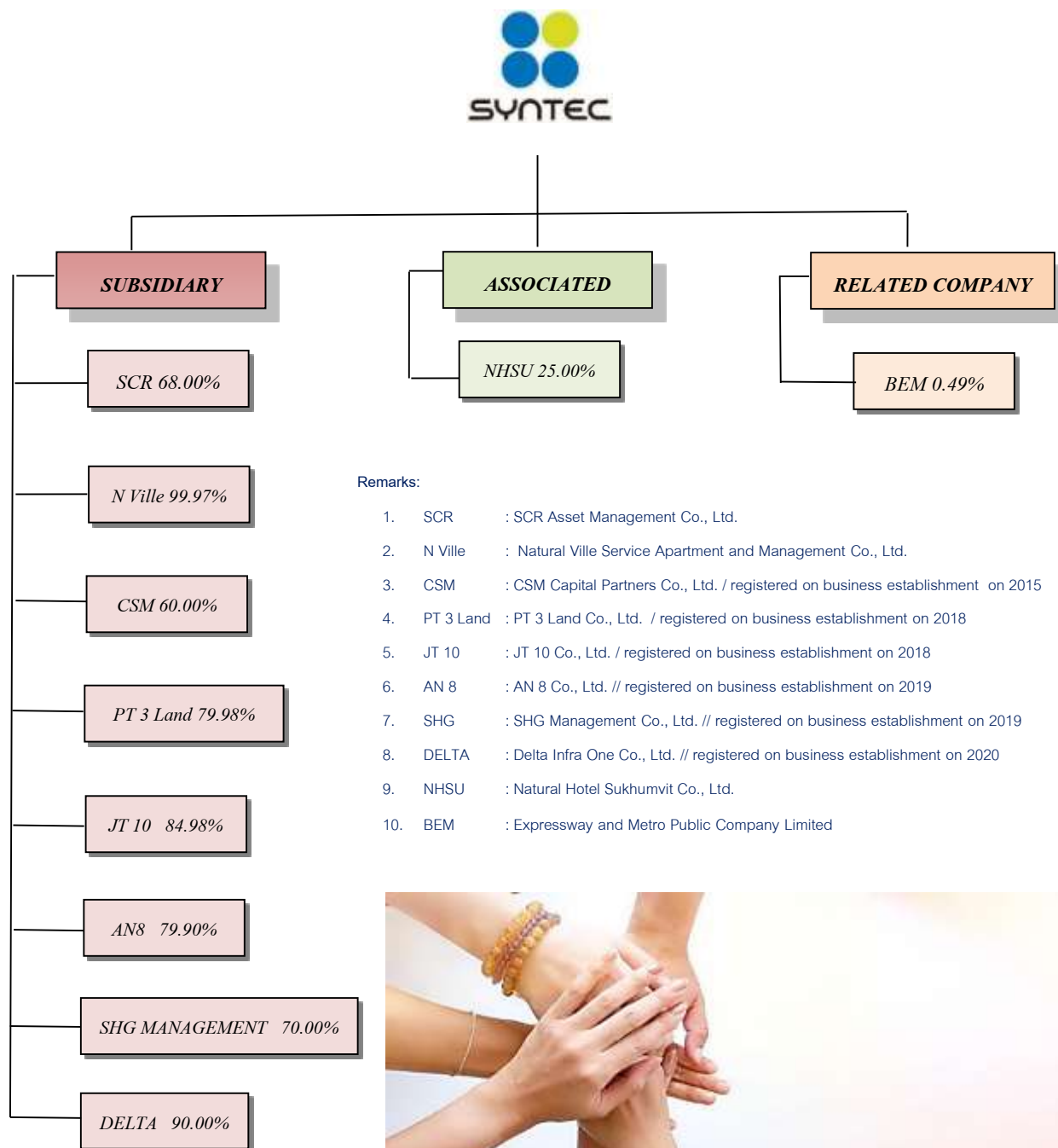
Other duties of the Company secretary

- Arrange for the board of directors's meeting and the shareholders' meeting of the Company in accordance with the law, relevant regulations and good practices
- Provide initial advice and recommendations to the Board of Directors on issues related to regulations of regulators and good corporate governance practices
- Liaise with departments within the Company to comply with the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
- Liaise with regulators such as the Securities and Exchange Commission and oversee the disclosure of information and reporting information to the regulators and the public to be correct and complete according to the law.
- Provide information to general shareholders to be informed of the rights and Company's news.
- Provide an orientation and give advice to newly appointed directors.



Attachment 2 Information for Director of Subsidiaries (As of 31 December 2020)

Shareholding Structure Chart



Name of Director and Executive		SYNTEC	Subsidiaries								บริษัท ร่วม	บริษัทอื่น	
			SCR	N Ville	CSM	PT3	JT10	AN8	SHG	DEL	NHSU	BEM	BC
Mr. Somchai	Sirilertpanich	//	//	//	//	//	//	//	//	//			
Mr. Chaiwat	Atsawintarangkul	/											
Ms. Benjawan	Sinkunakorn	/											
Dr. Arichai	Ractham	/											
Mr. Tawee	Kunlertprasert	/											
Mrs. Angsana	Mangkoncharoen	//		//							///		
Mr. Paisarn	Tanguengyong	/											
Mr.Jiramote	Phahusutr	//	//	//	//	//	//	//	//	//			
Mr.Sukhum	Phahusutr	*											
Ms.Nichaya	Phahusutr	*											
Mr. Nayot	Pisunthanakul	*											
Ms.Sangduen	Sornbalee	*											
Ms.Nuchanart	Sirisupamit	*											
Mrs.Chongjit	Witheekol	*				//			//				

Remarks : / = Independent Committee // = Management Committee /// = Director * = Executive



Attachment 3 Details of the Internal Audit Supervisor

And supervisors to supervise the operations of the company

1. Internal Audit Supervisor

- Mr.Pornanan Vongpanich Position Internal Audit Manager
- Educational qualifications, bachelor's and master's degrees in economics
- Work experience Operational supervision work and internal audit work Siam City Bank PCL.
- Training
 - Certified Internal Professional of Thailand: (The Institute of Internal Auditors of Thailand: IIA)
 - Risk Assessment methods for planning the Internal Audit: Federation of Accounting Professions
 - Internal Audit Model Considerations: The Institute of Internal Auditors of Thailand (IIA)
 - Audit Change from Internal Auditor to Consultant: The Institute of Internal Auditors of Thailand (IIA)
 - Fraud Audit: The Institute of Internal Auditors of Thailand (IIA)
 - Ms. Excel for Accounting and Fraud Detection
 - Financial Auditing for Internal Auditors or Non Accountants: The Institute of Internal Auditors of Thailand (IIA)
 - Personal Data Protection Act: PDPA
 - Organizational Risk Management: TRIS Corporation

2. Head of Compliance Unit (Compliance)

- Ms. Rattapawee Lapnan Position Assistant Manager Compliance department
(Acting Manager Division of Rules and Regulations) and Company Secretary (Appointed on 24 July 2017)
- Educational qualifications Bachelor of General Management and Master of Management Science
- Work experience Company Secretary Ausiris Futures Company Limited (3 years), Thonburi Commercial Leasing Company Limited (5 years)
- Training
 - Fundamentals for Corporate Secretaries: (Thai Listed Companies Association: TLCA)
 - Advances for Corporate Secretaries: (Thai Listed Companies Association: TLCA)
 - Company Secretary Program (CSP): (Thai Institute of Directors: IOD)
 - Company Reporting Program (CRP): (Thai Institute of Directors: IOD)
 - Board Reporting Program (BRP): (Thai Institute of Directors: IOD)
 - Effective Minutes Taking (EMT): (Thai Institute of Directors: IOD)
 - CGR Workshop Enhancing Good Corporate Governance based on CGR Score card: IOD
 - Basic Finance for IR: (Stock Exchange of Thailand: SET)

- Basic Valuation for IR: (Stock Exchange of Thailand: SET)
- Financial Instruments for IR: (Stock Exchange of Thailand: SET)
- CSR Report in Annual Report: (Stock Exchange of Thailand: SET)
- CSR for Corporate Sustainability: (Stock Exchange of Thailand: SET)
- Corporate Social Initiatives for Sustainable Development: (Stock Exchange of Thailand: SET)
- Supply Chain and Stakeholder Engagement: (Stock Exchange of Thailand: SET)
- Strategic CSR Management: (Stock Exchange of Thailand: SET)
- CSR Evaluation and Data Management: (Stock Exchange of Thailand: SET)
- Towards Sustainable finance and investment in Thailand: (Stock Exchange of Thailand: SET)
- State of the Corporate Sustainability: Sector Perspective from 100 Reporting Organizations
- Sustainability Report Workshop: Raising the bar for Sustainability Reporting by Deloitte
- Sustainability Risk and Materiality Analysis: (Stock Exchange of Thailand: SET)
- Sustainability Reporting: (Stock Exchange of Thailand: SET)
- Sustainability Reporting Workshop: GRI Standards: (Stock Exchange of Thailand: SET)
- Sustainability Reporting Knowledge Sharing Session “How to Get Started with ESG Reporting”
- ESG Self-Assessment and Sustainability Group Report: Thai Pat

Roles, duties and responsibilities of the Head of Compliance Unit

Head of the Compliance Unit is responsible for being the center for governing the business operation of the Company and its subsidiaries in accordance with the laws, rules, regulations, policies and requirements of relevant government agencies such as the Stock Exchange of Thailand, Bank of Thailand, Securities and Exchange Commission or other government agencies related to the Company's business operations

The Board of Directors has approved the Compliance Policy by requiring the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Management Committee, senior management and relevant internal departments, including all employees to comply with the laws, rules, regulations, policies and requirements of the relevant government agencies by communicating to relevant persons to realize that everyone has a duty and responsibility to study and understand the laws, rules, regulations, policies and requirements of the relevant government agencies in the work for which they are responsible and perform duties correctly and completely, and adhere to the specified basis strictly.

Attachment 4 Details about the property appraisal list

Fair value measurement

Investment properties of Syntec Construction Public Company Limited and its subsidiaries used in business operation as of 31 December 2020 (as detailed in the consolidated financial statements) are as follows:

Property Type	Nature of Ownership	Cost Price	Book Value	Appraisal Price	Appraisal Approach
1. Land	Owner	306,571,138	306,571,138	400,949,468	Income approach
2. Buildings, condominiums and building improvements	Owner	319,249,832	217,857,241	296,570,155	Comparison approach Cost approach and income approach
3. Furnishings	Owner	3,421,893	1,058,827	1,384,788	Income approach

Note: Details appear in Note 15 to the financial statements on Investment Property

Investment properties as of 31 December 2020 consist of land, buildings, condominiums and building improvements and furnishings, appraised by an independent appraiser according to the market broach. Fair value measurement of the investment properties is categorized at level 2 and level 3 of fair value hierarchy in accordance with reports dated 20 January 2021 and 15 February 2021, respectively.



Corporate Governance Policy

(Revision No.3 Dated 21 September 2016)

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Message from Chief Executive Officer

As Syntec Construction Public Company Limited (“Company”) realizes on the significance of good corporate governance and is confident that good corporate governance shall promote the Company to have competitive potential, leading to business growth and also building confidence to the stakeholders for all parties to be consistent with “Principle of Good Corporate Governance for the Listed Company for 2006”, the Company therefore has approved the corporate governance policy according to the Board of Directors’ Meeting on 21 December 2007 as practical guideline of the Company’s director, executive and staff so that the operation shall be in line with good corporate governance plan.

The Company aims at operating according to the guideline for good corporate governance under regular consideration and review of the said principle to be consistent with vision, mission, objective and guideline for the Company’s operation and in line with rule and regulation determined by the regulating agencies. However, the Company has considerably hoped that all directors, executives and staffs shall be cooperative in study and strict compliance with Corporate Governance Policy (Revision No. 3 Dated 21 September 2016) to carry the Company to attain the determined target as well as creation of sustainable stability and growth accordingly.

Mr. Somchai Sirilertpanitch

Acting for Chairman of the Executive Board

Syntec Construction Public Company Limited

21 September 2016

Corporate Governance Policy

Syntec Construction Public Company Limited (“Company”) realizes on the significance of management according to the principle of good corporate governance whereas the meaning of Corporate Governance is defined according to the meaning of the Stock Exchange of Thailand that it is the system of which the structure and process of relationship between the Board, Management and shareholders are organized for competitiveness, leading to growth and value addition to its shareholders in long run under concern on other stakeholders. The good principle and practical guideline of corporate governance are classified into five as follows.

1. Right of Shareholder
2. Equal Shareholder Treatment
3. Role of Stakeholders
4. Information Disclosure and Transparency
5. Responsibility of the Board

The objective is the honest, transparent, fair and accountable business operation of the Company for effective operation and formulated target attainment.

The Board of Directors therefore has prepared Corporate Governance Policy Manual containing the detail of guideline for good corporate governance, practical guideline for management, role and duty of the Board of Directors, and internal control. However, corporate governance policy has been disseminated on the Company’s website for acknowledgement of the outsider and internal communication so that the director, executive and staff shall understand and can apply them for operation.

Definition of Keywords

Company	means	Syntec Construction Public Company Limited
Managing Director	means	Chief Executive or the person with equivalent role and duty
Independent Director	means	Independent director of the listed company from the major shareholder or the group of the major shareholders and the executive of that company whereas the said director shall be completely qualified according to the criteria determined by Capital Market Supervisory Board
Non-Executive Director	means	The non-executive director who is irrelevant to regular management of the said company.
Sub-Committee	means	Sub-Committee established to contribute to study and screen any area of work.
Audit Committee	means	Sub-Committee established to perform the duty in governing the preparation of financial report, govern the preparation of proper and complete financial reports and information disclosure to be in line with the reporting standard under adequately concise internal control and internal audit standard. However, the element, qualification and duty of the Audit Committee shall be line with the announcement prescribed by Capital Market Supervisory Board and the Stock Exchange of Thailand.
Nomination and Remuneration Committee	means	Sub-Committee established by the Board to perform the duty in considering remuneration of the director and top executive, and perform the duty in nomination of the director and top executive.

Vision, Mission, Common Value and Corporate Culture**Vision**

We shall be the leader in construction industry with effectively continuous development on quality, time, expense, safety, and social and environmental responsibility.

Mission

- Develop the personnel to possess skill, knowledge, competency and expertise in construction work to acquire high quality achievement.
- Develop work method applying innovation for leadership building.
- Efficiently manage cost for competitiveness enhancement.
- Retain the contractual mission for customer confidence and satisfaction creation.
- Construct under concern on standard safety and social and environmental responsibility.

Common Value

Common value between in-house people is created for unity and expectation that everyone “works in team with love and concord as SYNTEC family that has virtue and awareness of environmental care.”

Corporate Culture

The Company has forcefully built and complied with its culture for long time as if high rise building construction. The significance is at the secure and solid foundation laying. The Company’s culture is the same. When it is practiced and transmitted from generation to generation, everyone can be converged in the Company as unanimity and mutually overcome obstacle for maximum benefit of working efficiency creation under below mutual agreement.

- We shall mutually help in working.
- We shall mutually share resources and worthily use them as much as possible.
- We shall mutually develop organization.
- We shall mutually open mind and discuss.

Section 1 Right of Shareholder

Principle

The basic right of the shareholder includes trading or transfer of shares, business profit sharing, acquisition of adequate business news and information and meeting attendance for exercise of his or her right in voting right in the Shareholders' Meeting for appointment or removal of the director, appointment of the auditor, and affected issue of the Company such as dividend allocation, determination or revision of Articles of Association and Memorandum of Association, capital increase or decrease, and approval of special transaction, etc.

Therefore, the Board of Directors realizes and gives precedence to the shareholder's right, without performing any act which is the violation or diminishing of the shareholder's right.

Practical Guideline

1. Shareholders' Meeting

1.1 Hold the Shareholders' Meeting in not exceeding 120 days from the date of accounting year end period by giving the shareholders the opportunity to have right to propose and add the meeting agenda, nominate the qualified person who will hold the director position, and send queries required for response to the Shareholders' Meeting in advance before the Company will deliver Meeting Convocation Notice. The shareholders shall be notified about the proposal method and proposal expiry period via news system of the Stock Exchange of Thailand and the Company's website.

1.2 Deliver General Meeting of Shareholders Convocation Notice and meeting documentation both in Thai language and English language containing (1) map of meeting holding venue, (2) information detail for each agenda, (3) Annual Report, (4) Proxy Form B, (5) information of independent directors specified by the Company to be proxy from shareholder so that the shareholder can use the said information in case that the said shareholder intends to select the independent director as the proxy, (6) explanation that whichever document or evident shall be presented by the shareholder in the meeting attendance, (7) Articles of Association in the part related to the Shareholders' Meeting for all shareholder in advance prior to meeting for at least 21 days for opportunity giving to shareholders to have time in studying the detail of each agenda.

1.3 Disseminate Meeting Convocation Notice, meeting documentation both in Thai language and English language via the Company's website, notify news via Stock Exchange of Thailand for at least 30 days in advance, and publicize Shareholder's Meeting Convocation Notice in newspaper for 3 consecutive days so that the shareholders can thoroughly recognize news as much as possible.

1.4 In case of inconvenience to attend the meeting by presence, the shareholder can authorize other person or independent director. The Company shall deliver Proxy Form B together with Meeting Convocation Notice to the shareholders prior to the meeting date in advance.

1.5 Facilitate and encourage the shareholders and institutional investors to attend the Shareholders' Meeting by preparing the document of at least one (1) independent director to be authorized from the institutional investor.



1.6 Facilitate and encourage the shareholders to attend the Meeting by selecting meeting holding venue whereas the space is adequate for number of meeting attending shareholders, and convenient for travel. In addition, the clear meeting holding venue map shall be enclosed in Meeting Convocation Notice.

1.7 Shareholders' Meeting Convocation Notice shall completely specify detail of meeting date, time, venue and agenda, as well as clearly specify objective, reason and opinion of the director in each agenda under significant agenda as follows.

- Director Consideration and Appointment Agenda specifies name, surname, age, educational background and working history, number of the director position holding companies by separating into the listed company and general company, nomination criteria and method, type of the directors proposed for appointment, shareholding in the Company, meeting attendance information in last year, and appointing date, month and year as the Company's director.

- Auditor Consideration and Appointment Agenda clearly specifies name of at least two (2) auditors, the subordinate company, the auditor's license, number of the audited years for the Company, opinion of the Audit Committee toward the proposal of the auditor's appointment, as well as the aspects of the auditor's independence and remuneration.

- Dividend Payment Consideration and Approval Agenda informs the Company's dividend payment policy, dividend ratio proposed for payment in comparison with net profit together with reason, supporting information, comparative information for dividend payment ratio in last year. In case that dividend payment suspension is proposed, the clear consideration supporting reason and information shall be notified.

1.8 Facilitate the shareholders to fully exercise right to attend the meeting and vote and omit to perform any act that limits the shareholder's opportunity to attend the meeting such as meeting attendance for voting and resolving without the complicated method or expense.

2. Execution in the Shareholders' Meeting Date

2.1 Schedule meeting holding date, time and venue under concern on the meeting attending convenience of the shareholder without holding the meeting in public days or bank holidays of Siam Commercial Bank from three (3) consecutive days and over.

2.2 Apply barcode system technology and shareholders' meeting holding program in the meeting whether registration, voting, vote count, and result display so that the meeting can be rapidly, properly and accurately carried out. Stamp duties are arranged to facilitate the authorizing/authorized shareholders.

2.3 Give the shareholder the opportunity to nominate the shareholder's representative who is the independent person and the verifier of vote count in the meeting for confidence building to the shareholders.

2.4 Notify the number/proportion of the shareholders by presence and the shareholders by proxy, clarify the method of the shareholder's voting and vote count according to Articles of Association, prior to the meeting's commencement. In addition, the voting ballot shall be used for each agenda so that the shareholders can exercise their voting right, and disclose voting result in each agenda in the Shareholders' Meeting, specifying shareholder voting result for agreed, disagreed and voting abstained resolution.



2.5 Carry out the meeting to be in line with Articles of Association and agenda determined in Meeting Vocation Notice, and avoid the addition of other agenda which is not determined in advance in the Shareholders' Meeting. This shall be deemed as unfair for the non-meeting attending shareholders.

2.6 The Chairman and the Board of Directors, the Chairman of the Sub-Committee for every set, and the Company's Secretary as well as the Company's auditor shall attend the Shareholders' Meeting every time to mutually respond queries in the relevant aspect.

2.7 Chief Executive Officer and/or Managing Director (Chief Executive of the Company and Chief Financial Officer) shall attend the Shareholders' Meeting every time for mutual response of query in the relevant aspect.

2.8 Give shareholder the opportunity to vote and select the director in individual persons, distribute and keep the voting ballots from all meeting attending shareholders (whether in case of agreeing, disagreeing and abstaining for voting) so that the shareholders shall have true right to select the required director.

2.9 In Annual General Meeting of Shareholders, all forms of director remuneration such as regular remuneration, meeting allowance, bonus/pension and other privileges shall be regularly proposed to the shareholders for consideration and approval every year. In addition, the remuneration determination policy as well as remuneration giving criteria for each director position shall be proposed to support the shareholder's consideration.

2.10 Give shareholder the opportunity to inquire/express the opinion in the meeting whereas the Company shall completely respond the shareholder's queries in significant aspect.

3. Preparation of the Meeting Minutes and Disclosure of Resolution of Shareholders' Meeting

3.1 Prepare Minutes of Shareholders' Meeting under below significant detail.

- Record the quorum requirement according to law and according to Articles of Association, requirement of the voting method in the Shareholders' Meeting according to the Articles of Association, the voting and vote count procedure; and summarize the announcement and invitation result for advance proposal of meeting agenda for acknowledgement of the shareholder prior to meeting commencement.

- Record the aspect of query and response inquired by the shareholder, or propose the opinion in various agenda in the meeting so that the non-meeting attending shareholders for acknowledgement.

- Clearly record the meeting resolution and record number of votes in each agenda whether agreeing, disagreeing, and abstaining for voting in each agenda with voting.

- Record name list and position of the director who attends the meeting and the director who take leave from the meeting for verification on the participation of the director in each meeting.

3.2 Disseminate Minutes of the Shareholders' Meeting under below significant detail

- Disseminate the resolution of the Shareholders' Meeting via news system of the Stock Exchange of Thailand and the Company's website within the following working day. The said resolution shall specify the resolution result (agreed/disagreed) and voting result (agreed/disagreed/abstained for voting) in each agenda.

- Disseminate the unabridged edition of the Minutes of Shareholders' Meeting via the Company's website, and deliver Minutes of Meeting to Stock Exchange of Thailand within 14 days from the meeting date.

- Disseminate recording tape of the meeting in the Company's website.
4. Clearly disclose the shareholding structure in the Company and in subsidiary, which is verifiable without cross shareholding in the group of the Company.
 5. The Company has more than 40% for shareholding proportion of minor shareholders (Free Float) and the Board of Directors of the Company shall hold total shares for not over than 25% of the issued shares of the Company.
 6. Equally treat shareholders in the matter of buyback of share and giving shareholders the opportunity to enable to mutually communicate.
 7. The Company has no agreement between the shareholders that will significantly affect the Company or other shareholders.

Section 2 Equal Shareholder Treatment

Principle

The Company gives precedence to the basic right of the shareholder, promotes shareholder to exercise his or her right according to legal requirement. In addition, the Company also equally treats all shareholders without concern on number of holding shares, race, religion, social position, or political opinion so that the shareholder trusts and is confident on the investment and creation of the confidence to the shareholder that the Board and the Management shall oversee the money spending of the shareholder to be appropriate and to be the significant factor in confidence on investment with the Company. The Board therefore should govern the shareholder to be equally treated and protected for basic right as mentioned in the principle in Section 1 of Right of the Shareholder.

The Board should arrange the Shareholders' Meeting Process in the supporting nature for equal treatment to all shareholders. The equal treatment to all shareholders shall be determined. In addition, the policy shall be determined to give minor shareholders the opportunity to enable to nominate the name of the person to assume the director position in reasonable time in advance, to give shareholder who is unable to attend the meeting by presence can exercise his or her voting right by authorizing other person to attend the meeting and resolving instead, and to give minor shareholder the opportunity to enable to propose the addition of the meeting agenda prior to the Shareholders' Meeting in advance.

The Board should have protection measure in case that the director and executive uses inside information to wrongfully exploit for self-benefit or other person's benefit (abusive self-dealing) which is taking advantage against other shareholder, such as insider trading in securities, and use of inside information for disclosure to the person related to director and executive should be taking advantage or may cause overall damage to shareholders, etc.

The Board should determine the director and executive to disclose information about their gain and loss and other person's gain and loss so that the Board can consider the Company's transaction that may have conflict of interest, and can make decision for overall benefit of the Company. However, the director and executive who have gain and loss with the transaction performed with the Company should not participate in making decision on performing the said transaction.

Practical Guideline

1. Information Provision Prior to Shareholders' Meeting

1.1 Grant the voting right to all types of shareholders in the way of one share per one vote for equality of the shareholder.

1.2 Prepare the meeting-related documents such as Shareholders' Meeting Invitation and Convocation Notice, Proxy, Minutes of Shareholders' Meeting, Annual Report both in Thai language and English language, and prepare the Company's website in both languages for dissemination to both Thai people and foreigners

1.3 Disseminate the unabridged edition of Shareholders' Meeting Convocation Notice on the Company's website at least 30 days prior to meeting date in advance, notify via website of the Stock Exchange of Thailand within the same day, and deliver by post to the shareholder at least 21 days prior the meeting date in advance.

1.4 Facilitate the shareholder, who is unable to attend the meeting by presence, can authorize other person or independent director by advance delivery of Proxy Form B together with Meeting Invitation and Convocation Notice to

shareholders prior to the meeting date. The delivered Proxy shall clearly specify the detail, document, evidence required for use, and advice of the authorization procedure.

1.5 The Company does not determine rules or conditions that cause difficulty of authorization to other person for meeting attendance instead. It just determines the document certification by the attorney and the proxy only for confirmation that the right to attend the Shareholders' Meeting is properly exercised and granted.

2. Protection of the Minor Shareholder's Right

2.1 Channel for participation of the minor shareholders in the Company's management shall be available by giving minor shareholder the opportunity to enable to propose the addition of the meeting agenda, nominate the name of the qualified person, to be considered on appointment of the Company's director prior to the Shareholders' Meeting. The Company shall notify the shareholder for acknowledgement via website of the Stock Exchange of Thailand and the Company's website.

2.2 The Company shall not add the meeting agenda which is not prior-notification without necessity, particularly the significant agenda that must take time by the shareholder in studying the information prior to decision making.

2.3 Give shareholder the opportunity to exercise the right to appoint director in individual persons.

3. Protection for the Use of Inside Information

The Board shall announce the application of the policy for information disclosure, use of inside information and confidentiality, as part of the Manual of the Company's Business Code of Conduct that create confidence on strict compliance. The said guideline shall be notified to everyone in the organization to adhere and practice, and disclosed in Annual Report. The practice of the said guideline is as follows.

3.1 The director, executive and staff shall not use the inside information of the Company and the information of the Company's business partner for self-benefit, or use inside information for other person. In addition, the director, executive and staff shall keep secret and inside information in the responsible part not to be leaked to other person and the Company's irrelevant personnel.

3.2 Limit the access to inside information which has not yet been publicly disclosed and it has been recognized particularly by the relevant person only.

3.3 The disclosure of the Company's information shall be performed by the personnel who has the duty to disclose information. The personnel without authority are unable to disclose the information.

3.4 The duty of all directors, executives and staffs is to protect and retain inside information, and not exploit benefit from acknowledged inside information even though they are free from the Company's staff status.

3.5 The duty of the director and top executive is to report the security possession and report the change in security possession under Section 59 of Securities and Exchange Act B.E. 2535 (1992) within three (3) working days from the buying, selling, transfer or transfer accepting date to the Office of the Securities and Exchange Commission, gather for regular reporting to the Board of Director, and disclose in Annual Report.



3.6 The director and top executive should avoid selling, buying, transfer or transfer accepting of the Company's securities in one month period before public disclosure of the Company's financial statements; and should wait for elapse of 48 hours so that normal trading shall be started.

3.7 The person who disclose the inside information which has not yet been permitted and information which has not yet been publicly disclosed until resulting in damage to the Company, shall be legally liable.

4. Stakeholding of the Director

4.1 Determine the director with gain and loss to report his or her stakeholding at least prior to consideration on the said agenda, and record in the minutes of the Board of Directors' Meeting whereas the participation in the meeting for consideration on the said agenda shall be refrained.

4.2 Disclose the detail and reason to perform the connected transaction which is within scope of information disclosure or approval request from the shareholder according to the requirement of the Stock Exchange of Thailand. The name and relationship of the connected person, pricing policy, transaction value, and opinion of the Board about the said transaction, shall be clearly and carefully disclosed for the shareholder's acknowledgement without violation or non-compliance with the regulations prescribed by the regulating agencies in connected transaction performing.

4.2 Disclose that the inter-transaction performing is fairly performed based on market price and according normal trade business, and disclose the said transaction in the Company's Annual Report.

5. The Company has no business group-type structure with inter-transaction performing in the way that may have conflict of interest. If considering from the shareholding structure and level of inter-transaction performing within the business group under consideration on the Company's revenue and expenditure from business doing in the group, and comparison of total revenue and expenditure. However, the performing level of transaction either being revenue or expenditure shall not be less than 25%, except the case that it is the normal business transaction performing, and the case that it is the transaction performing with subsidiary or associated company that has none of the connected person who holds shares more than 10%.

6. The Company has no financial aid provision policy such as money lending or credit guarantee to the company which is non-subsiary of the Company except in case of lending or loan guarantee according to shareholding proportion under joint venture contract and upon consent from the Board of Directors.

7. The Company is careful for security trading not to be in the nature of violation and non-compliance with the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

8. Determine the policy that the director and top executive shall notify the Company for prior-acknowledgement at least one (1) day in advance before security selling/buying via Rules and Regulations Section, and monthly report the Board of Directors' Meeting for acknowledgement.

Section 3 Role of Stakeholder

Principle

The Company gives precedence to the right of all groups of stakeholders such as shareholder, customer, staff, business partner, competitor, as well as social and environmental responsibility, to ensure that all groups of stakeholders are well supervised according matters of law and relevant set of regulations, without any action which is the violation of the stakeholder's right. The compensation measure shall be available in case that the stakeholder is damaged from right violation.

Practical Guideline for Each Group of Stakeholders

1. Shareholder

1.1 Honestly function as well as prudently, carefully and fairly make decision on any action to every shareholder for overall maximum benefit of shareholder.

1.2 Equally, regularly and completely disclose the financial and non-financial reports and turnover of the Company to shareholders on fact basis.

1.3 Treat shareholder according to the criteria of good corporate governance in the Section of Shareholder Right, give precedence to holding of Annual General Meeting of Shareholders under compliance with the principle of evaluation on the General Meeting of Shareholders' holding quality prescribed by the Office of Securities and Exchange Commission, Stock Exchange of Thailand and Thai Investors Association.

2. Customer

2.1 Honestly and fairly treat customer under equal responsibility toward all customers without specific discrimination against any person.

2.2 Construct the projects to be consistent to the customer objective and comply with the working profession standard, work quality and delivery according to the contractual terms.

2.3 Disclose information related to service works of the project constructions in all procedures from startup of the project construction until work completion for customer.

2.4 Strictly comply with the conditions entered with the customer and hurriedly notify the customer for acknowledgement in case of compliance failure for mutual consideration on finding the corrective guideline.

2.5 Keep the customer secret and not use the customer information for self-benefit or the relevant person's benefit.

3. Business Partner

3.1 Equally treat every business partner based on the fair and reasonable return gaining for both parties.

3.2 Comply with unfair anti-competition policy, and give the opportunity to all business partners to equally offer goods and services without barrier not to permitting any business partner to participate in competition. The Company shall select the business partner as appropriate.



3.3 Strictly comply with the agreed contract and conditions and urgently notify for mutual consideration on finding the corrective solution in case of compliance failure for any clauses of the condition.

3.4 The contract and/or condition with the business partner shall be clearly and fairly entered under the same standard of the contractual form.

3.5 Give precedence to duly payment to business partner as agreed.

3.6 Not seek for secret information of the business partner with dishonest method.

4. Competitor

4.1 Have fair policy and practical guideline for competitor responsibility and practice under the covenant framework of free and fair competition within the legal framework.

4.2 Not seek for secret information or information that affects the decision making of the business competitor with dishonest method or improper method.

4.3 Not discredit the business competitor's reputation with adverse accusation.

4.4 Support and promote free and fair trade without monopoly, or determination that the Company's customers shall do business with the Company only.

4.5 Support collaboration with the business competitor which is useful for consumer and not for monopoly of revenue and market share allocation.

5. Creditor

5.1 Strictly comply with the condition entered with the creditor in debt settlement, collateral supervision, guarantee condition, capital management and other fair conditions.

5.2 Properly and completely report financial position to the creditor according to the terms in loan contract.

5.3 Report creditor if failing to comply with the contractual condition and mutually find the corrective guideline.

6. Government Sector Treatment

The Company strictly observes laws and rules prescribed by the government sector whether it is payment of tax and other expenses, supports government policy for national benefit and performs none of any acts that violates labor, employment, consumer, trade competition, and environmental laws.

7. Staffs

7.1 The Company's children and human right respect policy gives precedence to the respect of humanity dignity, liberty right and equality of the person without segregation of any race, sex, age, skin color, religion or status which is not related to the direct working.

7.2 Give equal employment opportunity for the disabled and lady whereas the number and detail of the in-house staffs are clearly disclosed.



7.3 Have clear and concrete policy for staff remuneration and welfare determination, and disclose the practice for supervision on remuneration and welfare which is consistent with the Company's operating result both in short-term and long-term of the staff. The remuneration shall be considered to be equivalent to the same type of business group. In addition, welfare shall be arranged to staffs more than the law requirement such as provident fund for indication of fair practice of the Company on long-term staff care.

7.4 Have personnel development guideline as part of Manual of the Company's Business Code of Conduct that has concrete practical guideline and encourages the Company's personnel from staffs until top executives to attend the training for learning necessary skills to reinforce working efficiency. The figure of annual average number of staff training hours shall be disclosed in Annual Report.

7.5 Give the staffs the opportunity to mutually express the opinion in various issues and accept the right of integration and mutual bargaining of the staff.

8. Community and Society

8.1 Have fair social responsibility policy and practical guideline without any actions that damage community, society and public benefit.

8.2 Support social activity organizing and focus social and community development whereas it is determined to be social and business innovation development policy which is clearly disclosed.

8.3 Responsible for community, nearby houses and society, under strict action according to labor, employment and consumer laws, and relevant regulations and laws of construction works.

9. Environment

9.1 Comply with the environmental management policy which is regarded as the part of the Company's Business Code of Conduct whereas it shall be executed under the determined environmental regulation and law that covers building quality, noise level, vibration and sewerage.

9.2 Comply with the effective resource consumption policy, and support environmental conservation, promote knowledge provision and training for staffs in the matter of environment, as well as campaign effective energy and resource consumption.

10. Emphasis on Occupational Safety, Health and Environment

The occupational safety, health and environment policy and measure shall be regarded as part of the Manual of the Company's Business Code of Conduct. It is the obvious and concrete policy regarding to the care of sanitation and safety in various forms as the result of the occurred accident, fire, occupational injury and errors, preservation of the safe occupational environment for the staffs, and disclosure of the statistics of accident occurrence, off rate and occupational illness rate in Annual Report.

Disclosure of Policy Compliance and Social Responsibility Report Preparation

1. Not demand, not receive or pay any interest which is mercenarily dishonest against the business partner and customer, under action of the Company's anti-corruption policy, assessment of risk in part of the relevant works, follow-up of the assessment from the relevant work unit, and training and knowledge provision for the said policy to staffs.

2. Execute according the Company's intellectual property respect policy under the clear practical guideline that will not perform any acts which infringes intellectual property whether being copyright, patent or trademark.

3. The Company has whistle-blowing policy and measure that gives the stakeholders and staffs the chance to enable to directly notify the Board of Directors about the clues of offence, corruption, right infringement or other issues that may be the problem. The Board of Directors has entrusted the relevant work section to investigate and report to the Board of Directors under the Company's guideline for offence whistle-blower protection.

4. The Company shall prepare sustainable development reporting in social responsibility in Annual Report and disclose on the Company's website.

Section 4 Information Disclosure and Transparency

Principle

The Company shall operate under transparency, accountability, compliance with the Principle of Good Corporate Governance, supervision of the proper, complete and timely information disclosure, and equal information access of all parties according to the criteria of the Office of the Securities and Exchange Commission, and Stock Exchange of Thailand via the channel of easy information accessibility by all relevant parties. Apart from dissemination via the Stock Exchange of Thailand's website, the Company also disseminates in the Company's website which is prepared in Thai language and English language.

Practical Guideline

1. Information Disclosure

The Company shall properly and completely disclose the key information related to the Company both of financial information and non-financial information. Besides the Company shall disseminate the information according to the determined criteria via the channel of the Stock Exchange of Thailand, Annual Registration Statement (Form 56-1), and Annual Report, the Company also discloses the information via the Company's website whereas the information is always revised to be updated. The information shall be disclosed as follows.

1.1 Disclose the shareholders and/or investors for acknowledgement on ownership structure for the business invested by them and their rights in comparison with other shareholders, as well as disclose the shareholding structure of the group of the companies to indicate the real regulator of the Company.

1.2 Disclose the structure of business group, structure of the Company's latest shareholders, structure of the major shareholders, and proportion of minor shareholders to be clearly presented for acknowledgement of the information user about the real shareholders of the Company.

1.3 Disclose both direct and indirect shareholding of the director and executive, as well as disclose the change in share possession by showing the number of holding shares at the beginning of the year, the end of the year, and upon trading during the year in Annual Report.

1.4 Indicate the factor causing the major risk of the Company's business operation whereas nature of risk, cause and impact, as well as risk prevention or abatement guideline.

1.5 Disclose the Company's objective/long-term target, including the nature of business engagement and competitive situation as well as competitive status and potential of the Company.

1.6 Disclose the information of financial position, operating result, financial statements which are unqualified certified by the auditor, auditor's report, analytic explanation about financial position, operating result, significant changes as well as factor which is causative or affects financial position.

1.7 Disclose the information of the director and sub-committee, specifying name-surname, age, position, educational background, experience, shareholding proportion, director office holding in other listed company under clear separation of the topic of the listed company and other companies, the appointing date/month/year as director in the first time, type of director, number of meeting times, number of times for each director in meeting attendance, development and training attendance.



- 1.8 Disclose the non-financial indicator of the Company's operating result such as customer satisfaction level.
- 1.9 Disclose the criteria of director remuneration payment, clearly and transparently explicating the detail for the types of monetary and non-monetary remunerations obtained by each position of director under consideration of the Nomination and Remuneration Committee.
- 1.10 Clearly disclose policy and form for remuneration given to top executive.
- 1.11 The Company has dividend payment policy and the shareholders shall be clearly informed.
2. The Company's director and executive shall report share trading, change in the Company's security possession to be in line with the criteria of the Office of the Securities and Exchange Commission, and report to the line superior and the Board of Directors' Meeting.
3. Inter-transaction performing shall be considered and approved from the Board of Directors and disclose the details by specifying the name of the persons who perform inter-transactions, relationship, transaction nature, price condition/policy, and transaction value and practical guideline.
4. The director and the executive shall report to be aware of their stakeholding or other relevant person's stakeholding whereas the gain and loss is related to the Company's or the subsidiary's business management according to the criteria, condition and method determined by Capital Market Supervisory Board.
5. Equally and fairly treat each group of stakeholders. Therefore, there shall be whistle-blowing policy and measure, and arrangement of complaint receiving channel if the stakeholder is affected from the Company's business operation from the staff operation, corruption or improper and unfair act, as well as suggestions. The Company also has monitoring process leading to fact as well as whistle-blowing protection measure.
6. Employ the accepted independent and qualified auditor upon consent from the Office of the Securities and Exchange Commission; and disclose audit fee and other service charges in Annual Report.
7. Open the communication channel for the Company's information whereas the meeting shall be held for the executives to meet the security analyst (Analyst's Meeting) and Subgroup Typed Analyst's Meeting, whereas the Managing Director is the informant. In part to telephone query response to the reporter, analyst, institution, investor, shareholder or general interested person, the investor relations officer shall be the informant.
8. Establish Investor Relations Work Unit and the convenient contact channel to perform the duty in communication with the investor, security analyst and shareholder. The Company's information shall be disseminated in appropriate time via the telephone and website channels and the channels of Stock Exchange of Thailand and Office of the Securities and Exchange Commission.

Section 5 Responsibility of the Board

Principle

The role of the Board of Directors is the leadership in charge in business management for benefit. The duty is to formulate target, strategy and policy of the business operation, as well as monitor the operation and disclose the Company's information. The Board shall function with responsibility, caution and prudence, honesty for the Company's maximum benefit and fairness for the relevant person under the principle of good corporate governance. In addition, the role and duty is to govern and control the Management to execute according to the determined policy.

Practical Guideline

1. Structure of the Board

1.1 The structure of the Board consists of the diversified qualified persons with specialized skills, experiences and competencies which are useful for the Company. The Company has determined the policy for the variety of the Board's structure consisting of sex, age, educational level and professional skill. In addition, the Board and the executive shall never be the staff or the partner of the external audit firm that the Company uses its services in last two years period.

1.2 The Board shall disclose the policy for determination of various elements of the Board as well as number of director office holding years in the Company for each director in Annual Report and on the Company's website.

1.2.1 Disclose the director nomination method, and number of director office holding years in the Company for each director in Annual Report and on the Company's website.

1.2.2 Disclose name list of the director, biography, qualification and working experience via Annual Report and on the Company's website.

1.2.3 Clearly disclose the information in Annual Report that which director is not executive / independent director / executive director.

1.3 Have appropriate and adequate size for effective function in the number which shall not be less than 5 persons but should not exceed 12 persons.

1.4 The Board consists of the independent directors who can freely comment about the Management's working.

1.5 Specify number of office holding years in each term but not specify number of the longest consecutive office holding terms.

However, when any person is appointed as the Company's director, the Company shall be prepared for directorship to recognize the director's responsibility and the Company's operation policy, as well as creation of knowledge and understanding on the Company's business.

2. Independence of Director

The director's duty is to diagnose, express opinion, make decision and vote in the important issues for the Company's operation. If the decision making of the director is under working pressure or gain and loss situation in the issue required for making decision, it will affect decision making to be distorted or decision making that sympathize



oneself and intimate or for self-interest. Therefore, the independence of the director is the issue required for considerable emphasis.

The Company therefore determines the qualification of the independent director according to the criteria according to the Announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand, to be independent from the Management and major shareholders of the Company; and other qualifications according to the Company's requirement to participate in independently opinion expression and making the voting decision for equal benefit of every shareholder.

2.1 Definition of Independence of Independent Director

1) Hold shares for not more than 1% of total number of shares with voting rights of the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company. However, the shareholding of the relevant person of the said independent director shall be also counted.

2) Never or ever been the director who participates in management, employee, staff, consultant who earns fixed salary or the regulator of the Company, the holding company, subsidiary, associated company, subsidiary in the same sequence, major shareholder or of the Company's regulator, unless it is free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency. However, the said forbidding nature shall exclude the case that the independent director has ever been the government officer or consultant of the administrative agency who is the major shareholder or the regulator of the Company.

3) Never been the cognate person or by legal registration in the nature of being father, mother, spouse, brother and sister, and child, as well as the spouse of the child, of the executive, of the major shareholder, of the regulator, or of the person who is proposed as the executive or the regulator of the Company, or of the subsidiary.

4) Never and ever had business relationship with the Company, the holding company, subsidiary, associated company, the major shareholder, or the regulator of the Company in the nature that may obstruct the independent exercise of his or her discretion. Never and ever been the significant shareholder or the regulator of the person who has business relationship with the Company, the holding company, subsidiary, associated company, major shareholder or regulator of the Company, unless they are free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency.

5) Never or ever been the auditor of the Company, the holding company, subsidiary, major shareholder, or regulator of the Company. Never been the significant shareholder, regulator or partner of the audit office which is under by the auditor of the Company, the holding company, subsidiary, associated company, major shareholder or regulator of the Company, unless it is free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency.

6) Never or ever been the provider of any professional services including legal consulting service or financial consulting service that earns more than 2 million Baht of annual service charge from the Company, the holding company, subsidiary, associated company, major shareholder or regulator of the Company. Never been the significant shareholder, regulator or partner of provider the said profession service, unless it is free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency.

3. Role, Duty and Responsibility of the Board

The Board's duty is to govern the Company for proper operation according to laws and rules. The role, duty and responsibility between the Board and Management shall be clearly separated whereas the duty of the Board of Directors is as follows.

3.1 Manage the business for the best benefits to shareholder under adherence to four practical guidelines.

3.1.1 Responsible and cautious function

3.1.2 Honest function for retention of the Company's and shareholder's benefits

3.1.3 Observance to law, objective, regulation, resolution of the Board, and resolution of the Shareholders' Meeting

3.1.4 Proper, complete, transparent and timely information disclosure

3.2 Participate in determining visions, missions, strategies and targets under consideration, review and approval every accounting period, to be consistent with the Company's operating direction.

3.3 Monitor to apply the Company's strategy for practice and disclose in the Board's Report in Annual Report.

3.4 Initiate and participate in preparation and approval of Corporate Governance Policy and Manual of Business Code of Conduct, to encourage directors, executives and staffs for use as the compliance guideline, and disclose in Annual Report and the Company's website.

3.5 Regularly promote the compliance with business code of conduct, and monitor practice via audit from the Risk Management Committee, and use the concluded assessment result as the standard in strict adherence to practice of business code of conduct.

3.6 Encourage the staffs to comply with the principle of corporate governance, supervise to have appropriate internal control and internal audit system to reduce risk for fraud and abuse of power, and protect illegality, and disclose in Annual Report.

3.7 Determine risk management policy whereas Risk Management Committee performs the duty to govern companywide risk management, determine framework of risk management to be proper for the Company's business, guideline for major risk management and advance alert, determine the measure of risk management protection, review and create risk management tool that contributes to support and promotion of the business operation according to formulated target, and disclose in Annual Report.

3.8 Determine the appropriate policy of conflict of interests, connected transactions or inter-transactions under fair operation. The said transactions shall be considered and approved from the Board of Directors only.

3.9 Prepare the report of the Board of Directors' responsibility toward the financial reporting and declare together with the Auditor's Report presented in Annual Report.

3.10 Consider top executive development plan and managing director succession plan, oversee to regularly appraise the performance of the top executive every year, and have top executive remuneration determination system which is proper and consistent with the operating result to generate both short-term and long-term motivation.



3.11 Attend the Board of Directors' and Shareholders' Meeting unless the case of force majeure. The directors who are unable to attend the Meeting shall notify the Chairman of the Board or the Company's Secretary for advance acknowledgement prior to the meeting.

4. Scope and Authorization of the Board of Directors

The Company has two-third authorized signatory directors on behalf of the Company who countersign to authorize other directors for representation in the Company's business within a certain period of time.

4.1 Detail of Authorization

1) Consider the approval of the transaction performing for asset acquisition or disposal unless the said transaction must be approved from the Shareholders' Meeting. In consideration of the said approval, it shall be in line with the announcement, regulation and/or rule relevant to the Office of the Securities and Exchange Commission.

2) Consider the approval of the connected transaction performing unless the said transaction shall be approved from the Shareholders' Meeting. However, In consideration of the said approval, it shall be in line with the announcement, regulation and/or rule relevant to the Office of the Securities and Exchange Commission.

3) Consider the approval of interim dividend payment to the shareholders when it deems that the Company earns fair profit for such action, and report the said dividend payment for acknowledgement of the Shareholders' Meeting in the next Shareholders' Meeting.

4) Have power to consider the approval of any borrowing or credit applying from financial institution or setting new working capital limit as well as disbursement for investment.

4.2 Detail of Power Scope

1) Have power to appoint one director as the Chairman of the Board, and appoint the Vice Chairman of the Board as deemed as appropriate.

2) Have power to appoint one director as the Chief Executive Officer and have power to appoint any person as the Company's Secretary as deemed as appropriate.

3) Possess right to attend the training or participate in activities for enhancement of knowledge in the relevant works utilizing the Company's resources.

5. Role and Duty of the Chairman of the Board of Directors

5.1 Take responsibility on behalf of the leader of the Board in controlling, monitoring and supervising the management of the Executive Board to attain the objective based on the determined plan.

5.2 Be the Chairman of the Board of Directors' and Shareholders' Meeting of the Company.

5.3 Be the casting voter in case that both parties have equal votes in the Board of Directors' Meeting.

However, the Board should select the independent directors to hold the position of the Chairman of the Board of Directors.

6. Appointment and Office Holding Term of the Director

The Board of Directors shall entrust the Nomination and Remuneration Committee and propose to the Shareholders' Meeting for appointment approval request according to the criteria and method determined in Articles of Association under the following essence.

6.1 In voting for director selection, the director shall be selected by counting major votes of total votes of the meeting attending shareholders with voting rights. Every shareholder shall be counted to have votes equaling to one share per one vote.

6.2 In position holding of the director, at least one-third of the directors shall retire by ratio. If the number of directors is unable to be divided into three portions, they shall retire in nearest number with one-third portion. The directors who shall retire in the first year and the second year after the Company's registration, shall draw lots that which directors shall retire. In the following years, the director who is in the office for longest time shall retire from the director position. The retired director may be selected to resume the position again.

6.3 Apart from retirement by rotation, the director may vacate the office upon the following:

- 1) Death
- 2) Resignation
- 3) Disqualification or forbidden characteristic according to Public Limited Company Law.
- 4) The Shareholders' Meeting for resignation
- 5) The Court's order for resignation

6.4 In case that the director position is vacant due to other reason apart from retirement by rotation, the Board shall select the qualified person without forbidding characteristic according to Public Limited Company Law to assume as the director in replacement in the next Board of Directors' Meeting unless the remaining term of the director is not less than two months.

1) The said person who assumes the director in replacement shall be in the office of the director position for just the term equaling to the remaining term of the replaced director.

2) Resolution of the Board under paragraph one shall consist of votes for not less than three-fourth of the remaining number of directors.

6.5 The Shareholders' Meeting may resolve any directors to early retire before the term of retirement by rotation with votes for not less than three-fourth of number of the meeting attending shareholders who have total voting rights and shares for not less than the moiety of number of shares held by the meeting attending shareholders with voting rights.

However, the Company shall not determine the number of the director's office holding terms since it shall be deemed that the office holding term shall not obstruct working due to well understanding of the director on the Company's business and provision of advice which is useful for the Company's operation.

7. Meeting and Quorum

The Company shall schedule the Board of Directors' Meeting Timetable in advance under regular meeting for at least every month unless the cause of failure. However, the meetings shall be held for at least three months per time

whereas the meeting agenda shall be clearly determined for consideration and prepare Meeting Invitation Letter and the meeting agenda, and meeting supporting documents for at least seven days in advance. The said documents shall present proper and complete information and the offer shall be clearly concluded for time adequacy of the directors to study the information prior to meeting attendance. The meeting minutes shall be properly and completely recorded by writing, specifying details of discussion and disputation on the significant issue, and resolution of the meeting, to be completed within 14 days from the meeting date. The meeting minutes which are certified and ready for verification by the Board and the relevant persons shall be filed.

However, the information of number of meeting holding times, and number of times that each director attends the meeting shall be disclosed in Annual Report. Every director shall attend the meeting for not less than 75% of the total number of the Board of Directors' Meetings held in the year.

7.1 Quorum Detail

1) In the Board of Directors' Meeting, the directors for not less than moiety of total number of the directors shall attend the Meeting to be regarded as quorum. In case that the Chairman of the Board is unable to attend the Meeting, the Vice Chairman of the Board shall act for presiding over the Meeting. However, if the Vice Chairman of the Board is absent, the directors who attend the Meetings shall select any director to preside over the Meeting.

2) The major votes shall be deemed as ruling of the meeting.

3) A committee shall have one vote for resolving unless the directors with interest in the resolving matter has not voting right in that matter.

4) If the resolution is performed with equal votes, the Chairman of the Meeting shall the casting voter.

5) The minimum quorum at the time of resolution in the meeting shall consist of the Committee for at least two-third of total number of committee members.

However, the Company gives the opportunity to the non-executive director to convene the inter-meeting as necessary for problem discussion.

8. Sub-Committee

The Board of Directors shall appoint the committee members with appropriate knowledge, expertise and experience as the sub-committee to help considering the significant issues in each area and propose the Board of Directors for opinion request. The Sub-Committee consists of the following.

8.1 Audit Committee

The role and duty is to propose the appointment, removal of the internal auditor and auditor, govern the compliance with rules and policies, regularly convene the meeting with the external auditor, internal auditor, management and executive in charge in the Company's accounting and finance to quarterly and yearly verify financial reports, connected transactions, inter-transactions, and acquisition and disposal of asset. The impact, interest and risk shall be considered as proper and appropriate, and indicate the operating guideline which is identical to rules and regulations to maintain the Company's maximum benefit and all parties of stakeholders, evaluate, verify and report the available opinion toward the adequacy of the internal control system, risk management of the Company in Annual Report, and report function, performance or operating opinion in different areas.

The Board of Directors shall appoint the Audit Committee consisting of the independent directors for at least one-third of the number of all directors or at least three directors for 3 years office holding term. If they retire by rotation, they may be re-appointed. The biography, qualification, number of meeting holding times, and statistics of the meeting holding in individual persons shall be disclosed in Annual Report.

8.2 Nomination and Remuneration Committee

The role and duty is to determine the qualification of the director required for nomination considering from the necessary and lacked skill in the current Committee, and determine criteria of selection and appointment process for director and consider and screen the director's remuneration.

The Nomination and Remuneration Committee is appointed by the Board of Directors and consists of at least three committee members. However, the Chairman of the Committee and the committee members should be mostly the independent committee members for three years office holding term. If they retire by rotation, they may be reappointed. The biography, qualification, number of meeting holding times, and statistics of the meeting attendance in individual persons shall be disclosed in Annual Report.

8.3 Risk Management Committee

The role and duty is to determine the framework of risk management to be proper for the Company's business, govern and monitor according to the policy in order to assure on determination of risk and advance alert, adequate measure of the said risk protection and management, and review and creation of the risk management tool to contribute to support and promotion of business operation to be in line with the formulated target.

The Risk Management Committee consists of number of at least three committee members from at least one independent committee members and two executives of the Company for 3 years office holding term. The committee members who retired from rotation may be reappointed. The biography, qualification, number of meeting holding times, and statistics of the meeting attendance in individual persons shall be disclosed in Annual Report.

9. Management Committee

Management Committee consists of Managing Director, Deputy Managing Director, Assistant Managing Director, and Department Directors.

9.1 Scope of the Management Committee's Obligation

- 1) Formulate target, and guideline for the policies in various areas for proposing to the Board of Directors for consideration.
- 2) Execute according to the policy guideline obtained from the Board of Directors.
- 3) Consider and follow up the performance of the Company's work units according to the formulated target and plan.
- 4) Consider and select the new project and study the feasibility of the tender participation.
- 5) Consider and adjust plan and budget for operation of the projects.
- 6) Give suggestion, advice and policy guideline to the entrusted working groups.
- 7) Consider and approve expense budget of the Company.
- 8) Consider and determine practice, regulation, rule and criteria of the Company's operation.



9) Execute the areas entrusted by the Board of Directors.

10. Role and Duty of the Chief Executive

10.1 Scope of the chief executive's obligation

1) Operate the Company according to the policy and power determined by the Board of Directors.

2) Formulate business target both in short-term and long-term as well as budget, expense and long-term strategic plan for approval of the Board of Directors, and progress report according to plan and budget approved by the Board of Directors.

3) Properly manage via the Management Committee to attain the target formulated in business plan under competitiveness creation and return granting to shareholders.

4) Allocate resources and recruit potential personnel to work for the Company's maximum benefit.

5) Fill, appoint, discharge, remove, promote or demote the position, cut salary or wage, disciplinarily punish staff, as well as retire according to the determined rule.

6) Promote and create strong corporate culture, and support vision and business growth of the Company.

7) Monitor the Company's operation, measure operating result and periodically report the executed operating result to the Management to the Board of Directors.

8) Consider, screen and propose to request for approval of the Board of Directors about the Company's business operation policy.

9) Prepare the detail of internal operating power, decentralization for the staff ability to effectively work and make decision.

10) Quarterly report financial position, and financial statements to the Board of Directors for consideration and approval.

11. The Company's Secretary

The Board of Directors shall appoint the Company's qualified and experienced personnel for holding the Company's Secretary Position, function as determined in Section 89/15 and Section 89/16 of Securities and Exchange Act (Issue No. 4) B.E. 2551 (2008) which is effective from 31 August 2008, with responsibility, carefulness and honesty, and shall perform according to law, objective and Articles of Association, resolution of the Board, as well as resolution of the Shareholders' Meeting. The duty and responsibility shall include the following.

11.1 Prepare the Board of Directors' Meeting and Shareholders' Meeting of the Company to be in line with the requirement of the relevant laws and regulations and best practice.

11.2 Give primary advice and suggestion to the Board of Directors in the aspects relevant to rules and regulations of the governing agencies and practice of good corporate governance.

11.3 Retain stakeholding report which is reported by the director or executive, and deliver copy of the stakeholding report according to Section 89/14 to the Audit Committee within seven (7) working days from the reported date of the Company.

11.4 Oversee the proper and complete information disclosure and information report to the governing agencies and public according to laws.



11.5 Contact and coordinate with the governing agencies such as Office of the Securities and Exchange Commission.

12. Criteria of Director and Top Executive Nomination and Remuneration

The Company's policy and criteria for director (including new director) and executive nomination and appointment is in Manual of the Company's Business Code of Conduct.

13. New Director Orientation

The Company gives precedence to function of the new director and therefore, it has the new director orientation policy for preparedness of the director's function and acknowledgement of the new director on the director's responsibility, the Company's policy and operation, as well as creation of business knowledge and understanding, and preparedness for the new director under below summary.

13.1 The new director shall acquire information and lecture about the Company's information such as Articles of Association, Certificate of the Company, Public Limited Company Act, Securities and Exchange Act, the Company's Code of the Conduct, Good Corporate Governance Policy, and the Company's policies in other areas, as well as the relevant significant laws that are useful for the Company's directorship.

13.2 Arrange new director to meet the Chairman of the Board, the Board of Directors and the Company's executives for acknowledgement of the Company's business operation information.

14. Determination of Number of the Director Position Holding Companies in Other Companies by the Director (including Managing Director)

The Board determines the following policy for limitation of number of the listed companies that the director (including managing director) will hold the director position in other listed companies for maximum benefit of the Company from the director's function and can effectively devote functional time.

14.1 Director position holding in other companies shall be proposed to the Board of Directors for consent consideration via the consideration of the Nomination and Remuneration Committee.

14.2 Director position holding in other companies shall not exceed five companies upon consent of the Board of Directors' Meeting prior to entry to hold the said position.

15. Performance Appraisal for the Board of Directors and Sub-Committee

The Company arranges the performance appraisal for the Board of Directors and Sub-Committee once a year whereas Appraisal Form shall be consistent with obligation and responsibility of the Board. Two ways of the performance appraisal consist of performance appraisal for the whole body of the Board of Directors and Sub-Committee and individual performance appraisal (self-appraisal).

15.1 Performance Appraisal Process

1) In December period, the Company's Secretary shall deliver Performance Appraisal Form for each director to independently appraise.

2) Gather Appraisal Form



3) Prepare summary report, process appraisal result, and present to the Board of Directors' Meeting.

15.2 Criteria of Performance Appraisal for the Board and the Sub-Committee in Individual Body

- 1) Structure and Qualification of the Board
- 2) The meeting of the Board
- 3) Role, duty and responsibility of the Board
- 4) Other issues such as the relationship between the Board and the Management

15.3 Criteria of Performance Appraisal for the Board and Sub-Committee in Individual Body

- 1) Structure and qualification of the Board
- 2) The meeting of the Board
- 3) Role, duty and responsibility of the Board

However, the Board of Directors shall further apply the performance appraisal as the guideline for working improvement and development.

16. Remuneration of the Board

The Company's policy and criteria for director and executive remuneration and welfare determination shall be deemed as the part of Manual of the Company's Business Code of Conduct.

17. Knowledge Development for Director and Executive

The Company's policy is to continuously support, promote and develop knowledge for the director and executive, attend the meeting and seminar in various courses of Thai Institute of Directors (IOD), Stock Exchange of Thailand, or other independent institutions. The Company also organizes training, emphasizing on training and development on management, work team development, leadership, construction management, etc. for knowledge development and application of the director and executive in effective and continuous improvement of the Company's operation whereas the information training of each director in last year shall be disclosed in Annual Report.

18. Succession Plan for Chief Executive Position

The Nomination and Remuneration Committee prepares the selection plan for the person entering to take responsibility on the works in all significant managerial levels to be proper in order to ensure that the Company acquire the personnel with managerial profession.

In part that the chief executive position and/or the managing director is vacant, the Company has the system that the similar level or inferior level executive shall act for until the qualified person shall be nominated and selected according to the criteria determined by the Company. The said nomination shall be under consideration of the Nomination and Remuneration Committee for proposing to the Board of Directors accordingly.



Practical Guideline for Management and Internal Control

1. Internal Control

The Board of Directors realizes on the significance of good internal control availability, therefore, Internal Control Section has been established to perform audit duty, verify working, follow up and evaluate, directly report to the Audit Committee so that working is proper, transparent and verifiable, and control and monitor the practice to be properly in line with policy according to the regulation of the governing official agencies. The Company's internal control system has considered on five sections of significances such as organization and environment, risk management, working control of the executive, information system and data communication, and monitoring system.

The Chief of the Internal Audit Section is appointed from the Audit Committee whereas his or her qualification and experience is proper for working in the said duty.

2. Risk Management

The Company has established the Risk Management Committee to perform the duty in governing risk management to cover the whole organization, determine framework and process of risk management to be proper for the Company's business. The risk management process consists of major procedures which are risk identification, risk assessment, risk monitoring and control, and risk reporting, as well as regular consideration and review on adequacy of the risk management system and effectiveness of the risk management.

3. Supervision of Criteria Compliance

The Company has established Compliance Rule and Regulation Section to have responsible duty as the center of working governance of the Company and its subsidiary to be line with law, rule, regulation, policy and requirement of the relevant official agencies such as Stock Exchange of Thailand, Office of the Securities and Exchange Commission, or other official agencies related to the Company's business operation.

4. Connected Transaction or Transaction that may have conflict of interest

The Company has performed connected transaction or transaction that may have conflict of interest via screening from the Audit Committee, and the execution shall be in line with the criteria of the Office of the Securities and Exchange Commission, Stock Exchange of Thailand and requirement of other relevant laws, as well as disclosure of the information of the transaction performing that may conflict with public interest.

However, the Company has determined approval practice and process of the transaction that may have conflict of interest under below principle.

1) Connected transaction performing shall be proposed to the Audit Committee for consideration and commentation prior to proposing the Board of Directors for approval request.

2) Director and executive with gain and loss in the said transaction shall not participate in consideration and approval.

3) The Board shall prudently consider that the said transaction performing is for maximum benefit of the Company's customers and shareholders.



Revision History

Corporate Governance Policy

Revision No.	Date	Significant Aspect	Reference
No. 1	21 Dec 07	To be consistent with the principle of good corporate governance for the listed company for 2006.	According to the resolution of the Board of Directors' Meeting No. 11/2007 dated 21 Dec 07
No. 2	10 Mar 15	To be consistent with the principle of the Stock Exchange of Thailand.	According to the resolution of the Board of Directors' Meeting No. 3/2015 dated 10 Mar 15
No. 3	21 Sep 16	To be consistent with the Company's vision, mission, operating guideline and according to rule and regulation prescribed by the regulating agencies.	According to the resolution of the Board of Directors' Meeting No. 9/2016 dated 21 Sep 16



Business Code of Conduct

(Revision No.2 dated 21 September 2016)



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Message from Chairman of the Board

“Leadership of the construction industry with effective continuous development on quality, time, expense, safety, social and environmental responsibilities” is the new vision revised by Syntec Construction Public Company Limited (“the Company”) at the beginning of the past 2016 and the consistent mission has been determined for the Company’s work system development under consideration on maximum benefit of all parties of the stakeholders whether it is the construction of quality work, duly operation, fair expense with high safety standard and emphasis on social and environmental responsibility expression.

The Company believes that apart from management improvement for continuous good profit generation, transparent, fair and verifiable business operation has still been given precedence to build confidence to investors and all parties of stakeholders that the Company can further sustainably operate business like preparation of “Business Code of Conduct” regularly adhered by the Company as the practical guideline. The first revision has been performed on the past 10 March 2015. However, the Company has still aimed at adjustment of work process in various areas to be increasingly consistent with current situation and in line with international standard. The Board of Directors has periodically reviewed the said Business Code of Conduct and after completion of the revision, “Business Code of Conduct, Revision No. 2 dated 21 September 2016” has been resolved for approval to be promoted as the framework of the practical guideline for strict operation of every party.

This “Business Code of Conduct” shall be deemed as one of the proper self-conduct guideline for the directors, executives and staffs both toward themselves and all parties of stakeholders. This has been compared as the building construction requiring strong foundation to support construction weight. The Company shall also have business code of conduct to continually support the sustainable growth.

(Mr. Chaiwat Atsawintarakul)

Chairman of the Audit Committee

(Mr. Somchai Sirilertpanitch)

Acting for Chairman of the Board



Objective

Syntec Construction Public Company Limited (“Company”) foresees the significance of honest, transparent and fair business operation for all related parties.

The Board of Directors has determined “Business Code of Conduct” that expresses responsibilities of business operation and ethics of the executives with intention on proper practice of the Company’s personnel and treatment to all groups of the stakeholders with honesty, transparency and fairness.

Therefore, the Company has determined this Business Code of Conduct so that the directors, executives and staffs of the Company and subsidiaries shall apply it as the conduct and practical guideline, leading to reinforcement of corporate culture that adheres to operating ethics.

Suggestion for Application of Code of Conduct

Syntec Construction Public Company Limited (“Company”) aims that the duty of the directors, executives and the staffs in all levels of the organization shall comply with this Business Code of Conduct which is regarded as a discipline required for strict compliance. If violating or not complying, they will be disciplinarily punished according to the Rule of Personnel Management.

Nevertheless, the Board of Directors and the executives shall be responsible for building norm, culture, respect and compliance with business code of conduct, and stimulate and encourage the staffs to willy comply with and respond to all aspects related to compliance with Business Code of Conduct.

Persons with Duty Required for Compliance with Business Code of Conduct

1. Directors, executives and staffs of the Company
2. Subsidiary and associated company under domination of the Company or with right to control the existing business and the future established business.

Practice

The persons required for compliance with Business Code of Conduct shall clearly study detail and understand this Manual.

Suggestion on Code of Conduct

1. Study and endeavor to grasp the content particularly the essence related to his or her duty and responsibility.
2. Always review knowledge and understanding in the content and essence of this Business Code of Conduct.
3. Educate knowledge and understanding to other persons required for performing duty related to the Company or possibly affecting the Company.
4. Inquire doubts with the superior or the person required by the Company to have responsible duty about follow-up of the compliance with business code of conduct via determined channels.
5. Report the superior or person in charge for acknowledgement upon detection or doubt that may violate or not comply with Code of Conduct.

Below acts are disciplinary offences

1. Not comply with business code of conduct
2. Advise, promote or support other persons not to comply with business code of conduct.
3. Neglect and ignore upon detection of violation or non-compliance with business code of conduct
4. Not cooperate or obstruct investigation for fact-finding in case of violation or non-compliance with business code of conduct.

However, the act within the scope of infamous conduct as aforesaid shall comply with consideration and punishment process according to Rule of Personnel Management. In addition, the staffs who commit the offence may be legally punished if the said act is the legal offence.



Definition

Business Code of Conduct	means	Principle and Good Regulation of Business Operation
Company	means	Syntec Construction Public Company Limited
Group of Companies	means	Syntec Construction Public Company Limited and its Subsidiary, Associated Company and Joint Venture
Director	means	Director of Syntec Construction Public Company Limited
Executive	means	The Company's staff in the first four management levels next to managing director, the person with manager position, every person with position equal to the fourth person, and position in accounting or financial line which is the equivalent level.
Staff	means	The staff of Syntec Construction Public Company Limited
Stakeholder	means	The person or organization related to the Company such as executive, staff, customer, business partner, shareholder, society and environment
Corruption	means	Practice or abstention of practice in various forms or exercise of power in position or duty to exploit benefit, misappropriate unjust asset or right of other person for adoption.
Bribe	means	Cash, asset or other benefit given to the person so that the said person shall act or abstain from not acting upon requirement of the bribe payer.
Charity Denotation	means	Giving cash or asset to the person or organization to support the operations in religion, education, public health, entire society or public benefit in various areas.
Subsidy	means	Giving cash to person or organization to support business image, brand or public relations of the Company.
Key Information	means	Information related to the Company's operation that should properly, completely and equally disclose, particularly financial and investment information that affects the trading price of securities or decision of investor.
Intellectual Property	means	Legal license given to the license owner or license holder and also including industrial property and copyright



Overview Policy and Guideline of Business Engagement

Integrated construction contracting business operation has still maintained in the business engagement of Syntec Construction Public Company Limited (“Company”). The construction works are accepted from public and private agencies. The service is rendered from the beginning until completion of the building construction in the way which is called as “One Stop Service” including from preparation work, pile work, foundation work, landslide protection system work, structure work, architecture work, landscape architecture work, and system engineering work, such as electrical system work, machinery system work, sanitation work, elevator system work, air-conditioning system work, and automatic system work in the building, etc.

The Company’s construction work is accepted according to proper procedure whether in case that the principals are public, state enterprise or private agencies. The different procedure and method of quotation, operating duration framework and construction condition is determined. If the Company is selected via price bargaining and the construction condition is specified to be satisfied by all parties, the employment for construction will be finally taken place.

Generally, the Company is the major construction contractor except the large scale project or the project requiring the use of construction specific construction expertise, the nature of joint venture operation may be considered for association with other company, causing the exchange of working technique, learning and new technology transfer, body of knowledge, and promotion of innovation development. It has been deemed as the expansion of the Company’s working capability for opportunity giving to participate in bidding big projects both of public and private sectors in the future.

For construction labor, the Company has had a part of daily workers and another part derived from employment of the sub-contractors which have been properly registered with the Company and shall be qualified and passed for criteria determined by the Company. The advantage in this part is that the Company can appropriately determine worker quantity based on demand in each period of time, resulting in effective expense control as well.



Investment Policy in Subsidiary and Associated Company

The Company's policy is to invest in the business with business operation that promotes and is relevant to the major business of the Company and has satisfactory growth tendency. The investment proportion and management policy in subsidiary, associated company and joint venture shall mainly depend on the business expertise, investment ability, and management power. According to the management in the business of which the Company is experienced, the Company will deliver the director representative to participate in determining policy and management guideline to be consistent with the Company's plan, and monitoring and controlling the operation of the executives to be in line with determined plan. The management power in other business of which the Company is not experienced in the business, the Company will deliver its representative to be the director instead of entry for direct management.

In the past period, the Company's policy has been to expand its operation to other related business in the way of forward expansion together with the Company's major business expansion plan for increasing growth. The purpose of the operating expansion in other related business is to increase the channel of revenue recognition such as operation of newly constructed service apartment business for renting out, or investment in real estate with good location potential and ability to immediately generate revenue such as management of leasehold for land and building, hotel and service apartment, etc.

Risk Management Policy and Crisis Management Plan

Syntec Construction Public Company Limited (“Company”) realizes that risk management is the part of good corporate governance. It is the significant basis in contribution to the ability to achieve the determined objective. However, risk identification and management will cause the Company to make better decision and will be able to alleviate the impact from the significant event that may occur with the Company.

Objective

1. Determine the consistent working framework in the Company’s risk management process for application throughout the organization.
2. Ensure that duty and responsibility in risk control is properly determined.

Risk Management Policy

1. The business is operated under acceptable risk management to achieve the Company’s objective whereas risk management is determined to be the part of annual business plan preparation.
2. Every executive and staff is the risk owner and is responsible for identification and assessment of risk of work units responsible by them, and determination of appropriate measure for risk management.
3. Risk with impact of the Company’s objective achievement shall be executed as follows.
 - 3.1 Promptly identify risk.
 - 3.2 Assess the opportunity of risk and impact occurrence if the said event occurs.
 - 3.3 Manage risk to be consistent with the determined criteria of risk management.
 - 3.4 Follow up and oversee to ensure that the Company’s risk is properly dealt.
4. If risk is in high level that may affect the Company’s business operation, the Executive Board, the Audit Committee and the Board of Directors shall be reported for acknowledgement.

Duty and Responsibility

1. The duty and responsibility of the Board of Directors is to govern internal risk management.
2. The Audit Committee helps support the Board of Directors in function of risk management by verifying to ensure that risk management system is proper and efficient.
3. The duty of the Risk Management Committee is to ensure that the important business risk is regularly identified and assessed, and formulate the effective risk management. The following issues are responsible by the Risk Management Committee.
 - 3.1 Prepare risk management policy, risk management criteria, and propose the Board of Directors for consideration and approval.
 - 3.2 Consider and verify risk, and risk management guideline of the Company as assessed by work unit of the risk owner, and provide suggestion for improvement.
 - 3.3 Govern the efficiency of the Company’s risk management process through continuous follow-up and verification.



3.4 Report the high level risk to the Chairman of the Executive Board and the Board of Directors for acknowledgement.

3.5 Regularly verify risk management policy.

4. The duty and responsibility of Internal Audit Section is to verify the efficiency of internal control through annual internal audit which is the audit of the Company's operating process, and to follow up and improve the detected fault.

Policy Review

The Risk Management Committee shall annually review the policy and propose the Audit Committee and the Board of Directors to consider and approve if the change exists.

Sustainable Development Policy

Syntec Construction Public Company Limited (“Company”) aims at business operation for long-term sustainable growth that shall be created from management with good governance, operation according to the Company’s good corporate governance policy and emphasis on transparent and fair working; and simultaneously targets to proper benefit and growth together with all parties of stakeholders without negligence on social and environmental concern at most.

For advancement to the sustainable development of the Company, the policy has been determined under consideration on the main economic, social and environmental factors with below details.

Economy

The Company aims for secure and sustainable business growth creation. It is ceaselessly develop and always seek for business opportunity, and learn state-of-the art technology to build competitive advantage for granting long-term value to its shareholders and for sustainable business growth.

Practical Guideline

1. Be customer-centered to absolutely meet the customer demand.
2. Manage quality and safe work, and maintain operating profession and excellency.
3. Aim at continuous invention of construction quality and standard and application of new technology for business operation.

Society

The Company always takes into account that the business growth can be sustainable with good social foundation and significance on social operation. The Company’s social responsibility is not limited particularly to the internal personnel but also include external society, such as business partner, customer, community as well as overall environmental condition of the country.

Practical Guideline

1. Take care and fairly treat the staffs.
2. Develop organizational personnel.
3. Oversee the staff’s sanitation and safety.
4. Operate public interest.
5. Open to receive complaint and have whistle-blower protection mechanism.

Environment

The Company operates the building construction under consideration on environmental impact and promotes all sectors of Thailand in natural and environmental conservation for sustainable existence. Practical Guideline

1. Apply technology and innovation in building construction to contribute to reduce environmental impact.
2. Strictly operate business under environment-related laws and regulations.
3. Implement conservation, resource consumption reduction and waste reduction policy.
4. Build awareness and corporate culture in environmental care.

Children and Human Right Respect Policy

Syntec Construction Public Company Limited (“Company”) observes and complies with the principle of human right under significance on respect of humanity dignity, right, liberty and equality of the person, non-discrimination just due to differences in body, race, nationality, religion, sex, language, age, education and other social status. In addition, the Company also realizes and gives precedence to labor area by fair treatment to its staffs and employees according to Labor Law, and labor-related rules and regulations both for Thai labor and foreign labor, as well as non-labor enforcement, non-child labor employment or support, and human trafficking.

However, the Company operates its business based on support and respect of its companywide staffs as well as children and youth, simultaneously leading to the sustainable companywide and children population development.

Children and Human Right Respect Practical Guideline

1. Treat and encourage mutual respect and honor whereas anyone shall be unfairly treated or discriminated. The race, religion, nationality, sex, age, education and other social status shall not be segregated.

2. Carefully function to prevent risk occurrence that may cause violation of human right in business operation.

3. Regularly verify and monitor the observance of the principle of human right inside the organization, and report the superior upon detection of act which is violation of human right.

4. Give staffs and stakeholders the opportunity to express opinion, perform whistle-blowing or notify complaint if event or act related to violation of human right occurs whereas whistle-blowing policy and measure shall be observed.

5. Have verification process and correct human right-related complaint after being notified from the staffs, and/or all parties of the stakeholders, and also report to the Board of Directors for acknowledgement.

6. Oversee the labor quality of living whereas the Company invests on Camp Knock Down for safety and good environment so that the residence is durable and strong to be proper for labor and family dwelling.

7. Support and promote the activity that contributes to development of quality of children and youth life in the community around the establishment and in the faraway area such as construction of public toilet and stadium, and construction of child development center building, etc.

8. Keep good occupational environment of the construction project to be in line with the determined standard criteria not to cause impact toward the nearby community residing by childhood, adulthood and elderly population.

9. Support and promote laws and regulations of the public agencies that eliminate child right violation and child labor employment problems.

10. Grant liberty right in belief of religious respect of the person and religious worship ceremony performing, without being the cause or factor to deprive the right of the person not to be entrusted for work, not to be considered on promotion, salary increase and transfer.

11. Foreign Labor Treatment

11.1) Execute to reduce language restriction by arranging interpreter to interpret whereas the signboard of labor nationality shall be available for clear communication in important issues such as safety, right and sanitation, etc.

11.2) Fair employment such as remuneration and privilege by law, under purpose of good life and living of foreign labor.

11.3) Grant right, liberty and good social living according to the merited right pursuant to prescribed laws and rules, as well as oversee and attend safe and hygienic dwelling as appropriate and complete according to four requisites.

Harassment and Violation Practical Guideline

The Company adheres to good working climate building, mutual respect of everyone in the organization such as among colleague, among superior and subordinate, etc., for good relation in mutual treatment.

In mutual treatment, any act with nature of mutual harassment or violation shall not be performed either verbally or by any improper manner, for instance.

1. Verbal harassment such as distortion, accusation, or discredit
2. Physical harassment such as intimidation, assault and assault threat
3. Visible harassment such as communication of aggressive message, manner expression or picture causing resentment
4. Sexual harassment such as courting, request for interest or sexual harassment by body or in words



Fair Labor Treatment Policy and Non-Discrimination Measure

Syntec Construction Public Company Limited (“Company”) adheres to fair and equal treatment to staffs, observes law and ethics, create fairness and respect to personal right under belief that the Company’s success is derived from the individual creation which is highly valued, and teamwork cooperativeness. All staffs of the Company shall be equally treated without discrimination. They shall be given the opportunity of self-development, leading to career progress to respond the Company’s business target.

Practical Guideline

1. Arrange the condition of fair employment and provide proper remuneration to staffs according to potential and competency.
2. Supervise welfare of staff as appropriate such as arrange annual vacation days and medical care as necessary and appropriate, etc.
3. The appointment, transfer, promotion or demotion shall be performed with honesty and equality based on the qualified knowledge foundation and competency of staff.
4. Keep occupational environment to be safe for the staff’s life and property.
5. Thoroughly and regularly promote staff to practice, develop and accumulate potential and give the learning opportunity.
6. Strictly observe staff-related laws and regulations.
7. Avoid any unfair act and may affect job security of staff and polite treatment to staff.



Environmental Management Policy

Syntec Construction Public Company Limited (“Company”) aims at operation under awareness of social responsibility such like the Company’s vision on “leadership of construction industry with effective continuous development on quality, time, expense, safety, social and environmental responsibilities”. In addition, continuous work process shall be improved to prevent pollution and contingent impact as well as conservation of natural resource, energy consumption reduction as well as building social responsibility awareness of its staffs.

Practical Guideline

1. Manage under target to prevent non-environmental impact and continuously review and evaluate the Company’s operating result in the meantime.
2. Strictly observe environment-related laws, requirements and practices.
3. Select to apply technology and operating procedure with environmental standard under consideration on volume control and pollution treatment prior to dump.
4. Build environmental preservation awareness to all levels of staffs under responsibility and campaign the mutual consumption of resources for maximum benefit.
5. Review the implementation in environmental management in deadline, leading to continuous improvement and action.
6. The Company shall give precedence to environmental management specifying the topic of construction environmental assessment as part of satisfaction evaluation form of the project owner that employs the Company to construct so that the acquired assessment result shall be applied as the development and improvement guideline of the Company’s operation.
7. Properly and transparently disclose the Company’s environmental information via channels as appropriate.
8. Regularly support activities that take part in environmental promotion.



Effective Resource Consumption Policy

Syntec Construction Public Company Limited (“Company”) well realizes that today’s work population has been tended to increase. This has caused the consumption of numerous natural resources and affected whether water, air, waste, toxin and noise pollutions, and global warming has consequentially occurred. The human and ecosystem therefore have been generally affected.

Thus, the Company has supported and promoted the effective resource consumption since it has deemed that environmental preservation is the duty of all parties that must be cooperative and responsible. This can be seen from the Company’s vision on “leadership of construction industry with effective continuous development on quality, time, expense, safety, social and environmental responsibilities”.

Practical Guideline

1. Effective resource consumption is the consumption as much as necessary, for resource availability in long-term consumption and maximum worthwhile benefit such as use of both pages of documentary paper, etc.
2. Support recycle such as treatment of wastewater derived from construction in well for precipitation prior to recycle for spraying the construction area to reduce dust, etc.
3. The Company’s electricity saving measure is to suspend the light consumption in the office at lunch break period. The acquired result apart from electricity bill saving has also helped reduce the consumption of natural resources and also reduce global warming.



Occupational Safety, Health and Environment Policy and Measure

Syntec Construction Public Company Limited (“Company”) well realizes that every staff is the valued resource of the Company and it therefore gives the precedence to occupational safety, health and environment of its staffs whereas the detail of policy is determined as follows.

Objective

1. Be the guideline of preparation and maintenance of occupational safety, health and environment management system.
2. Abate hazard and accident risk of staffs and people concerned.
3. Improve the business operation to be safe.

Practical Guideline

1. The Company develops occupational safety, health and environment management system to be consistent with the relevant standards, requirements and laws.
2. Occupational safety is the duty and responsibility of every staff. In addition, the superior shall be the good model and leader to support and promote the staffs to be aware of safe working and govern the staffs to strictly comply with the prescribed regulation of safety and sanitation.
3. Knowledge shall be disseminated and educated, and occupational safety, health and environment awareness shall be continuously built to the executives and staffs.
4. All staffs shall strictly comply with regulation of safety, safety and sanitation standard, and related requirements.
5. Systematically and continuously follow up and evaluate operating result, and develop and improve occupational safety, health and environment work.
6. The Company shall appropriately support resources which are budget, time, personnel and other related resources in operation according to occupational safety, health and environment management system.

Anti-Corruption Policy

Syntec Construction Public Company Limited (“Company”) fairly, transparently and honestly operates business and competitive strategy under responsibilities toward all parts of stakeholders according to good corporate governance and proper adherence to quality, time and expense as specified in the Contract together with strict compliance with regulatory requirements and laws.

However, the Board of Directors has formally approved Anti-Corruption Policy whereas “the Company gives the precedence to self-conduct of the officers in all levels whether the director, consultant, executive, and staff who work in the Company, subsidiary, associated company or other companies that the Company has controlling power, and the persons related to the Company’s operation. It is prohibited not to demand, execute or accept corruption for self-benefit and family, friend and acquaintance’s benefit. In addition, it is prohibited not to execute or accept corruption in every form both directly and indirectly. This shall cover all relevant businesses, agencies and countries. Anti-corruption policy shall be regularly verified and complied, and duty and responsibility, practice and operating measure shall be reviewed to be consistent with change in business, law, rule, announcement, regulation, policy, morals, ethics, customs, local tradition, or trade convention” with below details.

Definition

Corruption means bribery whether in any forms by offering, promising, granting, committing, demanding or receiving money, property or any other benefit which is improper to the government officer, government agencies and private agencies or the person with direct or indirect duty so that the said person shall act or abstain the function to particularly acquire or maintain business or advise the business to the Company, or to acquire or maintain any other benefit which is improper for business unless it is the case that law, rule, announcement, regulation, local customs and tradition or trade convention permits to perform.

Duty and Responsibility

To be ensured by the Company anti-corruption policy is applied and observed, job is properly divided under below details.

1. The duty and responsibility of the Board of Directors is to effectively determine policy, accept, support and govern to comply with anti-corruption policy, under application for actual observance, promote it as corporate culture, and govern sub-committee to effectively perform duty.

2. The duty of the Audit Committee, Internal Audit Department and Rule and Regulation Department is to govern internal control, preparation of financial report, take responsibility on verification of financial report, internal control system, internal audit, and other relevant processes to ensure that the operation is adequately proper, appropriate and effective.

3. The duty and responsibility of the Risk Management Committee is to verify, assess risk, identify corruption risk and contingent impact in all work systems, prevent improper operation, and prepare supporting plan to be appropriate, up-to-date and cover all work sections.



4. The Management Committee and the Executive Board are entrusted for power and responsibility from the Company to have duty in supporting, accepting, governing the staffs in all sections to actually observe; reporting audit result according to anti-corruption measure to the Audit Committee and the Board of Directors; and reviewing and revising to be consistent with law, regulation and situation in that period of time.

Practice

1. The duty of the director, executive and staff is to observe the Company's anti-corruption policy, corporate governance policy, and business code of conduct whereas the Board of Directors entrusts the management to make the agreement and understanding, and communicate all parties for recognition, promote actual observance and not to be involved in all forms of corruption.

2. The director, executive and staff shall not perform any act that indicates intention or risk toward corruption in all forms whether it is the issue related to his or her authority or authority of other person in the Company even though the said interest is beneficial to the Company.

3. The director, executive and staff who violate and do not observe anti-corruption policy shall be guilty by law and/or the Company's rule. In case that the director, executive and staff causes damage or business opportunity loss to the Company from their action according to anti-corruption policy, the Company shall not punish or yield negative effect toward that person at all.

4. The director, executive and staff should not support, neglect or ignore the act which is within the scope of corruption upon detection or recognition of the said issue. The superior or work section that receives complaint shall be notified for immediate acknowledgement and concur in fact investigation whereas the complainer protection mechanism shall be arranged by the Company for proper support.

5. The director, executive and staff should not receive gift, present and entertainment from other person who contacts and coordinates to do business with the Company. If the value of gift and present is excessive than normality in various occasions, the director, executive or staff shall refuse receiving and report the said issue to their hierarchical superior for acknowledgement.

Operating Measure

1. The Company aims at creation and development of in-house personnel to have good awareness and self-conduct according to policy, regulation, requirement, law and work manual, and should always recall that anti-corruption is the thing that must be countered and should not be accepted for occurrence both with working and general life spending for livable and sustainable social and public peace and order.

2. Arrange personnel management process that supports the Company's personnel to observe anti-corruption policy such as determination of qualification, selection, training, performance appraisal, rewarding and promotion consideration, etc.

3. Arrange extensive internal control particularly on finance, accounting, procurement, record and data collection, data retention for the internal operation and other internal process which is related or risky to corruption. The process and procedure shall be clearly determined and the operation is verifiable.



4. The Company shall be fair to all parties whether complaining party and complained party on corruption with fair, transparent and equal inquiry and investigation.

5. Arrange the communication of anti-corruption policy and whistle-blowing or complaint notification channel inside the Company to the director, executive and staff via courses of orientation, meeting, training, seminar organizing or other undertaking organized by the Company depending on reasonable occasion.

6. The Company notifies the outsider that its policy is to observe Anti-Corruption Law of Thailand and communicates anti-corruption policy as well as whistle-blowing or complaint notification channel to the outsider and stakeholder of the Company so that they can recognize via various channels such as Annual Report, Annual Registration Statement or the Company's website.

7. Arrange the communication of anti-corruption policy to the subsidiary, associated company, other companies under the Company's domination, and business representative for application of anti-corruption measure.

8. Arrange the rule of disbursement and approval power for operation of the management in the issue of donation, charity, subsidy granting, entertainment, and gift and present giving, whereas clarification document for the purpose of the said giving and evidences shall be clearly available to supplement the said giving that it is not giving bribery for anti-corruption to all sections of the stakeholders.

9. Arrange internal audit to ensure that internal control system helps the Company attain the formulated target that covers the areas of finance, operation, accounting process, record and data storage, as well as other processes in the Company which are related to anti-corruption measure, and audit working of every work section to be line with requirement and set of regulations, and help search for fault and weakness, and advise the development of efficient and effective working system according to the guideline of good corporate governance.

10. Internal Audit Section and Rule and Regulation Section can urgently and directly report the detected or complained aspect on corruption to the Managing Director and Audit Committee for primary action, and report to the Board of Directors for acknowledgement accordingly.

11. The Company shall consider disciplinary punishment against the offender of the corruption in all forms. In addition, the offender may be legally punished if the said act is detected to be illegal.

12. The Company shall regularly verify operating practice and measure to be consistent with situations such as change in business, law, rule, announcement, regulation, policy, morals, ethics, customs, local tradition or trade convention, etc.

Policy for Receiving and Giving Gift and Present, Entertainment and Any Other Interests

Syntec Construction Public Company Limited (“Company”) gives precedence to anti-corruption, and promotes and supports the personnel to be aware of all forms of anti-corruption. The Board of Directors therefore have determined the receiving and giving policy for gift, present, entertainment and any other interests to avoid the act leading to conflict of interest or discrimination that may cause damage to the Company’s operation, and disseminate the said policy to the Company’s staffs and business partners for acknowledgement.

Practical Guideline for Receiving and Giving Gift, Present and Other Benefits

1. Prohibit all levels of staffs to demand for gift, present or any other interests from business partner, customer, or stakeholder of the Company under no circumstances.
2. Prohibit all levels of staffs not to receive or give gift, present and other interests if the Company deems that these acts will affect the Company’s operation.
3. The value for receiving or giving gift and present from or to the person related to the business operation or all parts of the stakeholders should be considered whether it is proper in each occasion and each festival, and according to law, rule, regulation or traditionally customs and tradition in each locality.
4. In case that it is receiving gift and present with logo of the giving company such as calendar, workbook, pen, umbrella, etc., with reasonable value and it is the general giving according to customs and culture, or giving according to manners performed in the society, the receiver may not deliver that article to Human Resources and Administration Department.
5. All levels of staffs can receive gift, present or any other interests according to festival or customs and tradition in each locality and they are illegal. If the estimated value of the received article exceeds 3,000 Baht (three thousand Baht only), the receiver shall deliver the said article to Human Resources and Administration Department and prepare the report according to “Gift, Present or Any Other Interests Receiving of the Company Report Form”.
6. Receiving of gift and present which is unable to be valued or in case that the authorized approver or the superior considers that it is improper for receiving, the receiver shall immediately return it to the giver; and deliver it to Human Resources and Administration Department if it is unable to be returned, and regard the said gift and present as the right and property of the Company.
7. Do not give or receive gift and present which is cash or equivalent to cash such as gift voucher and gift coupon; and deliver to Human Resources and Administration Department if it is unable to be returned, and . and regard the said gift and present as the right and property of the Company.
8. Purchase of gift or present shall be according to Rule of Purchase and Scope of Approval Power of the Company.
9. Prohibit all levels of staffs to wrongfully receive or promise to receive interest or any other valuables for motivation to perform or abstain to perform as well as any act within the said scope.



10. Giving of gift and present to customer, business partner or stakeholder shall be approved from the authorized person. The giving shall be particularly in the name of the Company according to customs and tradition, culture or practiced manner in society for benefit of the Company's undertaking, and verifiable.

Receivable Gift and Present According to the Company's Rule

1. Non-monetary thing
2. Thing with value not more than 3,000 Baht (three thousand Baht only)
3. Produced thing for sales promotion which is affixed with the giving company's logo such as pen, workbook, t-shirt, etc.
4. Produced or purchased thing for distribution or giving according to festival such as calendar, notebook, New Year gift basket, etc.
5. Thing which is appropriate for each occasion, festival and legal by law, rule and regulation or customs and tradition in each locality.

Practical Guideline for Entertainment

1. Entertainment or entertainment receiving should be proper according to practical customs and tradition or shall be the compliance with business contract. In case of entertainment, the occurred expense shall be reasonable according to the scope of approval power.
2. The entertainment shall not be within the scope of bribery, corruption or political assistance.
3. Entertainment should exist after doing business, and the customer representative who is the entertainer or the entertainment receiver shall join the party.
4. The expense evidence indicating value of service and entertainment should be available for accountability.

Requisition Procedure for Gift, Present or Any Other Interests Given to Outsider

1. Section/Department required for delivery of gift and present to the outsider shall gather and specify the receiver's name and detail of gift and present for requisition with Human Resources and Administration Department.
2. Human Resources and Administration Department proposes for approval from the powerful executive for approval of gift and present requisition.
3. Human Resources and Administration Department procures gift and present, and distributes to Section/Department/Work Unit submitted for approval request.

Reporting Procedure for Receiving/Giving Gift, Present and Any Other Interests and Entertainment

1. After the staff gives/receives gift or organizes the entertainment for/receives the entertainment from customer, business partner or stakeholder, the said staff shall notify his or her superior for immediate acknowledgement.
2. The entrusted person performs his or her duty to gather and summarize giving/receiving of gift or entertainment organizing/entertainment receiving, and prepare report to deliver to Internal Audit Section.



Reporting Document Filing Control for Giving/Receiving of Gift, Present, Entertainment and Any Other Interests

The Company's policy is to entrust Human Resources and Administration Department to have duty as the controller of reporting document filing for giving/receiving of gift, present, entertainment and any other interests, summary report for gift giving/receiving and entertaining organizing/receiving as evidence for use as verification reference.

Dissemination of Policy for Receiving and Giving Gift and Present, Entertainment and Any Other Interests

To be acknowledged by the in-house staffs, the Company's business partners, and the outsider, on the said policy, the following action shall be determined.

1. Disseminate policy via communication channel of the Company such as publicity board, the staff's e-mail, the Company's website, Annual Registration Statement (56-1), Annual Report (56-2), etc.
2. Notify policy via announcement and e-mail to the Company's business partner.

Charity Donation and Subsidy Granting Policy

Syntec Construction Public Company Limited (“Company”) well realizes that charity donation and subsidy granting are the activities related to money spending without tangible return, and may be used as pretext or route for corruption that may cause risk to the Company. For non-purpose latency in charity donation and subsidy granting, it shall be prudently performed to ensure that it is transparently executed. The Company therefore has determined Policy for Charity Donation and Subsidy Granting so that the director, executive and staff of the Company shall strictly execute according to the determined guideline.

Practical Guideline

1. Charity donation and subsidy granting shall be transparent and legal and shall not be contrary to morals, and not be the act with social and public damage.
2. Giving or receiving charity donation or subsidy shall not be used as bribery pretext.
3. Comply with the verification and approval procedure for charity donation or subsidy according to the Company’s rule.
4. In case of doubt that may affect law, consult with Law Department or in other significant issue as the discretion of the Management.

Verification and Approval Procedure

1. The Company’s director, executive or staff who desire the Company to be involved in charity donation or subsidy granting, Approval Request Form and objective shall be prepared specifying name of the donator and/or support grantee, and documentation shall be enclosed to propose for request of approval from the Company’s authorized person.
2. The person who desires the Company to be involved in charity donation or subsidy granting shall verify the charity organizations and foundations prior to proposing to the authorized approver as follows.
 - 2.1) Require for proving that the activity is actually organized according to charity project, and execute for true social benefit or according to the operating purpose under social responsibility.
 - 2.2) The said activity is not related to quid pro quo benefit to any person or any agency.
3. If the Company detects that charity donation and subsidy granting are performed for corruption, the Company shall immediately suspend donation or subsidy granting.
4. Follow-up and verification shall be performed to ensure that charity donation or subsidy granting is not performed for corruption and shall be deemed as part of internal audit process.

Political Assistance Policy

Political Assistance Policy of Syntec Construction Public Company Limited (“Company”) aims at business operation with political impartiality, avoidance to participate in activities that may cause conflict of interests of the Company or incur any form of financial burden, for instance, non-spending of the Company’s capital or resources either directly or indirectly, any non-subserving to political party, political united front, political powerful person, and election candidate whether in local level, regional level or national level.

However, the Company shall respect the right and liberty to exercise the political right of its staffs. The Company well realizes that “political right is the basic right of people”, it therefore supports all of its directors, executives and staffs to enable to exercise their political right according to relevant legal course on behalf of good citizen such as election voting, political party membership, and right to participate in the political activities that shall be lawful and shall not affect the Company in all cases.

However, the Company has no policy to allow all levels of the superiors and staffs command or persuade with any means to make their staffs and subordinates to participate in every type of political activities that may cause organizational conflict.

Definition

Political assistance means support granting to political party, politician, politics-related person or political group whether in monetary, non-monetary or any other benefit form either directly or indirectly for acquisition of wrongful interest or business advantage, excluding the staff participation in activity according to right of individual liberty without the Company’s involvement or non-jactitation of the Company’s staff status.

Practical Guideline

1. Exercise political right in his or her name to avoid the act that may make other person understand that it is the act in the Company’s name whereas political right shall be exercised out of working hours under use of self-resource only.
2. Not express by any means to make other person understand that the Company is involved or support the political party, political activity, political united front or political powerful person.
3. Not attire staff uniform or use any symbols causing other person understand that the Company’s staff jointly assembles or political action in the name of the Company.
4. Take precaution and avoid expression of political opinion in workplace or in working hours that may cause conflict.

Policy for Conflict of Interest, Connected Transaction and Inter-Transaction

Syntec Construction Public Company Limited (“Company”) aims at transparent, fair and accountable business operation. Therefore, the Company has the policy for conflict of interest to retain the Company’s maximum benefit under policy determination that covers two issues such as connected transaction and situation that causes conflict of interest.

Policy for Conflict of Interest

1. Not to enter as the partner or shareholder who is authorized in decision making, or executive in the competitive business or the business with the same nature of business as the Company.
2. In case that the director, executive and staff are involved in business or any event that may cause conflict of interest, immediately report the superior.
3. Avoid the participation in activity that may cause conflict of interest of the Company, or incur any form of financial obligation with the person who is related to the Company’s business.
4. All staffs shall disclose upon occurrence of event which is believed that it will cause conflict of interest, and shall immediately report their superior for acknowledgement if they are suspicious that conflict of interest will occur.

Policy for Connected Transaction and Inter-Transaction Performing

The Company has determined the Policy for Connected Transaction and Inter-Transaction Performing, practice, transaction consideration and approval process, as well as information disclosure to be in line with criteria and announcement of Board of Governors of Stock Exchange of Thailand on Information Disclosure and Practice of Listed Company in Connected Transaction B.E. 2546 (2003).

“Connected Transaction” means the inter-transaction between listed company or subsidiary and the connected person of the listed company or inter-transaction between subsidiary and connected person of the subsidiary.

“Transaction Performing Entry Agreement” means entry or determination to enter the contract or enter any agreement either directly or indirectly for acquisition or sale of asset, renting out or lease of asset, service provision or use, financial aid giving or receiving, and issuance of new securities, as well as for right or waive of right to perform the said act.

“Connected Person” means

- (1) Executive, major shareholder, regulator, or the nominated person as executive or regulator of the listed company or subsidiary as well as the related person and close relative of the said person.
- (2) Any juristic person with major shareholder or regulator as the following persons of the listed company or subsidiary.
 - (a) Executive
 - (b) Major shareholder
 - (c) Regulator
 - (d) Nominated person as executive or regulator
 - (e) Related person and close relative of the person under (a) to (d).

(3) Any person by course of conduct indicating that he or she acts for or under significant influence of the person under (1) to (2) toward decision making, policy determination, management or operation or other person deemed by Stock Exchange to have similar course of conduct.

“Executive” means director, manager or the person holding the first four managerial level positions from the manager and below, every person who holds the position equivalent to the person who holds the fourth managerial level position, including the person who holds the managerial level position in the accounting or finance field which is the manager level and over or equivalent.

“Major Shareholder” means either direct or indirect shareholder in any juristic person over than 10 percent of number of shares with total voting right of the said juristic person. However, the said shareholding shall also count shares held by the related person and close relative.

“Regulator” means the shareholder or other person by course of conduct significantly influences on the policy determination, management or operation of the Company whether the said influence shall be consequential from being shareholder or authorized according to whatever contract or any other task.

“Related Person” means the person or partnership under Section 258 (1) to (7) of Securities and Exchange Act B.E. 2535 (1992).

(1) Spouse of the said person

(2) Underage child of the said person

(3) Ordinary partnership that the said person or the person under (1) or (2) is the partner.

(4) Limited partnership that the said person or the person under (1) or (2) is the partner under unlimited liability category or is the limited liability partner with total shares over than thirty percent of total shares of limited partnership.

(5) Limited company or public limited company that the said person or the person under (1) or (2) or partnership under (3) or (4) holds total shares exceeding thirty percent of total number of sold shares of the said company; or

(6) Limited company or public limited company that the said person or the person under (1) or (2) or partnership under (3) or (4) or the company under (5) holds shares exceeding thirty percent of total number of sold shares of the said company.

(7) Juristic person that the person under Section 246 and Section 247 can have managerial power on behalf of the representative of the juristic person.

“Close Relative” means the person by consanguinity or by legal registration such as father, mother, spouse, brother and sister, and child as well as the child’s spouse.

“General Trade Condition” means trade condition with fair price and condition, and without cause of interest transfer, as well as trade condition with below price and condition.

(1) Price and condition accepted by the listed company or subsidiary or offered to the general person.

(2) Price and condition offered by the connected person to the general person.

(3) Price and condition indicated by the listed company that it is the price and condition offered by the entrepreneur in the similar nature of business to the general person.

“Normal Business Transaction” means trade transaction performed by the listed company or subsidiary as usual for business engagement.

“Normal Business Support Transaction” means trade transaction, with the same nature of the general business as the listed company or subsidiary, that is performed to support normal business transaction of its own company.

Nature of Connected Transaction may be classified into two natures as follows.

1. Upon transaction performing by the listed company or subsidiary with
 - (a) Executive
 - (b) Major shareholder
 - (c) Related person or close relative of the executive or major shareholder.
2. Upon transaction performing by the listed company or subsidiary with other company that has major shareholder or regulator as executive, major shareholder, regulator or the nominated person as executive or regulator of the listed company or subsidiary as well as related person or close relative of those persons.

Types of Connected Transactions consist of 5 types as follows.

1. Normal business transaction
2. Normal business support transaction
3. Leasing or renting out transaction for immovable property not more than 3 years
4. Asset or service-related transaction
5. Financial aid granting or receiving transaction

Table of Announcement of Stock Exchange of Thailand on Information Disclosure and Practice of the Listed Company in Connected Transaction

Type of Connected Transaction	Transaction Value	Disclose to SET	Request for Approval of the Board of Directors	Request for Approval of Shareholders' Meeting
1. Normal business transaction or normal business support transaction	} Unlimited transaction value	-	-	-
1.1 Normal business transaction and general trade condition				
1.2 Normal business support transaction with general trade condition and return that can be calculated from referring asset or value				



1.3 Normal business support transaction with general trade condition and return that cannot be calculated from referring asset or value.	≤ 1 million Baht or $\leq 0.03\%$ of net tangible asset value depending on whichever amount is higher	-	-	-
	> 1 million Baht but < 20 million Baht or $> 0.03\%$ but $< 3\%$ of net intangible asset value depending on whichever amount is higher	✓	-	-
	≥ 20 million Baht or $\geq 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	-
1.4 Normal business transaction or normal business support transaction without general trade condition	≤ 1 million Baht or $\leq 0.03\%$ of net tangible asset value depending on whichever amount is higher	-	-	-
	> 1 million Baht but < 20 million Baht or $> 0.03\%$ but $< 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	-
	≥ 20 million Baht or $\geq 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	✓
2. Leasing or renting out transaction for immovable property for not more than 3 years and without ability to indicate that general trade condition is available.	≤ 1 million Baht or $\leq 0.03\%$ of net tangible asset value depending on whichever amount is higher	-	-	-
	> 1 million Baht but < 20 million Baht or $> 0.03\%$ but $< 3\%$ of net tangible asset value depending on whichever amount is higher	✓	-	-
Type of Connected Transaction	Transaction Value	Disclose to SET	Request for Approval of the Board of Directors	Request for Approval of Shareholders' Meeting



3. Asset or service-related transaction	≤ 1 million Baht or $\leq 0.03\%$ of net tangible asset value depending on whichever amount is higher	-	-	-
	> 1 million Baht but < 20 million Baht or $> 0.03\%$ but $< 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	-
	≥ 20 million Baht or $\geq 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	✓
4. Financial aid granting or receiving transaction				
4.1 The listed company or subsidiary grants financial aid to the connected person as follows.				
<ul style="list-style-type: none"> Connected person which is natural person 	< 100 million Baht or $< 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	-
<ul style="list-style-type: none"> Connected person which is the juristic person held for shares in the said juristic person by the listed company or subsidiary in the fewer shareholding proportion than the shareholding proportion of other connected person which is not listed company or subsidiary (as the case may be) 	≥ 100 million Baht or $\geq 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	✓
4.2 Other financial aid granting or receiving transaction apart from 4.1	≤ 1 million Baht or $\leq 0.03\%$ of net tangible asset value depending on whichever amount is higher	-	-	-
	> 1 million Baht but < 20 million Baht or $> 0.03\%$ but $< 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	-
	≥ 20 million Baht or $\geq 3\%$ of net tangible asset value depending on whichever amount is higher	✓	✓	✓

* In case that it is the transaction that the listed company or subsidiary and the connected person mutually grant financial aid to the juristic person of which the listed person or subsidiary and the connected person are the shareholders based on their proportion of interest in the said juristic person according to general or better trade condition. The listed company shall be exempted not to request for the Meeting's approval in the said transaction.

*The connected transactions shall be consented from the Audit Committee prior to proposing to the Board of Directors.

Remark: See the end of Table

✓ means the listed company with duty to perform according to topic of column with ✓ mark.

- means the listed company without duty to perform according to topic of column with – mark.

Procedure for Connected Transaction and Inter-Transaction Performing

If it is connected transaction according to the meaning of Stock Exchange of Thailand, the Company shall observe regulations of Stock Exchange of Thailand in all respects.

The Company has determined the procedure for connected transaction and inter-transaction performing as follows.

1. The Company shall use the same criteria of connected transaction performing consideration as the general customer and in line with the normal credit granting process of the Company for business operation support. The said criteria must be fair, reasonable and cause maximum benefit to the Company. In case that the group of the companies has credit applying transaction, the same interest rate shall be charged as the rate charged with the outsider.

2. Asset or service-related transaction is valued based on total value of return which is paid or is received for payment or book value or market price value of the said asset or service depending on whichever amount is higher.

3. If the inter-transaction of the Company or its subsidiary occurs with the person that may have conflict of interest, gain and loss, or may have conflict of interest in the future, the Company shall entrust the Audit Committee to comment about necessity and appropriateness of the said transaction. In case that the Audit Committee is not expert in consideration of inter-transaction that may occur, the Company shall entrust the independent expert or the auditor of the Company to comment about the said inter-transaction used as decision making support for the Board of Directors or the shareholders as the case may be.

4. If the Company has other inter-transaction or connected transaction within the scope under the requirement of Stock Exchange of Thailand, it shall strictly observe the said requirement.

5. The Company shall disclose information for performing of transaction that may have conflict of interest or connected transaction or inter-transaction according to the criteria determined by the Office of Securities and Exchange Commission. The said disclosure shall be in Annual Registration Statement and Annual Report or any other Report Form as the case may be. The disclosure of the information of transaction related to Stock Exchange of Thailand according to the criteria of the Stock Exchange of Thailand, and the information of the transaction related to the Company according to accounting standard criteria, shall be performed. The inter-transactions shall be disclosed in Notes to Financial Statements audited from the Company's auditor.

6. The connected transaction performing based on audit plan shall be verified by Internal Audit Section and reported to the Audit Committee under control measure for random verification of actual transaction performing to be proper and consistent with the prescribed contract or policy or condition.

Consideration Criteria for Normal Trade Transaction

1. Is the nature of transaction as normal business operation? If the said transaction occurs due to normal operation, it will comply with the same procedure of normal operation as what is complied with other cases.

2. Is price and condition fair and will the price or condition will be better if compared with transaction performing with irrelevant outsider?

3. Price is considered based on general trade condition (according to the requirement of Stock Exchange). The transaction according to general trade condition is the trade condition consisting of fair price and condition without interest transfer as follows.

3.1 It is the price and condition offered to the listed company or subsidiary or offered to the general person.

3.2 It is the price and condition offered by the connected person to the general person.

3.3 It is the price and condition which can be indicated by the listed company that the said price and condition is offered by the entrepreneur in similar nature to the general person.

Approval of Connection Transaction and Inter-Transaction Performing

1. Connected Transaction under Approval Power of the Board of Directors. When the small and middle connected transactions which are not according to normal trade condition and under approval of the Board of Directors are performed, the origin section shall propose the detail, necessity and reasonability of the transaction to request for consent of the Audit Committee prior to proposing to the Board of Directors for consideration and approval on transaction performing. The operating procedure is as follows.

1.1 The origin section shall conclude transaction performing detail, prepare all relevant data and propose to the Chief Executive Officer.

1.2 The Chief Executive Officer entrusts the Internal Audit Section to coordinate with the Audit Committee to prepare the meeting agenda.

1.3 The Internal Audit Section and the relevant work unit mutually prepare the meeting documentation containing the essence summary for consideration of the Audit Committee.

1.4 After the meeting's resolution from the Audit Committee is reached, the Section of the Company's Secretary shall gather and propose to the Board of Directors for consideration and approval on starting the transaction performing accordingly.

1.5 The transaction performing shall be disclosed in Annual Registration Statement and Annual Report of the Company.

2. Connected Transaction under Approval Power of the Shareholder. In case that it is the connected transaction under the approval of the shareholder, the origin section shall propose detail, necessity and reasonability of the transaction to request for consent from the Audit Committee prior to proposing to the Board of Directors for consent request, and



propose to the Shareholders' Meeting for consideration and approval on starting the transaction performing. The operating procedure is as follows.

2.1 The origin section shall conclude the detail of transaction performing, prepare all relevant data and propose to the Chief Executive Officer.

2.2 The Chief Executive Officer shall entrust the Internal Audit Section coordinate with the Audit Committee to prepare the meeting agenda.

2.3 The Internal Audit Section and the relevant agency shall mutually prepare the meeting documentation containing the essence summary for consideration of the Audit Committee.

2.4 After the meeting's resolution from the Audit Committee is reached, the Section of the Company's Secretary shall gather and propose to the Board of Directors for consideration and approval on starting the transaction performing accordingly.

2.5 After the meeting's resolution from the Board of Directors is reached, the Section of the Company's Secretary shall prepare documents for meeting holding and request for approval on transaction performing from the shareholders. There shall be adequate supporting data for decision making and the name list and number of shares of the connected persons without voting right shall be also declared.

2.6 The transaction performing shall be disclosed in Annual Registration Statement and Annual Report of the Company.

Policy for Information Disclosure, Use of Inside Information and Confidentiality

Syntec Construction Public Company Limited (“Company”) deems that the inside information is the all of business operating information which has not yet been publicly disclosed. It is the key and secret information of the Company. If it is disclosed, it will affect the Company. Therefore, the Company’s personnel shall keep the inside information as secret unless it is permitted for disclosure or upon law enforcement for disclosure.

Therefore, the Company has determined the policy for confidentiality of the inside information between the relevant persons only, and has determined the serious penalty for the user of the Company’s inside information under below detail.

1. The director, executive and staff shall not use the Company’s inside information and the Company’s business partner information for self-interest or provide the inside information to other person. In addition, the director, executive and staff shall keep secret and inside information under their responsibility not to be filtered out to other person as well as the Company’s irrelevant personnel.

2. The access to inside information which has not yet been publicly disclosed shall be limited to be particularly recognized by specific relevant person.

3. The Company’s information disclosure shall be performed by the personnel with duty to disclose information whereas the personnel without authority are unable to disclose the information.

4. All directors, executives and staffs have duty to protect and maintain the inside information and not exploit the benefit from the acknowledged inside information even though they will terminate from the Company’s staff status.

5. The duty of the director and top executive is to regularly report the security possession and report the change in security possession according to Section 59 of Securities and Exchange Act B.E. 2535 (1992) within three (3) working days from the selling, buying, transferring or transfer accepting date, to the Office of Securities and Exchange Commission; and gather for reporting to the Board of Directors as well as disclose in Annual Report.

6. The director and top executive should avoid selling, buying, transferring or transfer accepting the Company’s security in one month period prior to the Company’s financial statements which will be publicly disclosed, and should wait for elapse of 48 hours so that the normal trading can be started.

7. The person who discloses inside information which has not yet been approved and the information which has not yet been publicly disclosed until affecting damage to the Company, the said person shall be legally liable.



Policy for Intellectual Property Respect

Syntec Construction Public Company Limited (“Company”) realizes and foresees the significance about intellectual property and copyright, and has the clear policy of no intellectual property violation action whether it is copyright, patent or trademark. The essence is concluded as follows.

1. The duty of all staffs is to keep trade secret such as the Company’s business information, technical information. The staffs shall protect and keep the information as secret of the Company or the Company’s business partner. This obligation of information protection and retention shall be continual until upon the staff’s resignation from the Company.

2. The duty of all staffs is to prevent, protect and retain intellectual property owned by the Company to be free from infringement or use without permission.

3. The Company shall respect and not infringe intellectual property of other person.

4. The executive and staff shall be promoted to be creative for intellectual property achievement for the Company’s benefit.

Code of Conduct for Director, Executive, Staff and Investor Relations

Code of Conduct for Director and Executive

The role, duty and responsibility of the director and executive is to honestly, carefully and prudently perform under concern on the Company's maximum benefit, fairness to its shareholders and stakeholders, so that the Company shall attain business operating success. The conduct standard shall be mutually determined as the code of conduct for the director and executive to be applied as the same way.

Code of Conduct for Director and Executive shall cover the following.

1. Honesty, Fairness and Virtue

Honestly and truthfully function, and make the decision for any action under concern on the Company and shareholder's maximum benefit which shall be gained.

2. Independence

Independently make decision and function whereas self-interest, and both monetary and non-monetary shall not be beyond independence for use of the fact, complete and reasonable information in functioning.

3. Personal Transaction Proceeding and Confidentiality

Personal transaction proceeding or other business operation shall be separated from the Company's business operation whether it is any direct or indirect business operation unless upon consent from the Company. In addition, the information acquired on behalf of the director and/or executive shall not be used in improper way.

4. Interest Disclosure

The interest from personal business or other business, as well as any issue which is conflict of interest or may lead to conflict of interest shall be disclosed for acknowledgement.

5. Legal Adherence and Observance

Adhere and observe the law, criteria and requirement relevant to the business operation, and not wrongfully use the gap of law, rule and requirement for the Company's interest and self-interest.

6. Equal Opportunity Giving to Shareholder

Retain the shareholder's privilege according to the trusted duty and concern on other privilege of the stakeholder with the Company.

Function and Responsibility of Director and Executive

1. Company Treatment

1) Honestly and truthfully perform the entrusted duty according to the Company's policy and objective under adherence to the benefit of the Company, major shareholder and minor shareholder.

2) Perform duty using knowledge, competency and experience, and improve the operation to be effective and catch up with the business situation and movement, and prevent the future contingent problem.

3) Retain the Company's information as secret and take precaution not to disclose the secret document or information to the irrelevant person, and not to use the information for self-interest exploitation that may cause damage to the Company.



4) The duty and responsibility of director and top executive is to determine the policy for acceptance, governance and observance of the Company's anti-corruption policy.

2. Staff Treatment

- 1) Fairly reward the staff.
- 2) Always keep occupational environment to be safe for the staff's life and property.
- 3) Always reinforce the staff to develop knowledge and competency.
- 4) Strictly observe staff-related laws and regulations.
- 5) Listen to the staff's comments and suggestions.

3. Customer Treatment

- 1) Operate the quality construction of the projects and aim at continuous and serious upgrade of standard.
- 2) Properly disclose information and news about the construction of the customer project without fact distortion.
- 3) Guarantee construction quality under appropriate condition and time.
- 4) Arrange the channel for its customer to enable to complain about the construction of the project and solve as at best for customer satisfaction.
- 5) Keep the customer's secret without use for self-interest and the Company's interest.

4. Business Partner and/or Creditor Treatment

- 1) Not to demand and receive from or pay any dishonest business interest to the Company's business partner and/or creditor.
- 2) Strictly comply with the conditions entered by the Company with its business partner and/or creditor, and immediately notify in case that the said conditions are unable to be performed for mutual consideration and problem solving.
- 3) Properly and duly report the financial information related to the Company's business partner and/or creditor.

5. Business Competitor Treatment

- 1) Conduct and comply with the framework and covenant of good competition.
- 2) Not seek for the business partner's secret with improper method.
- 3) Not to negatively accuse the business competitor without true information.

6. Social Treatment

- 1) Operate the business that causes minimum social and environmental impact and strictly observe laws and regulations of the relevant agencies.
- 2) Promote activity of social utilization as deemed as reasonable and appropriate.
- 3) Encourage the Company's staff to have social and environmental awareness and responsibility.



Code of Conduct for Staff

The Company has determined code of conduct for staff as guideline of conduct and practice and as reminding tool for its staffs to take precautions and not perform any act violating rules and regulations that may affect the Company's reputation and image.

1. Company Treatment

1) Strictly comply with anti-corruption measure of the Company and other principle, rule and regulation of the Company.

2) Perform duty with responsibility and honesty, improve and develop work to be always effective for the Company's benefit.

3) Be loyal with good attitude toward the Company, and not engage in any business which is competitive or in conflict with the Company's business.

4) Economically use the Company's property and resource for maximum benefit and not use for self-interest.

5) Keep secret, information and news of the Company's business operation.

2. Shareholder Treatment

1) Respect the shareholder's right in acquiring the Company information which shall be disclosed such as accurate turnover, financial position, and supporting information based on fact and within the determined timeframe.

2) Equally treat all shareholders in the Shareholders' Meeting.

3. Superior and Colleague Treatment

1) Politely treat all superiors and colleagues, and mutually honor and assist for benefit of the Company's work.

2) Educate knowledge and transfer working experience to the colleague.

3) Omit to apply other person's achievement to be his or her own achievement, and not violate other person's right.

4) Comply with rightly advice or order of the superior that orders on duty and job, and reverentially collaborate and support the superior's working.

5) Not disclose or criticize private matter and information of the colleague in the manner that entirely causes damage to the Company's staff and image

6) Have good attitude and not calumniate against the superior or colleague.

4. Customer Treatment

1) Politely treat his or her customer and equally render proper and rapid service.

2) Strictly comply with the condition entered with the Company.

3) Keep the customer secret and not utilize customer secret for self-interest.

5. Self-Treatment

1) Properly treatment himself or herself and omit all types of temptations and gambles.

2) Regularly develop knowledge and competency, and enhance working skill.

3) Perform duty with honesty without wrongful exploitation.

Code of Conduct for Investor Relations

Syntec Construction Public Company Limited (“Company”) has prepared code of conduct for investor relations as guideline for the investor relations’ function, and adhere as guideline or determine framework of code of conduct for appropriate compliance by the investor relations under the basic principle and practical guideline as follows.

1. Properly, adequately and timely disclose key and necessary information for investment decision.

1) Disclose the proper, adequate and timely information under compliance with the requirement, regulation or criteria of information disclosure prescribed by the official agencies such as Stock Exchange of Thailand, and Office of the Securities and Exchange Commission, etc.

2) Carefully and prudently exercise discretion in providing information whereas the information provision can be refused if the consideration is deemed that the said information is trade secret or is the information that may cause the Company lose competitiveness.

3) Consider the provision of additional information from the requirement, regulation or criteria of information disclosure prescribed by the official agencies whereas the clear and adequate information shall be specified for understanding and usefulness to the investor’s decision.

4) In case that rumor occurs, hurriedly clarify fact to public under compliance with requirement, regulation or criteria of information disclosure prescribed by the official agencies to properly create understanding and clarify the details.

5) Not disclose inaccurate information with intention to carry forward the purchase of the Company’s shares.

2. Prohibit use of inside information for self-interest and other person’s interest.

1) Determine guideline for inside information supervision under determination and limitation of the person who can access to inside information. The investor relations with privilege to access the inside information shall not disclose the said information for acknowledgement of other person until the said information shall be disclosed according to requirement, regulation or criteria of information disclosure as prescribed by the official agencies.

2) Comply with the principle related to the Company’s inside information supervision, for instance, the significant information for operating result or financial information shall be publicly disseminated to any specific group of investors.

3) Establish criteria of the Company’s trading to the investor relations and the Company’s secretary and prohibit the Company’s share trading in the period of three (3) days prior to announcement of financial statements.

4) Determine quiet period in appointment making acceptance or response of equerry about near future turnover to the analyst and the general investor within two (2) weeks prior to announcement of the financial statements.

3. Equally and fairly disclose information by giving the chance to all parts of stakeholders for information accessibility and convenient channel of contact and inquiry.

1) Determine channel of information disclosure or access to all parts of stakeholders whereas the Company has disseminated the useful information for investment decision via website of the Stock Exchange of Thailand and the Company’s website declaring both Thai and English statements such as Annual Registration Statement, Annual Report,

Sustainable Development Report, and Financial Report; and arrange the investor relations officer who can be contacted via phone conveniently, etc.

2) Determine the various forms of activity organizing to be proper for all groups of the stakeholders with equal and fair information without discrimination to contact any specific group of investors such as holding General Meeting of Shareholders, holding Analysts' meeting, or holding Investors' Meeting, etc.

3) Disclose the specific information used for presentation in the meeting of any group of investors for thorough acknowledgement as quick as possible such as report and recording tape for holding General Meeting of Shareholders, presentation supporting document for Analysts' meeting, etc.

4) Precautions to communicate via online social network to prevent information provision to any specific group of investors and always follow up external news to prevent rumor occurrence and find appropriate and timely clarification approach.

5) Guideline for Treatment to Each Group of Investors

5.1) Investor Treatment

- Give the equal opportunity to the big or small investors to participate in the proper activity or contact and inquire without discrimination.
- Give the opportunity to the individual investor for information accessibility in equal level as the analyst and the institutional investor.
- Do not discriminate in accepting the meeting appointment with the institutional investor or group of investor (Company Visit, Site Visit, One-on-One Meeting), and to give equality and comply with the requirement for quiet period in appointment making acceptance or response of enquiry about near future turnover.
- In visit or acceptance of meeting appointment with the investor, the Company's interest and resource worthiness shall be mainly considered.

5.2) Analyst Treatment

- Give the equal opportunity to the analyst from all security companies or institutions to participate in activity or contact and inquire without discrimination.
- Do not give stuff as quid pro quo or gift to the analyst to motivate or persuade for writing positive analytical article for the Company only.
- Respect analytical article and comment of all analysts but remain able to clearly clarify to explain in case that any erroneous information is detected.

5.3) Mass Media Treatment

- Give equal opportunity to mass media from every institution to participate in activity or contact and inquire without discrimination.
- Do not give stuff as quid pro quo, gift or business doing condition to mass media such as purchase of advertising area to motivate or persuade for writing rumor news article for the Company only.



- Respect article, news content and opinion of all mass media but still enable to clearly clarify or explain in case of any erroneous information is detected.

5.4) Government Agency Treatment

- Cooperate to provide information to government agency upon request.
- Do not give stuff as quid pro quo or gift to the government agency for assistance provision to the Company as a special case only whereas the guideline for compliance with the Company's anti-corruption policy shall be strictly adhered.

5.5) Internal Person Treatment

- Coordinate with the Company's top executive, and meet the stakeholders according to appropriate occasion.
- Report to the Board of Directors and top executive to recognize information that will help create added value to the Company such as operating result in investors relations or operation of sustainable development activity, etc.
- Be the intermediary between the Company and the internal persons in communication of code of conduct for investor relations so that the internal persons shall perform like the investor relations such as supervision and maintenance of inside information, etc.

5.6) Treatment to Other Stakeholders such as financial institution and rating company

- Provide information to other stakeholders in equal level except any other necessity of business operation such as provision of inside information to the financial institution to support the application of project credit, etc.

4. Honestly and truthfully perform professional duty based on the equality principle without discrimination, graft or any reward which is motive or self-promotion rather than the Company and all relevant parts of stakeholders.

4.1) Avoid any acts which are conflicts of the Company's interests such as use of the Company's property or information for self-interest.

4.2) Not exploit self-interest from relationship and information acquired from function of the investor relations for the Company.

4.3) Not to considerate of self-interest in whichever form in selection of the business operation or activity participation with the external agencies.

4.4) Avoid any act which is contrary to the Company's interest.

4.5) Observe the policy, set of regulations, regulations and code of conduct prescribed by the Company.

5. Others

5.1) Attire to be proper with the participating place and activity.

5.2) Not to use negative or malevolent information against the competitor's companies or stakeholders.

5.3) Prepare investor relations activity report and gather suggestions from the stakeholders to the Board and top executive twice a year.

5.4) Prepare IR Product to disseminate the Company's information in various channels such as the Company's website, Annual Report, Annual Registration Statement, Sustainable Development Report, social activity news, meeting

proposing and supporting documents, or analytic information and explanation of the Management, etc. by appropriate selection for use to be consistent with the requirement of all parts of the stakeholders.

5.5) Regularly attend trainings or seminars in the courses that support investor relations work from the governing agencies.

Person in Charge

At present, the Company has entrusted the investor relations officer under Rule and Regulation Section to perform the duty in supervision of investor relations work for appropriate facilitation of information provision and coordination for all parts of the stakeholders under direct control of the Company's top executive and top finance executive. Kindly contact for inquiry at Miss Natthavee Lapnarn, Tel. 0-2711-7423 0-2381-6333 Ext. 5941 or send e-mail to rattapaweel@synteccon.com compliance@synteccon.com, or the Company's website: www.synteccon.com.

Role and Duty of the Board of Directors on Investor Relations Work

The Board of Directors gives precedence to investor relations work under below practice.

1. Approve or give guideline for determination of the Company's information disclosure policy.
2. Give advice or guideline for the Company's investor relations activity operation.
3. Follow up or mutually consider the opinions acquired from the investor relations operation.

Role and Duty of Top Executive on Investor Relations Work

1. Support the operation of investor relations and give time to participate in the important investor relations activities such as attendance of Analysts' Meeting to give the analyst the opportunity to inquire viewpoint and vision of business operation, etc.
2. Convene the meeting, discuss and analyze the opportunity and obstacle for determination of appropriate and up-to-date investor relations operating guideline.
3. Clearly formulate the Company's annual target, objective, story or selling point, operating indicator, budget, and use of tool and communication channel of investor relations.
4. Determine policy for public information disclosure, policy for information disclosure, use of inside information and confidentiality, to govern practical guideline to be proper.
5. Formally appoint the dutiful person in dissemination of public information, as the Company's representative in providing information to the investor, analyst, institution, mass media or the general interested person as follows.

- | | |
|---------------------------------|--|
| 5.1) Mr. Somchai Sirilertpanich | Managing Director Position |
| 5.2) Mr. Jiramote Phahusutr | Assistant Managing Director Position |
| 5.3) Miss Ratthavee Lapnarn | Senior Officer Position, Rule and Regulation Section |

6. Clearly determine and limit the persons that can know the inside information to prevent inside information leakage.

However, the said code of conduct for investor relations is not just the practical guideline for the investor relations that hold the positions or perform duties only, it can be also deemed as working framework for the dutiful informant of information to the investor, shareholder, pressman, or all parts of the stakeholders whether they are the director, top executive, accounting and finance executive, or information-related person, etc.



Policy for Structural Variety of the Board

Syntec Construction Public Company Limited (“Company”) realizes on the significance for determination of the Board of Directors’ element in determining variety of the Board of Directors’ structure under confidence that variety is determined as the significant factor that contributes to reinforce the balance of thought and decision making which is useful for the Company’s operation.

Therefore, the Company has determined the element of the Board of Directors that consists of the persons with knowledge, competency, experience, and expertise on various skills and professions to be consistent with the Company’s business operating strategy, as well as with virtue, code of conduct, leadership, good attitude toward organization, and ability to devote enough time for function of the Board, and without limitation of sex, race, religion, professional skill, and other specialized expertise.

Policy for Nomination and Determination of Remuneration and Welfare of Director and Executive

The Board of Directors appoints the Nomination and Remuneration Committee to function the consideration and nomination of the person with knowledge and competency to hold the director, sub-committee, top executive positions (from the Department Director and over), and consideration and screening the remuneration of the committee member and managing director, and annual bonus.

1. Policy and Criteria for Director Nomination and Appointment (including New Director) and Executive

The Company has consideration guideline for the person with knowledge, competency, proper qualification, managerial experience and the principle of good governance to acquire the competent person in development of the Company toward the setting goal. The selection of the person who will hold the position as the director, independent director (including new director) and executive, shall consider on the necessary lacked skill in the current set of the Board under two guidelines of nomination criteria and method as follows.

1. Selection Process shall start from selection of the qualified person according to the Company's criteria and in line with the determined guideline. The Nomination and Remuneration Committee shall consider and nominate the name list to the Board of Directors for considering and screening the said person prior to proposing the Shareholders' Meeting for consideration and election. The criteria-based qualifications are as follows.

1) Possess knowledge and competency, and understand role and duty of the director according to the criteria of governing official agencies such as the Office of the Securities and Exchange Commission, Stock Exchange of Thailand, etc.

2) Experienced in the Company's business operation and other related experiences.

3) Possess knowledge and understanding in work system and accounting, financial and managerial standard.

4) Possess decision making skill under adequate and proper information and reason.

5) Mature, secure and independent in decision making.

6) Professional, fair and responsible.

7) Apart from other necessary skills, the skill of the current Board which has still been deficient such as omniscience, expertise in the Company's business or knowledge of the relevant laws, etc., shall be considered.

In appointment of high level executive from the department director and over, the Nomination and Remuneration Committee shall also select and nominate the qualified person for consideration of the Board of Directors. In part of other executive, the Management Committee of the Company shall consider.

In nomination of the Company's executive for management in various areas such as engineering work and internal management work, the Company considers the qualified person for the position, knowledge, competency and managerial experience to acquire the person that can utilize for the Company with all one's ability, and can manage to be line with the policy determined by the Company. The procedure of remuneration from job recruitment posting in different media shall be considered from the direct experienced person and the said person is invited for interview by the

department of the original affiliated work. The data is proposed to the top executive of the Company to interview prior to consideration on approval for work entry with the Company accordingly.

2. For promotion and good corporate governance, and consideration on the shareholder's significance, the Company's policy is that the shareholder shall nominate the person for nomination and election as the director in advance prior to the Company's General Meeting of Shareholders every year according to the criteria determined by the Company. The Company has disseminated the said news via the channel of the Stock Exchange of Thailand and the Company's website and use of Director Pool in nomination of the new director.

2. Policy and Criteria for Director and Executive Remuneration and Welfare Determination

For the Company's operation according to the Principle of Good Corporate Governance for the Listed Company for 2006 of the Stock Exchange of Thailand that the determination and disclosure of the director's remuneration shall be suggested as follows: "In determination of director remuneration in direct benefit of the director, the director should not approve his or her remuneration. The Board should arrange the transparent remuneration determination process and request the consent from the shareholders. The level and element of director remuneration should be proper and adequate for motivation and retention of the quality director as required. However, the excessive payment should be avoided."

1. Remuneration and Welfare Determination Process

1) The Board of Directors considers the appointment of Nomination and Remuneration Committee to perform the suggestion duty on remuneration of the director and top executive, and considers the general policy of the Company's remuneration.

2) Determine the appropriate structure of Nomination and Remuneration Committee that should consist of at least two-third of total number of independent directors for the whole committee and independent director as the Chairman of the said Committee.

3) Review and propose transparent remuneration and welfare with appropriate supporting data under consideration on three major factors such as 1.practical guideline in the same industry, 2.turnover and size of business, and 3. knowledge, competency, skill and experience of the director required by the Company at that time.

4) Clearly disclose remuneration and welfare (both in monetary forms and others) of the individual director and executive.

2. Practical Guideline for Element, and Level of Remuneration and Welfare

1) Remuneration shall be considered from obligation, duty, scope, role, responsibility, devotion, performance, as well as benefit which is expected to be gained from the director both in short-term and long-term shall be consistent with operating result, financial position, business size, market situation, competitive condition, and overview of other companies in the same industry.

2) Clearly determine type and payment method, and specify amount of remuneration and welfare.



3) Request the procedural approval whereas Nomination and Remuneration Committee shall be proposed in part of top management to the Board of Directors for approval but the Shareholders' Meeting shall be proposed in part of the directors for approval.

3. Type and Method of Remuneration and Welfare Payment

1) Monetary Remuneration

For director such as meeting allowance, the payment is determined for payment in number of time for all directors who attend the meeting and pension for the Audit Committee Member is determined for payment once a year.

In part of the executive, the Company pays in form of salary, bonus, and cost of living, professional fee for engineer, social security money and welfare to be proper for position.

2) Other remuneration

It is unavailable for director.

In part of the executive, the Company arranges based on the right of the regular staff that should be gained and also arranges provident fund whereas the Company contributes in the rate of 3 – 5% of salary under division based on work life of each executive.)

4. Criteria of Remuneration and Welfare Consideration

1) Attendance of the Board of Directors' Meeting for each set of directors and executives, and participation in opinion expression.

2) Knowledge and understanding in the responsible duty as required by law such as Securities and Exchange Law and Act and other laws related to the business operation of the Company

3) Consideration on business plan and strategic plan on behalf of director and executive

4) Follow-up and proposal of responsible dutiful improvement and development guideline

5) Function of director, executive and other duties as entrusted.

Policy for Staff Remuneration and Welfare Determination

The Company is confident that the staffs are the most important resources of the Company since it is the important factor that affects the Company's operating success. Therefore, it has designed work structure and system to help its staffs to work effectively and to be happy for working, as well as continuously encourage body of knowledge, competency and skilled used in working in all levels of positions so that the occupational skill together with administrative skill shall be available, and also encourage the staffs to have awareness and commitment toward the Company and their colleagues. Therefore, the operating policy is as follows.

1. Consider by adherence to the principle of fairness, appropriateness, incentive and competitiveness with the business in the same type of industry and other relevant industries.

2. Give the opportunity to the staffs to fully express their competency for main measurement of the staff's working. They shall obtain remuneration and welfare which are consistent with adequate obligation, duty and responsibility for retention of the qualified staffs as required. The said remuneration includes salary, overtime pay, cost of living, special vehicle expense, provident fund, social security money, professional engineer fee, and bonus, etc.

3. The Company always conducts the survey of remuneration and welfare in the market and considers on the financial position, turnover of the Company and cost of living rate.

4. Consider adjust the annual salary structure to be standard and competitive in employment market and clearly reflect the staff's competency.

5. For annual salary increase or bonus payment for the staffs, prior-approval from the Board of Directors shall be requested every time.

6. The Management Committee shall prepare measurement and appraisal system for the staff's performance in form of Key Performance Indicator (KPI) and Competency or Potential of the Person. KPI and Competency determined in each level and field shall consist of achievement which is consistent with the Company's target whether in the staff's core competency, management and specific job. The performance criteria both for individual and teamwork shall be determined to link with proper and fair remuneration and welfare system based on the determined criteria. However, the performance appraisal which is mid-year and year-end evaluation shall be performed twice a year.

Staff Welfare Determination

The Company determines to arrange welfare for its staffs as required by law and as proper for assistance and security for its staffs on good working environment, morale and courage, and thoroughly reinforce quality of life to the operators on behalf of the Company's members. Different areas of welfares given to each level of staffs together with salary structure adjustment are regularly considered improving for competitiveness in the same group of industry and other relevant groups of industries. The welfares consist of the following.

1. Subsidy Welfares such as Welfare for Wedding Ceremony Grant, Welfare for Childbirth Expense Allowance, Welfare for Parent and Spouse Funeral Ceremony, and other Subsidies.

2. Health and Life Insurance such as Medical Fee Welfare and Accident Insurance Welfare



3. Loan Welfare such as Family-Aided Loan, and other Loans
4. Fund such as Provident Fund, Compensation Fund and Social Security Fund

However, in part of establishment of Provident Fund for the staffs indicating fair practice of the Company in long-term sustainable staff care, the staffs can select investment plan in provident fund according to their requirement and according to their risk level.

New Director Orientation Policy

Syntec Construction Public Company Limited (“Company”) realizes on the significance of the new director’s function. Therefore, there shall be advice on overall operating guideline of the Company, organizational structure of its subsidiary, and the business-related company to understand work method and inter-shareholding structure. Moreover, the significant and necessary data and information for the director’s function such as Articles of Association, the Company’s objective, Business Ethics Manual, and Good Corporate Governance Policy, shall be given. The association of the Board of Directors, and Sub-Committee of the Company shall be organized to acknowledge the Company’s business operation-related information.

However, the Company has “reminder of the director’s function” by referring to Manual of Thai Institute of Directors whereas the director shall have four important duties as follows.

1. Careful Function

Carefully and adequately function and make decision under reliable and reasonable information.

Practice

1.1 Regularly attend the Board of Directors.

1.2 Have sufficient supporting documents and information for decision making. In case of specific issue that shall rely on knowledge and specific expert, the Company should be requested for preparation of the expert’s opinion to support the decision consideration.

1.3 The acquired documents and information shall be accurate and reliable.

1.4 Spend sufficient time to study Minutes of Meeting and documents in advance.

1.5 Interrogate in the Board of Directors’ Meeting until understanding and enabling to reply the queries later.

1.6 Completely record Minutes of Meeting specifying opinion and reason to support decision.

1.7 Supervise the Company to have the effective control and internal audit system.

1.8 Regularly oversee the Company to have proper risk management system and monitor and supervise to have systematic compliance.

1.9 Regularly follow up the operation of the management.

2. Honest Function

The function in creation of the Company’s benefit without consideration on gain or self-benefit shall be honestly performed for the Company’s maximum benefit whereas he or she shall have no interest, no conflict of interest either directly or indirectly, and not apply the Company’s information or opportunity for self-benefit or other person’s benefit.

Practice

2.1 Be cautious to prevent leakage of the acquired news and information of the Company or use for self-benefit or other person’s benefit.

2.2 Not to use property or business opportunity for self-benefit or other person’s benefit.

2.3 Decision is made for the Company’s optimum benefit without self-latent benefit.



2.4 Not have interest in the considering issue in the Board of Directors' Meeting. However, if he or she is involved either directly or indirectly, he or she shall perform as follows.

2.4.1 Notify the Chairman of the Board.

2.4.2 Not mutually consider and leave the meeting room.

2.4.3 Not guide to consider and make decision in the way of self or other person's benefit.

2.5 Understand the regulation of interrelated transaction performing, information disclosure of the Stock Exchange of Thailand and the Securities and Exchange Commission.

2.6 Govern the Company to have fair and proper consideration process of the interrelated transaction according to regulation.

2.7 Report business management-related interest for the Company or its subsidiary according to the criteria required for determination by the Board of Directors pursuant to the Announcement of the Securities and Exchange Commission.

2.8 Acknowledge the requirement required for reporting the trading of the Company's shares which are the directors and the duration that the share trading should be avoided prior to information disclosure.

3. Compliance with Rule, Regulation and Resolution

Govern the business operation of the Company to be in line with rules and regulations despite those which are determined by the external governing organization and determined for internal enforcement such as compliance with law, objective and Articles of Association, and comply with the resolution of the Board and the resolution of the Shareholders' Meeting, etc.

Practice

3.1 Have knowledge and understanding in Public Limited Company Act and Securities and Exchange Act as well as requirement issued by the said laws, and requirement of Stock Exchange of Thailand, which currently enters into force.

3.2 Have knowledge and understanding in the law related to the business operated by the Company.

3.3 Govern the Company to have monitoring and control system for strict compliance with the relevant laws.

3.4 Govern the Company to operate the business determined in the Company's objective.

3.5 Govern to execute according to the Articles of Association.

3.6 Govern the important issues to be considered for approval from the shareholders as required by law.

3.7 Govern to strictly comply with the resolution of the Board and the resolution of the Shareholders' Meeting.

3.8 Supervise to appoint the Company's secretary who is qualified to perform duty as required by law.

4. Proper, Complete and Transparent Information Disclosure to the Shareholder

Supervise the Company's information disclosure to be proper, complete, adequate, and consistent to fact without misunderstanding and non-concealment of the information that should be notified in the essence. The disclosed information shall be updated and timely in deadline and the channel of information disclosure shall be accessible and equal.



Practice

4.1 Govern the Company to have accounting system, key document filing system and database management system so that information can be accurately, completely and verifiably recorded. In addition, the irrelevant person can be protected to access the information.

4.2 Govern the independent auditor, audit and comment the financial statements.

4.3 The said financial statements and disclosed information has no doubtful cause whether the information is inaccurate or incomplete.

4.4 Govern the Company to properly and completely deliver information report for the period such as Financial Statements, Annual Registration Statement (Form 56-1), and Annual Report (Form 56-2) to the Stock Exchange of Thailand, and Securities and Exchange Commission within deadline.

4.5 Govern the Company to report news of the significant change that may affect security price according to the regulation of Stock Exchange of Thailand.

4.6 In case of the bid offerer for the Company's shares from the general shareholder, the Company shall be supervised to prepare the proper business opinion to be consistent with fact and complete in essence.

4.7 Govern the Company to deliver Invitation Letter for the Shareholders' Meeting in advance for not less than the deadline required by law.

4.8 Govern to completely specify date, time and meeting appointment venue and meeting agenda as well as supporting detail for the Meeting's consideration as required by law, and according to Practice of Good Corporate Governance in Appointment Letter for Meeting.

4.9 Govern the Company to facilitate the shareholder who is unable to attend the meeting but intends to exercise his or her voting right by delivery of Proxy together with Appointment Letter for Meeting clearly specifying document required for use in authorization and procedure of meeting attendance.

4.10 Govern the Company to complete the preparation of Minutes of Shareholders' Meeting within deadline specified by law whereas the resolution of the meeting is completely, accurately and clearly recorded and the significant issues of the shareholder's inquiry and clarification of the Board are recorded. In addition, the number of the shareholders' votes in agreement, disagreement and voting abstention is clearly recorded.

4.11 Govern the Company to disseminate information such as Appointment Letter for Shareholders' Meeting, Minutes of the Shareholders' Meeting, Annual Report, etc., in the Company's website or via electronic media of the Stock Exchange of Thailand so that the shareholders can verify accuracy and exercise their right to oppose if necessary.

Position Succession Policy

The preparation and review of position development and succession plan is an important duty according to the principle of good corporate governance of the Board of Directors that requires governance and advancement of actual practice so as to reduce staff shortage problem in key position particularly in high level executive position.

Syntec Construction Public Company Limited (“Company”) realizes on the significance of the continuous and effective business operation. The Board of Directors therefore has entrusted Nomination and Remuneration Committee as the preparer of succession plan for nomination and preparedness of high level executive, and develop the potential person to succeed the significant managerial position.

Position Succession Plan Preparation shall consider according to below procedures.

1. Analyze the situation of the Company’s business in the areas of strategy, policy, direction, business expansion or postponement plan to evaluate the current and future required workforce whether number and qualification are prepared for working and consistent with the Company’s both short-term and long-term strategy and urgent necessity.

2. Determine staff recruitment plan and staff development and training plan in advance prior to retirement or early retirement of the staff. However, the development plan preparation shall consider retirement age of the staff and early retirement.

3. Determine competency, knowledge, skill, personality and attitude required for staff in that position.

4. Select and evaluate staff performance and potential that will be succeeded the vacant position, and inform the said staff for prior-acknowledgement after acquisition of the selected staff as the successor so that the said successor shall be prepared for work learning and responsibility in higher level accordingly.

5. Selection of the position successor shall always determine the second and the third alternates whereas it is unnecessary that the alternates shall be qualified as the first alternate but the said alternates should be similar. The alternates should be notified to prevent the contingent conflict.

6. Develop and evaluate the selected staff to be the position successor whether the said staff develops and creates achievement as expected. However, if it is not in line with expectation, the replacement of the said staff shall be duly performed.

7. Various forms of the position succession development include internal learning culture building, job rotation, On-the-job Training or Off-the-job Training and Coaching whereas the current executive transmit experience to new generation executive.

Position Succession Plan shall cover the following positions.

1. Chief Executive Officer/Managing Director Level

Upon vacancy of the executive position in Chief Executive Officer and Managing Director level, or functional incapability of the person in the position, the Company shall entrust the executive in similar level or inferior level to act in the position until recruitment and selection of the qualified person according to the criteria determined by the Company. The Nomination and Remuneration Committee shall consider and propose to the Board of Directors for consideration on approval and appointment of the qualified person to further hold the position in replacement.



2. Executive Level

Upon vacancy of the executive level position or inability of the person in the position to perform his or her duty, the Company shall nominate the selected position heir and successor to the Management Committee. However, the process of the executive level position succession planning shall be as follows.

2.1 Determine personnel preparedness building plan consisting of staff recruitment and training and development plan in advance prior to retirement or early retirement of the staff.

2.2 Determine the proper qualification consisting of knowledge, skill, personality and attitude for that position, and prepare individual development plan.

2.3 Select, evaluate performance and evaluate the staff potential for suitability consideration.

2.4 Specify the position successor after evaluation and analysis on the staff qualification upon prior-notification to the staff for preparedness of work receiving and learning.

Personnel Development Policy

Syntec Construction Public Company Limited (“Company”) has established Risk Management Committee since December 2014 whereas the objective is to support the mission of the Board of Directors in determining framework of risk management to be proper for the Company’s business. It has realized that “labor” is considered as important factor for construction business operation. However, economic and construction expansion has caused labor shortage problem, particularly in skilled labor. The Company has currently had several thousands of daily workers used in construction. Each field of labor shall have several levels of skill, knowledge and expert according to work details whereas labor wage has also been different.

Therefore, if the unskilled and expertise labor is employed, it will affect work quality since construction work requires utilization of variety of workers. Some types of works mainly utilize labor without requirement for use of skill and expert, such as ground excavation work, soil filling work. Some types of works require high skill and expert particularly architectural work, such as tile laying work, door-window frame installation and surface lining work. If quality is below the determined standard criteria, it will affect work acceptance from the project owner or the principal, resulting in requirement for work correction and loss on increased expense.

Thus, the Company has given the precedence to the care of labor living quality, incentive building for company awareness under potential development work plan to enhance the staff capacity and reduce risk of skilled labor shortage as follows.

1. Labor selection by testing technician skill and proficiency in different fields of works
2. Training and development of labor skill and proficiency by Department of Skill Development. It is the enhancement of skill and competency in technician works for the staff with lack of skill and proficiency in woodwork field, bricklaying-mortaring work, tile laying work and welding work.
3. On the job training and Buddy System training during probation
4. Proper welfare arrangement and care of livelihood in residence to be clean and safe for labor’s quality of life and livability.
5. Promotion and annual wage rate for labor to be proper and consistent with skill, proficiency, expert and competency. However, if the Company’s position is vacant, the Company shall firstly give the opportunity for internal staff as morale and courage to its staff.
6. Foreign labor shall be legally imported for working and increase in the employment proportion of adequate sub-contractors for existing workload.
7. Incentive building for self-development and continuous education

For knowledge development to the director, executive and staff, the Company has promoted and supported participation in seminar and training of courses held both internally and externally for application of the acquired knowledge in effective and continuous working improvement.

Practical Guideline

1. Promote and develop all staffs to have knowledge, competency and growth together with the Company via Individual Development Plan.
2. All staffs shall be given the chance and support for leaning and development of managerial skill, work, teamwork and specific professional skill.
3. Promote the staff to be creative via various forms of activities for staffs to fully express his or her potential.
4. Approve proper and adequate budget for spending in development for all levels of staffs.

Customer Satisfaction Development Policy and Guideline

Syntec Construction Public Company Limited (“Company”) shall arrange to evaluate satisfaction of the project owner that employs the Company to construct the project under the objective of recognition on construction problem and obstacle from the commencement of work acceptance until work delivery to its customer for analysis to find cause and determine improvement and correction development guideline. In addition, the project owner shall be gainful from quality and timely operation with reasonable price according to the requirement of the work employment contract. The said satisfaction level shall be measured twice a year in the period of June and December of every year.

Satisfaction Evaluation Process

1. Deliver Evaluation Form to the project owner for evaluation by dividing evaluation period as follows.

1.1) Evaluation During Construction. The evaluation shall cover in the following areas.

- Personnel preparedness in working
- Machinery preparedness in working
- Material preparedness in working
- Construction safety
- Construction environment

1.2) Evaluation Upon Completion of Construction. The evaluation covers in various areas as follows.

- Construction in line with form and standard of work
- Proper materials used in construction work according to the requirement
- Punctual work delivery on the contractual schedule
- Completion of performance inspection prior to work delivery
- Satisfaction on delivered performance

1.3) Post-Work Delivery Evaluation (in performance warranty period). The evaluation shall cover the following areas.

- Improve and correct works on appointed schedule.
- Follow up and inquire the use of delivered construction.

2. Gather Evaluation Form and take information acquired from the project owner to evaluate, further apply it as corrective and improvement guideline by dividing score level and interpret the customer satisfaction level as follows.

- Satisfaction Level 4.0 – 3.1 is the criterion that requires standard maintenance.
- Satisfaction Level 3.0 – 2.1 is in the fair criterion but requires work improvement.
- Satisfaction Level 2.0 – 1.1 is in the criterion below the requirement that requires work improvement.
- Satisfaction Level 1.0 – 0.0 is in the critical criterion that requires change in new work system.

Satisfaction Development Guideline

Nevertheless, the Company has operated according to ISO9001:2008 Quality Management System for application of working standard maintenance as well as reviewed the operation from prior to startup of the work



acceptance contract, during operation and the period of post-work delivery. However, the customer or the principal shall be treated according to the contractual obligation based on working professional standard for construction work achievement without trouble according to customer demand, construction requirement and deadline specified in the contract.

At present, the Company has still aimed at potential development and operating standard maintenance in various areas with all one's ability and it has been under preparedness, building understanding in various areas to lead the Company into ISO9001:2015 Quality Management System upon formal promulgation from the supervisory work unit accordingly.

Procurement Policy

Syntec Construction Public Company Limited (“Company”) gives the precedence to procurement which is regarded as the significant process of the Company’s business operation. Therefore, the procurement process shall be determined to be line with the rule and practice for fair, reasonable, transparent, verifiable operation without benefit conflict and equal treatment to business partner with fair competition.

Procurement Regulation

1. Every business partner shall offer the price of goods and service and after that, the Company will consider and select from the proper qualification.

2. The business partner relation shall equally take place without demand of benefit or any other property and with impartial demeanour and non-familiarity to business partner until influencing decision that may lack of transparency and fairness, and shall comply with anti-corruption policy.

3. The Company’s staff shall not participate in the provision process of business partners that are related with him or her such as parent, brother and sister, spouse, etc., and shall comply with the policy related to conflict of interest.

4. Keep information obtained from each bidder as secret without disclosure to other business partners for acknowledgement and without disclosure of procurement-related information or document to its business partner unless upon approval from the authorized person to be in line with the policy of information disclosure, use of inside information, and confidentiality.

5. Control, oversee and audit the staff to procure according to the rule, regulation and business code of conduct.

6. Execute the inspection and acceptance of goods or services with prudent and careful act to ensure that the goods or services obtained are proper and identical according to the requirement in the contract or agreement of purchase such as property, quantity, quality, price, payment term and delivery period, etc.

Anti-Unfair Competition Policy

The policy of Syntec Construction Public Company Limited is to execute under fair competition, aim at compliance with Trade Competition Act B.E. 2542 (2009), promote the Company to observe Anti-Trust Law or Trade Competition Law, under anti-unfair completion without any action which is the barrier of trade competitor, support free trade competition, non-discrimination or non-advantage taking from other person, in order to make free business competition.

Regulation

1. Not determine price with the competitor beforehand and not set minimum or maximum price.
2. Not limit production quantity or limit time for unfair delivery of goods.
3. Not set discount, refund and credit granting period in fixed rate.
4. Not share data related to cost, price or other commercial terms and conditions with other competitors.
5. Not seek for secret data of the trade competitors with dishonest or improper method.
6. Not discredit the reputation of the business partner with negative allegation without true data.
7. Not monopolize under determination that the business partner shall sell goods particularly to the Company only.

Operating Process of Construction Work Acceptance

1. Price Estimate and Bidding Department shall contact to find construction contracting work from work sources and media for participation in bidding. Before bidding, every related party shall mutually study construction drawing and working feasibility. Construction Department shall plan construction work and provide technical data, and Cost Control Section shall provide data of construction cost and sub-contractor and data of condition determined by the project owner that affects construction cost. After that, Price Estimate and Bidding Section shall estimate the estimated price and work load, and compare unit price according to market price.

2. Price Estimate and Bidding Section shall prepare summary report of construction cost, condition and construction plan, to propose to the Board of Directors for appropriate inspection and improvement before proposal to the customer. If price is additionally negotiated, the Board of Directors shall participate in negotiation and decision in work acceptance.

Procedure under Operation

1. Entrust the relevant parties to be responsible for works in each section.
2. Appoint the project manager to perform duty and responsibility in organizing and arranging personnel project for work planning and controlling to achieve the objective of work progress and budget control.
3. Plan the detail of the project.
 - 3.1) Project Manager
 - Prepare work plan in detail and schedule starting and completing period for work in each procedure.



- Prepare the estimated workforce plan, number of workers and skilled workers in each type of work.
- Prepare machinery plan used in construction work in each period of time.
- Build temporary office and public utilities.

3.2) Cost Control Section

- Prepare budget by mutual consultation with the project manager.
- Prepare expense control system of the project and material consumption quantity.
- Prepare financial plan of the project.

4. During construction operation, foreman of each department shall mutually and closely work for work control to attain the project's objective whether in the areas of work quality, work progress rate, budget.

5. All related parties shall prepare report and record detail of works in various areas and report to the superior for acknowledgement according to the procedure.

6. The supervisor of each department shall cooperate with the managing director to audit work quality and expense for working improvement as appropriate, and mutually consult with other departments to attain the main objective of that project. If any procedure is not passed for inspection, work plan shall be revised and inspected again. If work is not duly completed according to deadline in the contract and/or delays than work plan, the project manager shall analyze the cause of that delay and further revise work plan.

7. Upon almost completion of construction work, the project manager and work team shall mutually inspect the orderliness and correct defect before work delivery to the project owner, and prepare key information for work delivery to the project owner.



Dividend Payment Policy

Syntec Construction Public Company Limited (“Company”) has annual dividend payment for its shareholder in the rate of not more than 40% of net profit after tax and after retention as legal capital reserve when the Company moderately earns profit without accumulated loss. However, dividend payment shall not affect the Company’s investment plan, operating necessity and other appropriateness in the future under maximum benefit of the shareholders and all parties of stakeholders upon consent from the Board of Directors and approval from the General Meeting of Shareholders. However, the Company may occasionally consider interim dividend payment to its shareholders when it deems that profit is moderate for performing such way. The Board of Directors shall report the General Meeting of Shareholders for acknowledgement in the next meeting.



Tax Policy

Syntec Construction Public Company Limited (“Company”) adheres to transparent and honest business operation. Therefore, it has executed for working in tax area and exercised proper and complete tax privilege for maximum efficiency under legal requirement and compliance with the regulation of financial and tax data disclosure to public sector and all parties of stakeholders that are consistent with working according to the principle of good corporate governance, business code of conduct and according to the sustainable operating guideline that emphasizes on the economic growth of the Company together with full development and participation in social responsibility due to the Company’s belief that good tax responsibility can be the part of overall proper economic and social development of the country in the future.

Practical Guideline

1. Properly and completely comply with tax-related laws and regulations and exercise of tax privilege for maximum benefit toward the Company and public agency.
2. Deliver and request for tax refund within the period required by law for the Company’s liquidity.
3. Regularly study and consider tax impact if new law or tax policy is promulgated or in case that the Company performs new transaction under mainly consideration on maximum benefit of the Company.
4. Plan tax, study laws and regulations for proper application based on the determined criteria, method and condition.
5. Arrange the responsible person with knowledge and understanding as the coordinator with public agencies for proper execution and risk abatement of tax dispute and provision of the Company’s operating data according to the occurred fact upon request or call for audit from public agencies.
6. The Company educates tax knowledge to the relevant personnel for proper and complete working ability.

Business and Social Innovation Promotion and Development Policy

Syntec Construction Public Company Limited (“Company”) aims at invention and development of innovation for use in operation that can create usefulness, competitiveness, value added building to the Company and consider the contingent community and environmental impact.

Practical Guideline

1. Analyze work process of the Company in detail to build the development opportunity toward invention of innovation and actual application.
2. Widely open and promote the creative in-house personnel to propose concept, resulting in continuity of the Company’s continuous innovation creation.
3. Promote and collaborate with the Company’s stakeholders such as business partner for development of innovation with social and environmental responsibility.
4. Promote to have knowledge from both internal and external training.
5. Seek for channel of business alliance participation with agencies in various sectors such as govern agency, educational institution, etc. with expertise in various areas for occurrence of new concept in development and extension for emergence of the Company’s working efficiency innovation.

Policy for Opening Opportunity to Stakeholders in Participating in the Company

Syntec Construction Public Company Limited (“Company”) well realizes that the stakeholders play significant role in determination of business operating direction; it therefore gives precedence to supervision and consideration on all groups of stakeholders. The opportunity shall be given to them for participation whereas the channel of suggestion, problem and complaint receiving shall be arranged under precedence and pleasure on opinion listening and sharing for suggestion that will be gathered and screened for reporting to the Board of Directors, and consideration and review on working guideline to equally meet demand, and expectation of each group of stakeholders.

Stakeholder mean

The person or group of persons who are both directly and indirectly affected from the Company’s business operation or have any other benefits with the Company’s business operation.

Stakeholder Participation Guideline

1. Shareholder

The Company opens the opportunity to its shareholders to participate in the Company’s operation such as opening the opportunity to enable nominate the name of the person to enter for holding the director position and propose the meeting agenda in advance prior to the General Meeting of Shareholders, and opening the opportunity to every shareholder who holds whichever number of shares to inquire in the General Meeting of Shareholders, etc.

2. Customer

The opportunity shall be given to the customer or the project’s owner that employs the Company for construction, satisfaction evaluation as data for the Company’s operating improvement.

3. Business Partner

The operating policy and guideline is to mutually formulate target, carry forward business, and share knowledge skill and experience in business doing for more efficiency. In addition, the Company has anti-corruption policy and whistle-blowing or complaint notification channel if the business partner detects that the Company’s staff acts to indicate corruption or demand to gain benefit.

2. Staff

The communication of anti-corruption policy shall be arranged and the opportunity shall be given to the staffs to have complaining channel. The opinion shall be suggested according to whistle-blowing policy and complainer protection measure.

5. Community, Society and Environment

The Company shall carry out the policy under emphasis on community, social and environmental responsibilities and consideration on the contingent impact. Therefore, the complaining channel can be available if it is affected from the Company’s operation such as fall of the material from the building under construction down to the nearby community, aerial dust impact, etc. according to whistle-blowing policy and measure.

Whistle-Blowing Policy and Measure

Syntec Construction Public Company Limited (“Company”) has the guideline of moral business operation according to good corporate governance and adherence to social responsibilities and all groups of stakeholders. The Company therefore has prepared whistle-blowing policy as the channel for the director, executive, staff and all groups of stakeholders enable to complain or perform whistle-blowing in case that they are affected from the Company’s operation, corruption or from the staff’s working which is the improper and unfair act, non-compliance with rule, regulation, requirement and code of conduct of the Company to contribute to improvement or execution for accuracy, appropriateness, transparency and fairness accordingly.

Objective

1. Promote the Company’s director, executive and staff, and all groups of stakeholders to enable to complain, perform whistle-blowing for any offence and fraud directly related to the Company.
2. Build confidence to the person who requires complaining, and determine the safe and secret channel in complaining and whistle-blowing offence under Measure of Complainer Protection.
3. Deter offence and corruption that may occur in the Company.
4. Promote image and good ethics of the Company.

Scope of Whistle-Blowing or Complaint Notification

1. Upon doubt or detection of act that violates good practice in below issues.
 - 1.1) Violate the compliance with the Principle of Good Corporate Governance.
 - 1.2) Violate rule and regulation of the Company or against law.
 - 1.3) Unfair for working.
 - 1.4) Detect fraud and misappropriation inside the Company.
 - 1.5) Detect corruption against the government sector.
2. Detect the act causing doubt and bad effect to the Company.

Whistle-Blowing Channel

1. Audit Committee

E-mail: auditcommittee@synteccon.com or compliance@synteccon.com

Tel. 02-381-6333 Ext 5941, Fax. 02-711-5183

2. Law Department

E-mail: legal@synteccon.com or anans@synteccon.com

Tel. 02-381-6333 Ext 5922, Fax. 02-711-5183

3. Human Resources and Administration Department

E-mail: hrd@synteccon.com or potjanard@synteccon.com

Tel. 02-381-6333 Ext 5560 / 5151, Fax. 02-711-5183

4. Internal Audit Section

E-mail: internalaudit@synteccon.com or pornanav@synteccon.com

Tel. 02-381-6333 Ext 5940, Fax. 02-711-5183

5. Company's Secretary

E-mail: angsanam@synteccon.com or compliance@synteccon.com

Tel. 02-381-6333 Ext 5941, Fax. 02-711-5183

6. Rule and Regulation, and Investor Relations Section

E-mail: compliance@synteccon.com or rattapaweel@synteccon.com

Tel. 02-711-7423, Fax. 02-711-5183

7. Hot Line for Complaint Acceptance, Tel. 02-381-2790

However, the Company's staffs or stakeholders can also express the opinion and suggestion via above communication channels.

Action Procedure Upon Whistle-Blowing or Complaint Receiving

1. Upon whistle-blowing or complaint receiving, the Company shall respond about complaint receiving within seven (7) working days and assign proper Internal Audit Department or other work unit to gather fact for consideration on screening the acquired data. In case that the said data is verified and fact is detected, the Internal Audit Department or other entrusted work unit shall propose the Audit Committee and the Board of Directors for acknowledgement and command or determination of action guideline and appointment of the Fact Investigation Committee for further consideration in the relevant parts.

2. After Fact Investigation Committee has already investigated the fact, it shall suggest the action guideline to the Audit Committee and the Board of Directors for consideration on command and determination of the corrective action guideline, and consideration on penalty determination.

3. After investigation is terminated, the Company shall notify the whistle-blower and the complainer for acknowledgment on the said investigation result within seven (7) working days.

Register Preparation and Reporting

The internal audit work unit's duty is to regularly prepare Complaint Receiving Register and prepare Offence and Anti-Corruption Data Notification Receiving Summary Report at least once a quarter, indicating the status both already being considered or under investigation consideration for acknowledgement of the Audit Committee and the Board of Directors.

False Whistle-Blowing or Complaint

If the Company detects dishonest whistle-blowing or complaint notification or any statement or data provision with proven evidence of dishonest act and will to damage the Company, in case that the whistle-blower is the Company's staff, he or she shall be disciplinarily punished according to Articles of Association. However, if the whistle-blower is the outsider, the Company shall consider taking legal proceedings with the said person accordingly.



Protection Measure of Whistle-Blower or Complainer's Protection

1. The Company shall not disclose any data that can specify the whistle-blower, advice requester, complainer or the collaborator in fact investigation.
2. The Company shall keep the relevant data as secret and disclose as necessary under consideration on safety and damage of the whistle-blower, advice requester, complainer or collaborator in fact investigation.
3. In case that the whistle-blower, advice requester, complainer or collaborator in fact investigation deem that they may be unsafe or may be damaged, the Company can be requested for determination of the appropriate protection measure, or the Company may determine Protection Measure without request if it deems that it is the issue with tendency of serious trouble, damage or danger.
4. The damaged person shall be alleviated for damage with proper and fair process.
5. The Company shall not perform unfair act toward the whistle-blower, advice requester or complainer whether by change in position, nature of job, workplace, job suspension, threat, operation, dismissal or any other act with the nature of unfair treatment to the whistle-blower, advice request, complainer or collaborator in fact investigation.
6. The Company has no measure to implicate the Company's staff who performs whistle-blowing and complains even though such act may not cause the Company.

Whistle-Blowing Form**Syntec Construction Public Company Limited**

Date.....

Name – Surname of the Whistle-

Blower/Complainer.....aged.....years

Residing at Address No.....Village No.....Village.....

Road.....Sub-district.....District.....

Province.....Postal Code.....Tel No.....

E-mail.....

Allegation/Complaint

(Issue).....

.....

Detail

.....

.....

.....

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*****1.Data of the whistle-blower shall be collected as secret unless it is necessary for disclosure according to the requirement of law.

2.The whistle-blower shall be protected from the Company such as no change in position, nature of job, job suspension, working annoyance, dismissal or any other act with nature of unfair treatment to the said person.

3.False fact is raised to complain with the authority, resulting in the other person's damage which may be the offence of false fact notification to the authority according to Criminal Code.

Supervision on Compliance with and Review on Code of Conduct

Syntec Construction Public Company Limited (“Company”) aims at transparent operation and confidence building to be acceptable by its shareholders, customers, all groups of stakeholders to be standard of concrete business operation. The Company therefore has prepared the written code of conduct by gathering rules and regulations, criteria and practical guidelines to be adapted for the Company’s practice so that the directors, executives and staffs can properly apply them as practical guideline under regular review of code of conduct to be consistent with the Company’s operation and in line with the same guideline of good corporate governance policy.

Compliance with Code of Conduct

1. Practical Guideline for Director

- 1.1) Determine overview, revise and review the Company’s Code of Conduct.
- 1.2) Strictly comply with Code of Conduct to be good model for its staff.

2. Practical Guideline for Executive

- 2.1) It is the duty and responsibility of the executive that shall strictly acknowledge and understand as well as comply with code of conduct.
- 2.2) Promote the compliance with code of conduct and be leader in compliance with code of conduct, as well as promote occupational environment for its staff’s understanding that the compliance with code of conduct is the proper thing under strict practice and without reference to non-awareness of the practical guideline determined in code of conduct.
- 2.3) Pass on policy and practical guideline as well as listen to the opinion on compliance with code of conduct.
- 2.4) Train the staffs to be responsible and arrange management system which is consistent with the Company’s rules and regulations.
- 2.5) Control the operation of the subordinate to be in line with the relevant rules and regulations, and seriously responsible for staffs under his or her control to comply with code of conduct.

3. Practical Guideline for Staff

- 3.1) It is the duty and responsibility of the staff to acknowledge and understand, and strictly comply with code of conduct.
- 3.2) If doubts or queries about compliance with code of conduct occurs, inquire or consult with the superior, Human Resources Department, or Rules and Regulations Section.
- 3.3) The superior or the related person shall be notified if violation or non-compliance with the Company’s code of Conduct is detected.



Review on Code of Conduct

The Company annually determines follow-up and review on code of conduct whereas internal audit section shall report the executives and/or the board for evaluation of adequacy and appropriateness of Code of Conduct Manual to adjust to be consistent with business operation, situation and in line with the criteria at the regulating work units.



Revision History

Business Code of Conduct

No.	Date	Significant Aspect	Reference
No. 1	10 Mar 15	For consistency with operating situation of the Company and conformity to Good Business Code of Conduct Policy of the relevant external agencies	According to the resolution of the Board of Directors' Meeting No. 3/2015 on 10 Mar 15
No. 2	21 Sep 16	For consistency with work process of the Company in accordance with international standard	According to the resolution of the Board of Directors' Meeting No. 9/2016 on 21 Sep 16

Attachment 6 Report of Committee

Report of Audit Committee

The Company's Audit Committee is appointed by the Board of Directors and consists of 3 independent directors as following:

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

All of them are free to perform duties assigned by the Board of Directors. And according to the Audit Committee Charter Complies with good practice guidelines as announced by the Stock Exchange of Thailand. All of them are qualified persons with experience in various fields, including law, accounting, finance, economics, etc., with sufficient qualifications to review the reliability of financial reports. Compliance with good corporate governance principles Risk management and internal control system.

During the year 2020, the Audit Committee had regularly arranged 5 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 Annual Financial Statements of the Company and its subsidiaries, accounting policy, Critical estimates based on generally accepted accounting standards, 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) concern with Company and subsidiary in the report of auditor as well as internal control and the preparation of financial statements. Considering the observations from the audit and review of the auditor's financial statements as well as the impact of changes in financial reporting standards. This is to ensure that the preparation of the financial reports complies with the requirements of laws and financial reporting standards. It is accurate, reliable and timely. Including the disclosure of information sufficiently for the benefit of users of the financial statements. The auditor has reviewed and reported unqualified opinion.

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 review based on the adequacy assessment of internal control systems in accordance with the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) 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

The summarized in related topics in this report and presented to the Board of Directors for consideration.

As well as reviewing the independence of the internal audit operation; Efficiency and effectiveness of the audit, considering and proposing opinions on the annual audit plan. Recommend audit results, especially on matters that are significant in order to have an adequate system of monitoring, supervision and internal control. As well as giving suggestions for adjusting the development audit process to keep up with the changes Support system navigation Digitalization Used in the verification process The emphasis is placed on risk assessment at the activity level, covering work / units with a level of risk which may have a significant impact on the Company's operations. As well as encouraging the auditors to receive training to increase knowledge to create professionalism Keep up with the changes in accordance with international standards for the internal audit profession.

Certified Public Accountant (CPA)

The audits Committee select the authorized auditors by considering the qualifications of the auditor sufficiency of Karin Audit Company Limited as auditor of Company and Subsidiary of the year 2020 by consider from the qualification, 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. Other services of the auditor During the past year, the Company did not hire other than auditors and Subsidiary Company.

Good corporate governance and risk management

Audit Committee Review and comment on the good corporate governance policy. In accordance with the announcement of the Securities and Exchange Commission The Stock Exchange of Thailand Including in accordance with the situation The Company's short-term and long-term strategy and strategy The results of the continued implementation of the said policy The company received evaluation results and awards on good corporate governance, such as the evaluation of corporate governance of Thai listed companies for the year 2020 at the "Excellent" or five-star level from the Thai Institute of Directors Association, etc. The company still adheres to the good corporate governance policy divided into 5 areas: shareholders' rights. Equitable treatment of shareholders Stakeholders' roles Disclosure of information and

transparency and the responsibility of the board, etc., etc. For information on performance and awards related during the past year, such information has been disclosed in the Company's annual report.

For reviewing the suitability of the risk management process. Evaluation and risk mitigation guidelines Follow-up shall be in accordance with the specified criteria. By suggesting to prepare risk management tools Readiness of personnel to support rapid change Including information technology risk management Cyber threat incident Which may have an impact on the security of the Company's information system in order to ensure that The Company's business operations have appropriate risk management guidelines and measures. In accordance with the business operations of the company Including the sufficiency of the risk management system under the management of Risk Management Committee and related working groups Along with enhancing the implementation of the aforementioned 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 based on the audit results of the internal auditors. Company Auditor and the risk management report from the Risk Management Committee. Including compliance "Self-Assessment on Anti-Corruption Measures" "Thai Private Sector Collective Action Coalition Against Corruption Project" acknowledges the conclusion of complaints and whistle-blowing to ensure consistency. The effectiveness of the assessment, monitoring and control of those responsible for it. As well as suggested the company to build knowledge and understanding Governance processes appropriate to business conditions.

The Audit Committee has performed its duties as assigned and in accordance with the Audit Committee Charter. Use a wide range of knowledge They are independent, careful, prudent, transparent and provide constructive suggestions and opinions. For the benefit of all stakeholders equally The Audit Committee is of the opinion that The Company and its subsidiaries place great importance on operating their business with efficiency and effectiveness. The financial reports are prepared to be accurate and complete, showing significant information, reliability, and adequate disclosure in accordance with financial reporting standards and government regulations. Which was audited by the Certified Public Accountant.

Disclosure of the connected transaction or items that may have conflicts of interest Comply with the law on securities and exchange and other laws that are sufficiently relevant to the Company's business There is a good corporate governance process. The risk management process is continuously developed. And adequate internal control processes Including compliance with the law and regulations related to business operations. Track changes to be prepared to face the risks arising in the future Under promotion according to the guidelines "Code of Business Conduct" of the Company.

(Mr. Chaiwat Atsawintarakul)

Chairman of the Audit Committee

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 2020 are materially correct in accordance with the generally accepted accounting principles.



Mr. Somchai Sirilertpanich

Chief Executive Officer



Syntec Construction PCL.

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