

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
INTERIM FINANCIAL REPORTING  
FOR THE THREE-MONTH PERIODS  
ENDED MARCH 31, 2020  
AND REVIEW REPORT OF INDEPENDENT'S AUDITOR**

**Independent Auditor's Report on Review of Interim Financial**

To the Board of Directors of Syntec Construction Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of Syntec Construction Public Company Limited and its subsidiaries as at March 31, 2020, and the related consolidated statements of comprehensive income for the three-month periods then ended March 31, 2020, changes in shareholders' equity, and cash flows for the three-month periods then ended March 31, 2020, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Syntec Construction Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting." My responsibility is to express a conclusion on this interim financial information based on my review.

**Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".



**Emphasis of Matter**

I draw attention to Note 2.2 to the interim financial statements. Due to the impact of COVID-19 pandemic, in preparing the interim financial information for the three-month period ended March 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 whose report dated on February 27, 2020, expressed an unqualified opinion on those

financial statements the consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the three-month period ended March 31, 2019, of Syntec Construction Public Company Limited and its subsidiaries, presented herewith for comparative purpose only, were reviewed by another auditor in my firm, and concluded an unqualifying in her report dated on May 13, 2019.



Ms. Kannika Wipanurat

Certified Public Accountant (Thailand) No. 7305

Karin Audit Company Limited

May 12, 2020

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		1,474,171	926,504	1,246,094	743,395
Current investments	4	-	609,222	-	608,366
Other current financial assets	4, 7	221,500	-	220,641	-
Trade accounts receivable	6, 8	986,589	894,477	982,198	884,927
Other current receivables	4, 6	89,152	106,980	77,297	70,432
Current retention receivables					
under construction contracts	4, 6, 9	138,568	130,269	138,568	130,269
Unbilled construction in progress	6, 10	878,270	917,086	878,270	917,086
Short-term loans	6	-	-	93,000	98,000
Inventories	11	156,414	133,582	155,522	132,843
Advance payments to subcontractors		240,319	379,127	240,320	379,127
<b>TOTAL CURRENT ASSETS</b>		<b>4,184,983</b>	<b>4,097,247</b>	<b>4,031,910</b>	<b>3,964,445</b>
<b>NON-CURRENT ASSETS</b>					
Available-for-sale investments	4	-	819,368	-	819,368
Other non-current financial assets	4, 6	582,578	-	582,578	-
Investments in associate	12	116	130	-	-
Investment in subsidiaries	13	-	-	1,436,682	1,402,690
Other long-term investments		-	192	-	192
Non-current retention receivables					
under construction contracts	9	606,912	662,074	610,012	665,174
Investment properties		539,639	545,184	2,974	3,043
Property, plant and equipment	14	3,410,959	3,465,876	664,545	688,189
Right of use assets	4, 15	1,063,680	-	528,613	-
Leasehold right	4, 16	-	453,705	-	269,672
Intangible assets		5,614	5,079	5,196	4,554
Withholding tax		166,233	124,127	155,390	114,382
Pledged deposit at bank		50,626	52,801	30,625	32,800
Other non-current assets		23,169	22,372	10,710	10,985
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,449,526</b>	<b>6,150,908</b>	<b>4,027,325</b>	<b>4,011,049</b>
<b>TOTAL ASSETS</b>		<b>10,634,509</b>	<b>10,248,155</b>	<b>8,059,235</b>	<b>7,975,494</b>

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade accounts payables	6, 17	516,229	392,563	502,080	378,126
Other current payables	6, 18	251,206	350,026	221,802	321,197
Current portion of long-term loans	20	689,706	737,900	-	-
Current portion of lease liabilities	4	40,170	-	39,931	-
Current provisions for employee benefits		21,358	6,621	21,270	6,533
Long-term in default	20	487,882	-	-	-
Advances received from customers					
under construction contracts	6, 10	525,588	635,438	525,588	635,438
Retention payables from subcontractors	6, 19	363,952	345,196	363,952	345,196
Undue value added tax		121,814	118,046	121,814	118,046
Other current provisions	21	6,232	10,255	6,232	10,255
Other current liabilities		22,600	22,700	6,467	7,308
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,046,737</b>	<b>2,618,745</b>	<b>1,809,136</b>	<b>1,822,099</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans	20	618,311	1,080,704	-	-
Lease liabilities	4, 6	580,565	-	-	-
Deferred tax liabilities	4	1,943	44,215	1,943	44,215
Non-current provisions for					
employee benefits		204,695	213,538	198,163	207,407
Other non-current provisions	21	32,315	28,210	28,625	28,210
Deposit from customers		21,450	22,697	-	-
Liabilities from long-term lease agreements		-	-	226,117	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,459,279</b>	<b>1,389,364</b>	<b>454,848</b>	<b>279,832</b>
<b>TOTAL LIABILITIES</b>		<b>4,506,016</b>	<b>4,008,109</b>	<b>2,263,984</b>	<b>2,101,931</b>

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

(Unit : Thousand Baht)

	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes	"REVIEWED"		"REVIEWED"	
<b>LIABILITIES AND EQUITY</b>				
<b>SHAREHOLDER'S EQUITY</b>				
Share capital				
Authorized share capital	1,600,000	1,600,000	1,600,000	1,600,000
Issued and paid share capital	1,600,000	1,600,000	1,600,000	1,600,000
Treasury shares	22 (22,900)	(22,900)	(22,900)	(22,900)
Share premium				
Share premium on ordinary shares	24	24	24	24
Discount from changes in the ownership interests in subsidiary				
	(6,870)	(6,870)	-	-
Retained earnings				
Legal reserve	160,000	160,000	160,000	160,000
Treasury shares reserve	22 22,900	22,900	22,900	22,900
Unappropriated	3,494,448	3,409,801	3,746,562	3,635,442
Other components of shareholders' equity	288,665	478,097	288,665	478,097
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS</b>				
<b>OF THE PARENT</b>	<b>5,536,267</b>	<b>5,641,052</b>	<b>5,795,251</b>	<b>5,873,563</b>
Non-controlling interests	592,226	598,994	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,128,493</b>	<b>6,240,046</b>	<b>5,795,251</b>	<b>5,873,563</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,634,509</b>	<b>10,248,155</b>	<b>8,059,235</b>	<b>7,975,494</b>

## STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	(Unit : Thousand Baht)				
	Notes	Consolidated		Separate	
		2020	2019	2020	2019
<b>Revenues</b>					
Contract revenues		1,986,175	1,804,510	1,986,175	1,817,057
Revenue from rendering of services		104,611	128,247	18,786	31,232
Gain on disposal and write off of assets		1,122	3,732	1,122	3,732
Reversal of estimated allowance for litigation cases		-	20,813	-	20,813
Interest income		1,308	1,329	2,066	1,779
Other income		10,331	36,569	11,189	18,310
<b>Total revenues</b>		<b>2,103,547</b>	<b>1,995,200</b>	<b>2,019,338</b>	<b>1,892,923</b>
<b>Expenses</b>					
Contract costs		1,753,469	1,647,020	1,753,469	1,652,735
Cost of rendering of services		91,379	88,490	21,581	23,527
Distribution costs		11,699	11,727	4,628	4,704
Administrative expenses		124,461	139,959	98,344	116,384
Other expenses		7,898	481	7,898	481
Finance costs		23,189	18,610	2,731	8
<b>Total expenses</b>		<b>2,012,095</b>	<b>1,906,287</b>	<b>1,888,651</b>	<b>1,797,839</b>
Share of loss of associate		(14)	(14)	-	-
<b>Profit before income tax expense</b>		<b>91,438</b>	<b>88,899</b>	<b>130,687</b>	<b>95,084</b>
Income tax expense		19,567	31,401	19,567	31,401
<b>Profit for the period</b>		<b>71,871</b>	<b>57,498</b>	<b>111,120</b>	<b>63,683</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified</b>					
<b>subsequently to profit or loss :-</b>					
Gains on remeasuring available-for-sale investments		(236,790)	22,551	(236,790)	22,551
Income tax relating to items that will be reclassified					
subsequently to profit or loss		47,358	(4,510)	47,358	(4,510)
<b>Total items that will be reclassified</b>		<b>(189,432)</b>	<b>18,041</b>	<b>(189,432)</b>	<b>18,041</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>(189,432)</b>	<b>18,041</b>	<b>(189,432)</b>	<b>18,041</b>
<b>Total comprehensive income for the period</b>		<b>(117,561)</b>	<b>75,539</b>	<b>(78,312)</b>	<b>81,724</b>

## STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

		(Unit : Thousand Baht)			
		Consolidated		Separate	
Notes		2020	2019	2020	2019
<b>Profit (loss) attributable to :-</b>					
	Owners of the parent	84,647	66,454	111,120	63,683
	Non - controlling interests	(12,776)	(8,956)	-	-
	<b>Profit for the period</b>	<b>71,871</b>	<b>57,498</b>	<b>111,120</b>	<b>63,683</b>
<b>Total comprehensive income (loss) attributable to :-</b>					
	Owners of the parent	(104,785)	84,495	(78,312)	81,724
	Non - controlling interests	(12,776)	(8,956)	-	-
	<b>Total comprehensive income for the period</b>	<b>(117,561)</b>	<b>75,539</b>	<b>(78,312)</b>	<b>81,724</b>
<b>Earnings per share</b>					
	Basic (in Baht)	24	<b>0.05</b>	<b>0.04</b>	<b>0.07</b>
			<b>0.04</b>	<b>0.07</b>	<b>0.04</b>



SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENTS OF CHANGES IN EQUITY  
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

"UNAUDITED"  
 "REVIEWED"

(Unit : Thousand Baht)

	Consolidated											
	Equity attributable to owners of the parent											
	Notes	Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Discount from changes in the ownership interests in subsidiary	Retained earnings			Other components of shareholders' equity Available-for-sale investments	Total equity attributable to owners of the parent	Non Controlling interests	Total shareholders' equity
						Legal reserve	Treasury shares reserve	Unappropriated				
<b>Balance as at January 1, 2019</b>	1,600,000	(4,767)	24	(6,870)	160,000	4,767	3,340,741	405,932	5,499,827	564,844	6,064,671	
Treasury shares purchased	-	(2,990)	-	-	-	-	-	-	(2,990)	-	(2,990)	
Total comprehensive income (expense)	-	-	-	-	-	-	66,454	18,041	84,495	(8,956)	75,539	
Allocation of treasury stock reserve	-	-	-	-	-	2,990	(2,990)	-	-	-	-	
<b>Ending balance as at March 31, 2019</b>	<b>1,600,000</b>	<b>(7,757)</b>	<b>24</b>	<b>(6,870)</b>	<b>160,000</b>	<b>7,757</b>	<b>3,404,205</b>	<b>423,973</b>	<b>5,581,332</b>	<b>555,888</b>	<b>6,137,220</b>	
<b>Balance as at January 1, 2020</b>	1,600,000	(22,900)	24	(6,870)	160,000	22,900	3,409,801	478,097	5,641,052	598,994	6,240,046	
Acquisition for non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	6,008	6,008	
Total comprehensive income (expense) for the periods	-	-	-	-	-	-	84,647	(189,432)	(104,785)	(12,776)	(117,561)	
<b>Ending balance as at March 31, 2020</b>	<b>1,600,000</b>	<b>(22,900)</b>	<b>24</b>	<b>(6,870)</b>	<b>160,000</b>	<b>22,900</b>	<b>3,494,448</b>	<b>288,665</b>	<b>5,536,267</b>	<b>592,226</b>	<b>6,128,493</b>	

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

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

## STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

(Unit : Thousand Baht)

	Separate								
	Notes	Issued and		Share premium on ordinary shares	Retained earnings			Other components of shareholders' equity	
		share capital	Treasury shares		Legal reserve	Treasury shares		Available-for-sale investments	Total shareholders' equity
						reserve	Unappropriated		
<b>Balance as at January 1, 2019</b>		1,600,000	(4,767)	24	160,000	4,767	3,489,186	405,932	5,655,142
Treasury shares purchased		-	(2,990)	-	-	-	-	-	(2,990)
Total comprehensive income (expense) for the periods		-	-	-	-	-	63,683	18,041	81,724
Allocation of treasury stock reserve		-	-	-	-	2,990	(2,990)	-	-
<b>Ending balance as at March 31, 2019</b>		<u>1,600,000</u>	<u>(7,757)</u>	<u>24</u>	<u>160,000</u>	<u>7,757</u>	<u>3,549,879</u>	<u>423,973</u>	<u>5,733,876</u>
<b>Balance as at January 1, 2020</b>		1,600,000	(22,900)	24	160,000	22,900	3,635,442	478,097	5,873,563
Total comprehensive income (expense) for the periods		-	-	-	-	-	111,120	(189,432)	(78,312)
<b>Ending balance as at March 31, 2020</b>		<u>1,600,000</u>	<u>(22,900)</u>	<u>24</u>	<u>160,000</u>	<u>22,900</u>	<u>3,746,562</u>	<u>288,665</u>	<u>5,795,251</u>

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

## STATEMENTS OF CASH FLOWS

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit for the period	71,871	57,498	111,120	63,683
Adjustments to reconcile profit to cash receipts (payments)				
Doubtful debts expense	7,484	71	7,484	71
Depreciation and amortization	102,497	87,981	56,074	49,966
Interest income	(1,308)	(1,329)	(2,066)	(1,779)
Interest expense	23,189	18,610	2,731	8
Unrealized gains from changes in fair value				
of current investments	(657)	(4,416)	(654)	(4,413)
Gain on disposal of fixed assets	(1,122)	(3,732)	(1,122)	(3,732)
Share of loss of associate	14	14	-	-
Estimated costs of rectification in the period				
of guarantee work (reversal)	-	3,600	-	3,600
Reversal of provision for losses on litigation	415	(20,403)	415	(20,403)
Provision for employee benefit	7,752	5,943	7,351	5,590
Tax expense	19,567	31,401	19,567	31,401
	229,702	175,238	200,900	123,992
Changes in operating assets and liabilities				
Trade accounts receivables	(92,112)	227,793	(97,271)	230,297
Other current receivables	16,703	13,680	(7,992)	(23,352)
Retention receivable under construction contract	40,352	19,701	40,352	19,403
Unbilled construction in progress	38,816	(93,128)	38,816	(93,128)
Inventories	(22,832)	(20,882)	(22,679)	(20,835)
Advance payments to subcontractors	138,807	103,830	138,807	103,830
Other non-current assets	(796)	(1,167)	275	(338)
Trade accounts payables	123,666	93,587	123,954	94,511
Advance received under construction contracts	(109,850)	50,535	(109,850)	50,535
Undue value added tax	3,767	(7,114)	3,767	(7,114)
Deposit receipt from customers	(506)	183	-	-

## STATEMENTS OF CASH FLOWS

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Retention payables from subcontractors	18,756	9,224	18,756	9,224
Other current payables	(98,453)	(68,408)	(99,396)	(92,140)
Other current liabilities	(840)	397	(840)	397
Payment of estimated costs of rectification in the period of guarantee v	(4,023)	(4,446)	(4,023)	(4,446)
Payment of employee benefit	(1,858)	-	(1,858)	-
Payment of provisions for litigation	-	(970)	-	(970)
<b>Net Cash generated from operation</b>	<b>279,299</b>	<b>498,053</b>	<b>221,718</b>	<b>389,866</b>
Withholding tax paid	(56,587)	(59,820)	(55,489)	(58,770)
<b>Net cash from operating activities</b>	<b>222,712</b>	<b>438,233</b>	<b>166,229</b>	<b>331,096</b>
<b>Cash flows from investing activities</b>				
Interest received	1,461	2,009	2,221	2,201
Purchase of investment in debt securities	(800,000)	(451,040)	(800,000)	(451,040)
Proceeds from investment in debt securities	1,188,379	101,003	1,188,379	101,003
Purchase of investment in subsidiaries	-	-	(33,992)	-
Payment of short-term loans in subsidiaries	-	-	-	(40,000)
Proceeds from short-term loans in subsidiaries	-	-	5,000	10,000
Proceeds from long-term investments	192	(481)	192	(481)
Pledged deposit at bank Increase(Decrease)	2,175	8,345	2,175	8,345
Purchase of investment property	(52)	-	-	-
Purchase of property, plant and equipment	(19,668)	(88,530)	(14,572)	(21,015)
Purchase of right-of-use assets	(74)	-	-	-
Purchase of intangible assets	(1,510)	-	(1,510)	-
Proceeds from the sale of equipment	1,208	7,004	1,208	7,004
<b>Net cash from (used in) investing activities</b>	<b>372,111</b>	<b>(421,690)</b>	<b>349,101</b>	<b>(383,983)</b>

## STATEMENTS OF CASH FLOWS

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
<b>Cash flows from financing activities</b>				
Interest paid	(20,540)	(18,688)	(2,731)	-
Bank overdrafts Increase (Decrease)	-	(100,040)	-	(99,140)
Proceeds from long-term loans	-	31,800	-	-
Payment of long-term loans	(22,705)	(11,224)	-	-
Payment of lease liabilities	(9,919)	-	(9,900)	-
Proceeds from non-controlling interests	6,008	-	-	-
Payment of treasury stock reserve	-	(2,990)	-	(2,990)
<b>Net cash from (used in) financing activities</b>	<b>(47,156)</b>	<b>(101,142)</b>	<b>(12,631)</b>	<b>(102,130)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>547,667</b>	<b>(84,599)</b>	<b>502,699</b>	<b>(155,017)</b>
Cash and cash equivalents at 1 January	926,504	756,455	743,395	674,797
<b>Cash and cash equivalents at 31 March</b>	<b>1,474,171</b>	<b>671,856</b>	<b>1,246,094</b>	<b>519,780</b>

**Supplemental cash flows information**

Non-cash transactions:

Increase in right-of-use asset under lease liabilities	1,242	-	-	-
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## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 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 March 31, 2020 were as follows:

	<i>(% of total paid share capital)</i>
Phahusutr Group	30.09

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 (%)	
			March 31, 2020	December 31, 2019
<b>Direct subsidiaries</b>				
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

\* Not commercial operations yet

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

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

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

**2.1 Statement of compliance**

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP); and related applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2019. The financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and the subsidiaries for the year ended December 31, 2019.

**2.2 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.

**2.3 Functional and presentation currency**

The interim 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.

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

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

**2.4 Use of estimates and judgments**

The preparation of interim 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.

In preparing these interim financial statements, the significant judgments made by management in applying the Group/Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company and its subsidiaries for the year ended December 31, 2019.

**2.4.1 Measurement of fair value**

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

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

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

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

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

Note 6	Measurement of other non-current financial assets
Note 7	Measurement of other current financial assets
Note 26	Financial instruments



**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO INTERIM FINANCIAL STATEMENTS****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

2.5 The consolidated and separate financial statements for the three-month periods ended March 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 0.01 million and Baht 0.01 million, respectively, in the consolidated financial statements, based on financial statements of such associate, which had been reviewed 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 March 31, 2020 and December 31, 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 interim financial statements. However, the values of the investments in the associate was immaterial.

**3 Significant accounting policies**

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended December 31, 2019.

In addition, the Group has adopted TFRS 9, Financial Instruments and group of financial reporting standards relate to financial instruments and TFRS 16, Leases which are effective on January 1, 2020, the impact from adoption of these standards are described in Note 4.

**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:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- 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.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO INTERIM FINANCIAL STATEMENTS****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020****4 Impact of first-time adoption of new accounting standards**

This note explains the impact of the adoption of TFRS 9, Financial Instruments and group of financial reporting standards relate to financial instruments, TFRS 15, Revenue from Contracts with Customers 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 4.1.

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.

**4.1 The new accounting policies that have been applied from January 1, 2020****4.1.1 Financial instruments**

- Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss (“FVPL”) and fair value through other comprehensive income (“FVOCI”). Classification of debt assets will be driven by the entity’s business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
- Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO INTERIM FINANCIAL STATEMENTS****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

- The impairment requirements relating to the accounting for an entity’s expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Group always accounts for expected credit losses which involves a three-stage approach. The stage dictates how the entity measured impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity’s risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.
- Disclosure of classification and measurement of financial assets and liabilities at the end of reporting period.

**4.1.2 Leases**

Where the Group is the lessee, leases are recognised as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Group uses the Group’s incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expense in the statement of income.

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

## 4.2 Impacts on the financial information

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

	(Unit: Thousand Baht)			
	<b>Consolidated financial information (Unaudited)</b>			
	<b>December 31,</b>			<b>January 1,</b>
	<b>2019</b>	<b>TFRS9</b>	<b>TFRS16</b>	<b>2020</b>
<b>Statement of financial position</b>				
<b>Current assets</b>				
Current investments	609,222	(609,222)	-	-
Other current financial assets	-	609,222	-	609,222
Other current receivables	106,980	(973)	-	106,007
Current retention receivables under construction contracts	130,269	(6,511)	-	123,758
<b>Non-current assets</b>				
Available-for-sale investments	819,368	(819,368)	-	-
Other non-current financial assets	-	819,368	-	819,368
Leasehold right, net	453,705	-	(453,705)	-
Right-of-use assets, net	-	-	1,083,791	1,083,791
<b>Total assets</b>	<b>2,119,544</b>	<b>(7,484)</b>	<b>630,086</b>	<b>2,742,146</b>
<b>Current liabilities</b>				
Current portion of lease liabilities, net	-	-	40,216	40,216
<b>Non-current liabilities</b>				
Lease liabilities, net	-	-	586,180	586,180
Estimated demolition cost	-	-	3,690	3,690
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>630,086</b>	<b>630,086</b>
<b>Unappropriated retained earnings</b>	<b>3,409,801</b>	<b>(7,484)</b>	<b>-</b>	<b>3,402,317</b>
<b>Total equity</b>	<b>2,119,544</b>	<b>(7,484)</b>	<b>-</b>	<b>2,112,060</b>

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

(Unit: Thousand Baht)

	Separate financial information (Unaudited)			
	December 31,			January 1,
	2019	TFRS9	TFRS16	2020
<b>Statement of financial position</b>				
<b>Current assets</b>				
Current investments	608,366	(608,366)	-	-
Other current financial assets	-	608,366	-	608,366
Other current receivables	70,432	(973)	-	69,459
Current retention receivables under construction contracts	130,269	(6,511)	-	123,758
<b>Non-current assets</b>				
Available-for-sale investments	819,368	(819,368)	-	-
Other non-current financial assets	-	819,368	-	819,368
Leasehold right, net	269,672	-	(269,672)	-
Right-of-use assets, net	-	-	545,620	545,620
<b>Total assets</b>	<b>1,898,107</b>	<b>(7,484)</b>	<b>275,948</b>	<b>2,166,571</b>
<b>Current liabilities</b>				
Current portion of lease liabilities, net	-	-	40,216	40,216
<b>Non-current liabilities</b>				
Lease liabilities, net	-	-	235,732	235,732
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>275,948</b>	<b>275,948</b>
<b>Unappropriated retained earnings</b>	<b>3,635,442</b>	<b>(7,484)</b>	<b>-</b>	<b>3,627,958</b>
<b>Total equity</b>	<b>1,898,107</b>	<b>(7,484)</b>	<b>-</b>	<b>1,890,623</b>

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

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

4.2.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	(Unit: Thousand Baht)	
	<b>Consolidated</b>	<b>Separate</b>
	<b>financial</b>	<b>financial</b>
	<b>information</b>	<b>information</b>
Unappropriated retained earnings as at December 31, 2019 (Audited)	3,409,801	3,635,442
Increase in loss allowance for other current receivables	(973)	(973)
Increase in loss allowance for current retention receivables under construction contracts	(6,511)	(6,511)
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020	(7,484)	(7,484)
Unappropriated retained earnings as at January 1, 2020 - TFRS 9 (before restatement for TFRS 16) (Unaudited)	<u>3,402,317</u>	<u>3,637,958</u>

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

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: Thousand Baht)

<b>Consolidated financial information (Unaudited)</b>					
<b>Financial assets</b>	<b>FVPL</b>	<b>Fair value - Derivatives</b>	<b>FVOCI</b>	<b>Amortised cost</b>	<b>Total</b>
<b>as at January 1, 2020</b>					
Cash and cash equivalents	-	-	-	926,504	926,504
Current investments	586,735	-	-	22,487	609,222
Trade accounts receivables	-	-	-	894,477	894,477
Other current receivables	-	-	-	106,980	106,980
Retention receivables	-	-	-	792,343	792,343
Available-for-sale investments	-	-	819,368	-	819,368
Long-term investments	-	-	-	192	192
Restricted deposits with financial institutions	-	-	-	52,801	52,801
Other non-current assets	-	-	-	22,372	22,372
	<b>586,735</b>	<b>-</b>	<b>819,368</b>	<b>2,818,156</b>	<b>4,224,259</b>

(Unit: Thousand Baht)

<b>Consolidated financial information (Unaudited)</b>					
<b>Financial liabilities</b>	<b>FVPL</b>	<b>Fair value - Derivatives</b>	<b>FVOCI</b>	<b>Amortised cost</b>	<b>Total</b>
<b>as at January 1, 2020</b>					
Trade accounts payables	-	-	-	392,563	392,563
Other current payables	-	-	-	350,026	350,026
Other current liabilities	-	-	-	22,700	22,700
Long-term loans from financial institutions	-	-	-	1,818,604	1,818,604
	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,583,893</b>	<b>2,583,893</b>

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(Unit: Thousand Baht)

Separate financial information (Unaudited)					
Financial assets	FVPL	Fair value - Derivatives	FVOCI	Amortised cost	Total
<b>as at January 1, 2020</b>					
Cash and cash equivalents	-	-	-	743,395	743,395
Current investments	585,879	-	-	22,487	608,366
Trade accounts receivables	-	-	-	884,927	884,927
Other current receivables	-	-	-	70,432	70,432
Retention receivables	-	-	-	795,443	795,443
Short-term loans	-	-	-	98,000	98,000
Available-for-sale investments	-	-	819,368	-	819,368
Long-term investments	-	-	-	192	192
Restricted deposits with financial institutions	-	-	-	32,800	32,800
Other non-current assets	-	-	-	10,985	10,985
	<b>585,879</b>	<b>-</b>	<b>819,368</b>	<b>2,658,661</b>	<b>4,063,908</b>

(Unit: Thousand Baht)

Separate financial information (Unaudited)					
Financial liabilities	FVPL	Fair value - Derivatives	FVOCI	Amortised cost	Total
<b>as at January 1, 2020</b>					
Trade accounts payables	-	-	-	378,126	378,126
Other current payables	-	-	-	321,197	321,197
Other current liabilities	-	-	-	7,308	7,308
	<b>-</b>	<b>-</b>	<b>-</b>	<b>706,631</b>	<b>706,631</b>

Financial assets and liabilities measured at amortised cost approximate fair value



## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

## 4.2.2 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: Thousand Baht)	
	<b>Consolidated financial information</b>	<b>Separate financial information</b>
Operating lease commitments disclosed as at December 31, 2019 (Audited)	1,011,356	347,387
<u>Less:</u> Short-term leases recognised on a straight-line basis as expenses	(10,171)	(10,171)
<u>Less:</u> Deferred interest expenses	(374,789)	(61,268)
Additional lease liabilities from TFRS 16 adoption	626,396	275,948
Finance lease liabilities as at December 31, 2019	-	-
Lease liabilities recognised as at January 1, 2020 (Unaudited)	<u>626,396</u>	<u>275,948</u>
Of which are:		
Current lease liabilities	40,216	40,216
Non-current lease liabilities	586,180	235,732

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The recognised right-of-use assets relate to the following types of assets:

	(Unit: Thousand Baht)	
	<b>Consolidated financial information (Unaudited)</b>	<b>Separate financial information (Unaudited)</b>
<b>As at January1, 2020</b>		
Land	578,645	40,474
Building and building improvement	472,799	472,799
Vehicles	32,347	32,347
Total right-of-use assets	<u>1,083,791</u>	<u>545,620</u>

**5 Seasonal operations**

Revenue of the Group / Company is subject to seasonal and economic environment.

**6 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
<b>Subsidiaries</b>		
1. SCR Asset Management Co., Ltd.	Thailand	Subsidiary, 68% shareholding, and some common directors
2. Natural Ville Service Apartment and Management Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding and some common directors
3. CSM Capital Partners Co., Ltd.	Thailand	Subsidiary, 60% shareholding and some common directors
4. JT Ten Co., Ltd.	Thailand	Subsidiary, 84.98% shareholding and some common directors
5. PT Three Land Co., Ltd.	Thailand	Subsidiary, 79.98% shareholding and some common directors

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

Name of entities	Country of incorporation/ nationality	Nature of relationships
6. AN 8 Co., Ltd.	Thailand	Subsidiary, 79.90% shareholding and some common directors
7. SHG Co., Ltd.	Thailand	Subsidiary, 70% shareholding and some common directors
<b>Associate</b>		
1. Natural Hotel Sukhumvit Co., Ltd	Thailand	Associate, 25% Shareholding
<b>Joint ventures</b>		
1. SVK Joint venture	Thailand	Joint venture, 51% portion of joint venture and registered to cease operations
<b>Related companies</b>		
1. Bangkok Expressway and Metro Public Company Limited	Thailand	Related company, 0.49% shareholding
2. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venture in Syntec-Mivan Joint Venture
3. Siam Syntec Planner Co., Ltd.	Thailand	Related company, some common directors
4. Tate Enterprise Co., Ltd.	Thailand	Related company, some common shareholder
5. N&J Assets Management Co., Ltd.	Thailand	Related company, some common directors
6. Narai Phand Co., Ltd.	Thailand	Related company, directors related to the director of the Company
7. N & J Hospitality Co., Ltd.	Thailand	Related company, directors related to the director of the Company
8. Pink Café Co., Ltd.	Thailand	Related company, directors related to the director of the Company
9. Safe Series Co., Ltd.	Thailand	Related company, shareholder as a key management personnel of the Company
10. Wrightman Corporation Co., Ltd.	Thailand	Related company, indirect held
11. Mankongsangtong Holding Co., Ltd.	Thailand	Related company, common shareholders
12. Thonglor Management Co., Ltd.	Thailand	Related company, shareholder related to the Company's directors
13. Wealthy Living Co.,Ltd.	Thailand	Related company, shareholder related to the Company's directors
14. Chuaphaibul Steel Co., Ltd.	Thailand	Related company, directors related to the director or shareholder of the Company
15. Wrightman Restaurant Co., Ltd.	Thailand	Related company, some common shareholder

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

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
<b>Related persons</b>		
1. Six related persons	Thailand	Related persons, as the Company’s and the subsidiaries’ directors, shareholders, key management personnel or related to the key management personnel.
2. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director of the Group/Company (whether executive or otherwise).

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

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

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**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

	<u><b>Pricing policies</b></u>
Consulting fee for security system	Contract price on the basis determined by the related concerned
Administrative expenses	Market price
Land rental	Contract price on the basis determined by the related concerned which approximated the market rate
Interest expenses	MLR – 2.75 per annum
Directors benefit expenses represented meeting allowance and director bonus	Approval from the Company’s directors and shareholders
Directors and management benefit expenses represented salary and bonus	Approval from the Company’s directors and shareholders

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

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**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

Significant transactions for the three-month periods ended March 31 with related parties were summarized as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
<b>Revenue</b>				
<b>Subsidiaries</b>				
Sale of steel and others	-	-	-	5,842
Rendering of service and others	-	-	2,159	2,447
Interest income	-	-	854	468
<b>Related companies</b>				
Contract revenues	49,301	88,643	49,301	88,643
Rental and service expenses	1,068	1,095	1,068	1,095
Other service expenses	-	800	-	-
<b>Expenses</b>				
<b>Subsidiaries</b>				
Cost of service	-	-	6,083	5,845
<b>Related companies</b>				
Contract costs	53,856	52,923	53,856	52,923
Cost of service	5,269	8,957	1,027	4,717
Space rental and services	231	694	231	694
Other service expenses	273	5,146	273	5,146
Purchase of steel	20,659	31,910	20,659	31,910
<b>Related Persons</b>				
Consulting fee for security system	900	900	900	900
Land rental expense	-	19	-	19
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	14,954	15,023	14,954	15,023
Post-employment benefits	723	475	723	475
Total key management personnel compensation	<u>15,677</u>	<u>15,498</u>	<u>15,677</u>	<u>15,498</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS

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Balance as at March 31, 2020 and December 31, 2019 with related parties were as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b><u>Assets</u></b>				
<b><u>Trade accounts receivables - related parties</u></b>				
Related companies	86,123	74,344	86,123	74,344
Total	86,123	74,344	86,123	74,344
<b><u>Retention receivables under construction contracts - related parties</u></b>				
Subsidiaries	-	-	3,100	3,100
Related companies	43,754	48,234	43,754	48,234
Total	43,754	48,234	46,854	51,334
<b><u>Other current receivables and advances</u></b>				
Subsidiaries	-	-	5,523	18,095
Related companies	79	83	79	83
Related persons	2,705	1,651	2,705	1,651
Total	2,784	1,734	8,307	19,829
Less allowance for doubtful accounts	-	-	-	-
Net	2,784	1,734	8,307	19,829
<b><u>Unbilled construction in progress - related parties</u></b>				
Related companies	3,175	-	3,175	-
<b><u>Short-term loans to related parties</u></b>				
Subsidiaries	-	-	93,000	98,000
<b><u>Other non-current financial assets</u></b>				
<b><u>Equity securities</u></b>				
Related companies	582,578	-	582,578	-
<b><u>Liabilities</u></b>				
<b><u>Trade accounts payable - related parties</u></b>				
Related companies	28,869	25,321	28,542	25,321
<b><u>Other current payables - related parties</u></b>				
Subsidiaries	-	-	17,307	16,084

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	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related companies	2,087	2,567	213	769
Total	<u>2,087</u>	<u>2,567</u>	<u>17,520</u>	<u>16,853</u>
<b><u>Advance received from customers under construction contracts - related parties</u></b>				
Related companies	<u>7,388</u>	<u>10,239</u>	<u>7,388</u>	<u>10,239</u>
<b><u>Retention payables from subcontractors - related parties</u></b>				
Related companies	<u>8,715</u>	<u>7,544</u>	<u>8,715</u>	<u>7,544</u>
<b><u>Lease liabilities, - related parties</u></b>				
Related companies	<u>219,092</u>	<u>-</u>	<u>-</u>	<u>-</u>



## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

Movements of short - term loans to related parties for the three - month periods ended March 31, 2020 were as follows:

		(Unit : Thousand Baht)			
		Separate			
Relationship		Balance as at	During the period		Balance as at
		January, 1	Increase	Decrease	March, 31
		2020			2020
<b>Loan to related parties</b>					
CSM Capital Partners Co., Ltd.	Subsidiary	10,000	-	-	10,000
SCR Asset Management Co., Ltd.	Subsidiary	83,000	-	-	83,000
JT Ten Co., Ltd.	Subsidiary	5,000	-	(5,000)	-
		<u>98,000</u>	<u>-</u>	<u>(5,000)</u>	<u>93,000</u>

As at March 31, 2020 and December 31, 2019, the Company had short-term loans to a subsidiary (“CSM Capital Partners Co., Ltd.”) of Baht 10 million and Baht 10 million, represented short-term loans under 2 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at MLR-2.75% per annum.

As at March 31, 2020 and December 31, 2019, the Company had short-term loans to a subsidiary (“SCR Asset Management Co., Ltd.”) of Baht 83 million and Baht 83 million represented short-term loans under 14 loan agreements, requiring payable on demand. The principal and interest will be repaid within 1 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.

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.

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NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

7 Other current financial assets

(Unit : Thousand Baht)

	Consolidated			
	March 31, 2020		December 31, 2019	
	Cost	Fair value	Cost	Fair value
<b>Other current financial assets</b>				
Premium savings	22,487	22,487	-	-
Mutual fund – debt securities	198,356	199,013	-	-
<b>Total</b>	<b>220,843</b>	<b>221,500</b>	<b>-</b>	<b>-</b>

(Unit : Thousand Baht)

	Separate			
	March 31, 2020		December 31, 2019	
	Cost	Fair value	Cost	Fair value
<b>Other current financial assets</b>				
Premium savings	22,487	22,487	-	-
Mutual fund – debt securities	197,500	198,154	-	-
<b>Total</b>	<b>219,987</b>	<b>220,641</b>	<b>-</b>	<b>-</b>

As at March 31, 2020 and December 31, 2019, current investments in mutual fund – debt securities of the Company amounted to Baht 134 million and Baht 162 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

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FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

8 Trade accounts receivables

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related companies	86,123	74,344	86,123	74,344
Other parties	1,032,148	951,815	1,024,853	939,361
Total	1,118,271	1,026,159	1,110,976	1,013,705
Less allowance for doubtful accounts	(131,682)	(131,682)	(128,778)	(128,778)
<b>Net</b>	<b>986,589</b>	<b>894,477</b>	<b>982,198</b>	<b>884,927</b>

Aging analyses for trade accounts receivables were as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Within credit terms	688,513	605,518	686,470	599,256
Still litigation	160,758	155,994	155,994	155,994
Overdue:				
- Less than 3 months	137,072	148,576	136,755	147,270
- Over 3 months to 6 months	1,066	24,528	1,027	24,416
- Over 6 months to 12 months	57,741	85,332	57,630	82,748
- Over 12 months	73,121	6,211	73,100	4,021
Total overdue	269,000	264,647	268,512	258,455
<b>Total</b>	<b>1,118,271</b>	<b>1,026,159</b>	<b>1,110,976</b>	<b>1,013,705</b>

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

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FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

9 Retentions receivables under construction contracts

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related companies	43,754	48,234	46,854	51,334
Other parties	728,399	764,271	728,399	764,271
Total	772,153	812,505	775,253	815,605
<u>Less</u> allowance for doubtful accounts	(26,673)	(20,162)	(26,673)	(20,162)
<b>Net</b>	<b>745,480</b>	<b>792,343</b>	<b>748,580</b>	<b>795,443</b>
Current	138,568	130,269	138,568	130,269
Non-current	606,912	662,074	610,012	665,174
<b>Total</b>	<b>745,480</b>	<b>792,343</b>	<b>748,580</b>	<b>795,443</b>

10 Unbilled construction in progress

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related companies	3,175	-	3,175	-
Other parties	889,437	931,428	889,437	931,428
Total	892,612	931,428	892,612	931,428
<u>Less</u> allowance for doubtful accounts	(14,342)	(14,342)	(14,342)	(14,342)
<b>Net</b>	<b>878,270</b>	<b>917,086</b>	<b>878,270</b>	<b>917,086</b>

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	(Unit : Million Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Construction project contracts amount	45,702	44,995	45,702	44,995
Contract revenue recognized as revenue since commencing date to present	38,307	36,395	38,307	36,395
Less progress billings (as invoices)	(37,516)	(35,566)	(37,516)	(35,566)
Unbilled construction in progress	791	829	791	829
Unbilled construction in progress (in litigation)	102	102	102	102
Unbilled construction in progress at the end of period	893	931	893	931
Less allowance for doubtful accounts	(14)	(14)	(14)	(14)
<b>Net</b>	<b>879</b>	<b>917</b>	<b>879</b>	<b>917</b>
Excess of progress billing over work in progress	(526)	(635)	(526)	(635)
<b>Net</b>	<b>353</b>	<b>282</b>	<b>353</b>	<b>282</b>

11 Inventories

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Construction materials	141,473	118,201	141,473	118,201
Spare parts and supplies	14,941	15,381	14,049	14,642
Less allowance for devaluation of inventories	-	-	-	-
Spare parts and supplies, net	14,941	15,381	14,049	14,642
<b>Total</b>	<b>156,414</b>	<b>133,582</b>	<b>155,522</b>	<b>132,843</b>

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

**12 Investments in associate**

Movements of investments in associate during the three-month periods ended March 31, 2020 were as follows:

	(Unit : Thousand Baht)	
	Consolidated	Separate
As at January 1, 2020	130	-
Share of losses of investments from equity method	(14)	-
<u>Less allowance for devaluation of investments</u>	-	-
<b>As at March 31, 2020</b>	<b>116</b>	<b>-</b>

**13 Investments in subsidiaries**

Company's name	(Unit : Thousand Baht)			
	Paid-up Share Capital		Cost	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	Million Baht	Million Baht		
SCR Asset Management Co., Ltd.	600	600	408,064	408,064
Natural Ville Service Apartment and Management Co., Ltd.	2	2	2,000	2,000
CSM Capital Partners Co., Ltd.	1,175	1,175	705,000	705,000
PT Three Land Co., Ltd.	120	120	95,976	95,976
JT Ten Co., Ltd.	140	100	118,972	84,980
AN 8 Co., Ltd.	130	130	103,870	103,870
SHG Co., Ltd.	4	4	2,800	2,800
<b>Total</b>			<b>1,436,682</b>	<b>1,402,690</b>

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.

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.

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

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.

**14 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended March 31, 2020 were as follows:

	(Unit : Thousand Baht)	
	Consolidated	Separate
Net book value at January 1, 2020	3,465,876	688,189
Acquisition and transfer in – at cost	19,668	14,572
Disposal	(86)	(86)
Depreciation for the period	(74,499)	(38,130)
<b>Net book value at March 31, 2020</b>	<b>3,410,959</b>	<b>664,545</b>

## Pledge:

As at March 31, 2020, land, buildings and building improvement of the Company in the carrying amount of Baht 105 million including indemnity from insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks.

As at March 31, 2020, land with existing structures of the subsidiary (SCR Asset Management Co., Ltd) in the carrying amount of Baht 777 million and structures to be constructed in the future was mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 620 million.

As at March 31, 2020, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co., Ltd) in the carrying amount of Baht 1,682 million were mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 1,550 million.

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

## 15 Right-of-use assets, net

	(Unit: Thousand Baht)	
	Consolidated	Separate
<b>For the three-month periods ended March 31,2020</b>		
Opening net book value (Audited)	-	-
Adjustment from adoption of TFRS 16 on January 1, 2020 (Note 4)	1,083,791	545,620
Additions	1,316	-
Depreciation	(21,427)	(17,007)
Closing net book value (Unaudited)	<b>1,063,680</b>	<b>528,613</b>

## 16 Leasehold right

	(Unit : Thousand Baht)	
	Consolidated	Separate
Net book value at January 1, 2020	453,705	269,672
Adjustment from adoption of TFRS 16 on January 1, 2020 (Note 4)	(453,705)	(269,672)
<b>Net book value at March 31, 2020</b>	<b>-</b>	<b>-</b>

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.

## 17 Trade accounts payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related companies	28,869	25,321	28,542	25,321
Other parties	487,360	367,242	473,538	352,805
<b>Total</b>	<b>516,229</b>	<b>392,563</b>	<b>502,080</b>	<b>378,126</b>



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18 Other current payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related companies	2,087	2,567	17,520	16,853
Other parties	249,119	347,459	204,282	304,344
<b>Total</b>	<b>251,206</b>	<b>350,026</b>	<b>221,802</b>	<b>321,197</b>
<b>Other parties</b>				
Other payables	27,457	22,854	6,369	5,048
Accrued value added tax	1,539	2,292	329	297
Accrued withholding tax	11,578	12,267	11,347	11,951
Other accrued expenses	90,345	156,764	68,037	133,766
Accrued estimated construction cost	118,200	153,282	118,200	153,282
<b>Total</b>	<b>249,119</b>	<b>347,459</b>	<b>204,282</b>	<b>304,344</b>

19 Retention payables from subcontractors

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related companies	8,715	7,544	8,715	7,544
Other parties	355,237	337,652	355,237	337,652
<b>Total</b>	<b>363,952</b>	<b>345,196</b>	<b>363,952</b>	<b>345,196</b>

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

## 20 Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
At January 1, 2020	1,818,604	1,937,073	-	-
Addition	-	31,800	-	-
Deduction	(22,705)	(150,269)	-	-
Balance as at March 31, 2020	1,795,899	1,818,604	-	-
<u>Less</u> Current portion of long-term loans	(689,706)	(737,900)	-	-
<u>Less</u> Long-term in default	(487,882)	-	-	-
<b>Net</b>	<b>618,311</b>	<b>1,080,704</b>	-	-

**Loans from domestic financial institution**

On December 2, 2014, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a domestic financial institution in credit line of Baht 390.70 million. As of March 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.

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 March 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 shall be in 19st 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.

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Under the above loan agreements contains certain restrictive conditions such as opening operating account with a commercial bank, shareholding of the main shareholder of the Company and an event of default or non-compliance with the loan agreements, which assumes that it is default. This may entitle the bank has the right to accelerate the maturity of all outstanding loans immediately due. In addition, the agreements determined certain financial ratio of the subsidiary as follows:

	Financial ratio per <u>agreement</u>	Financial ratio as at <u>March 31, 2020</u>
Financial ratio (DSCR)	Not less than 1.1	0.05

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

On April 7, 2016, the subsidiary (“CSM Capital Partners Co., Ltd.”) had entered into the loan agreement with a domestic commercial bank in the amount of Baht 1,550 million to support the development of Eight Thonglor Residences Project, requiring repayable the principal and interest within 4 years and 10 years from the date of the first drawdown. Interest rate is charged at MLR - 2.10 to MLR- 2.75 per annum. Such loan was secured by Eight Thonglor Residences Project of 137 units.

Under the above loan agreement contains certain restrictive conditions such as increasing authorized shares, opening an DSRA account (Debt Service Reserve Account) with the bank amount of Baht 20 million and maintaining debt to equity ratio, and the events of default of agreement or non-compliance with loan agreement that assumes to be default. This may entitle the bank has the right to accelerate the subsidiary repay all outstanding immediately. In addition, the agreement determines certain financial ratios of the Company as follows:

	Financial ratio per <u>agreement</u>	Financial ratio as at <u>March 31, 2020</u>
Debt to equity ratio	Not more than 2:1	1.48

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21 Provisions

(Unit: Thousand Baht)

	Consolidated		Separate	
	March 31,	December 31,	March 31,	December 31,
	2020	2019	2020	2019
Provision for the estimating costs of rectification and guarantee work	6,232	10,255	6,232	10,255
Provision for litigation	28,625	28,210	28,625	28,210
Estimated demolition cost	3,690	-	-	-
<b>Total</b>	<b>38,547</b>	<b>38,465</b>	<b>34,857</b>	<b>38,465</b>
Current	6,232	10,255	6,232	10,255
Non-current	32,315	28,210	28,625	28,210
<b>Total</b>	<b>38,547</b>	<b>38,465</b>	<b>34,857</b>	<b>38,465</b>

Movements for the three-month Periods ended March 31, were as follows:

(Unit: Thousand Baht)

	Consolidated							
	Provision for the estimating costs of rectification and guarantee work				Estimated demolition cost			
	Provision for litigation		Total		Provision for litigation		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
At January 1	10,255	8,024	28,210	58,465	-	-	38,465	66,489
Provision increased	-	18,015	415	1,911	3,690	-	4,105	19,926
Reversal	-	(1,826)	-	(21,067)	-	-	-	(22,893)
Payment of provision	(4,023)	(13,958)	-	(11,099)	-	-	(4,023)	(25,057)
<b>At March 31</b>	<b>6,232</b>	<b>10,255</b>	<b>28,625</b>	<b>28,210</b>	<b>3,690</b>	<b>-</b>	<b>38,547</b>	<b>38,465</b>

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

(Unit: Thousand Baht)

	Separate					
	Provision for the estimating costs of rectification and guarantee work		Provision for litigation		Total	
	2020	2019	2020	2019	2020	2019
At January 1	10,255	8,024	28,210	58,465	38,465	66,489
Provision increased	-	18,015	415	1,911	415	19,926
Reversal	-	(1,826)	-	(21,067)	-	(22,893)
Payment of provision	(4,023)	(13,958)	-	(11,099)	(4,023)	(25,057)
<b>At March 31</b>	<b>6,232</b>	<b>10,255</b>	<b>28,625</b>	<b>28,210</b>	<b>34,857</b>	<b>38,465</b>

**22 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 March 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 3.7%, or 60 million shares, of the Company’s shares then in issue. The purpose of the Plan is to manage the Company’s excess liquidity. The maximum amount approved for share purchase under the Plan is Baht 200 million and the price to be paid for the shares is not to exceed 115% of the average closing price on the Stock Exchange of Thailand (SET) over the 5 trading days before each share purchase is made. The Company could purchase the shares through the SET during the period from December 17, 2018 to June 16, 2019. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

**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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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

23 Segment information

Information about reportable segments:

	(Unit: Million Baht)							
	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>For the three-month period ended March 31</b>								
Revenues from customer								
- External	2,016	1,868	85	126	3	1	2,104	1,995
- Inter - segments	3	10	-	-	6	7	9	17
- Eliminated	(3)	(10)	-	-	(6)	(7)	(9)	(17)
<b>Total revenue</b>	<b>2,016</b>	<b>1,868</b>	<b>85</b>	<b>126</b>	<b>3</b>	<b>1</b>	<b>2,104</b>	<b>1,995</b>
<b>Segment profit (loss) before income tax</b>	<b>133</b>	<b>110</b>	<b>(36)</b>	<b>(15)</b>	<b>(6)</b>	<b>(6)</b>	<b>91</b>	<b>89</b>
<b>Segment assets as at March 31 / December 31</b>	<b>6,507</b>	<b>6,243</b>	<b>4,117</b>	<b>3,996</b>	<b>11</b>	<b>9</b>	<b>10,635</b>	<b>10,248</b>
<b>Segment liabilities as at March 31 / December 31</b>	<b>2,247</b>	<b>2,075</b>	<b>2,253</b>	<b>1,928</b>	<b>6</b>	<b>5</b>	<b>4,506</b>	<b>4,008</b>

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

Reconciliation of reportable segment profit or loss and assets

For the three-month period ended March 31

	(Unit: Million Baht)	
	2020	2019
<b>Profit or loss</b>		
Total profit for reportable segments	91	107
Elimination of inter-segment profits	-	(18)
<b>Profit before income tax</b>	<b>91</b>	<b>89</b>

	(Unit: Million Baht)			
	Consolidated		Separate	
	March	December	March	December
	31, 2020	31, 2019	31, 2020	31, 2019
<b>Assets</b>				
Segmental assets	7,224	6,782	5,957	5,884
Investments in subsidiaries	-	-	1,437	1,403
Property, plant and equipment	3,411	3,466	665	688
<b>Total assets</b>	<b>10,635</b>	<b>10,248</b>	<b>8,059</b>	<b>7,975</b>

## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

**24 Earnings per share**

The calculation of basic earnings per share for the ended of three-month periods ended March 31 was based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

	(in thousands Baht / thousands shares)			
	Consolidated		Separate	
	2020	2019	2020	2019
Profit for the period attributable to shareholders of the Company (basic)	84,647	66,454	111,120	63,683
Number of ordinary shares outstanding	1,590,957	1,597,810	1,590,957	1,597,810
<b>Basic earnings per share (in Baht)</b>	<b>0.05</b>	<b>0.04</b>	<b>0.07</b>	<b>0.04</b>

**25 Dividends**

Year 2019: -

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

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



## SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO INTERIM FINANCIAL STATEMENTS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

## 26 Financial instruments

- Determine of fair value for financial assets measured at fair value

(Unit: Million Baht)

	Consolidated				Total
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	
<b>March 31, 2020:</b>					
<b>Asset</b>					
<b>Financial assets measured at</b>					
<b>Fair value through profit or loss</b>					
Mutual fund - dept securities	199	199	-	-	199
<b>Financial assets measured at fair</b>					
<b>value through other</b>					
<b>comprehensive income</b>					
Equity securities	583	583	-	-	583
	<b>782</b>	<b>782</b>	<b>-</b>	<b>-</b>	<b>782</b>
<b>December 31, 2019:</b>					
<b>Financial assets/Financial liabilities</b>					
<b>measured at fair value</b>					
Current investments – Mutual fund	609	609	-	-	609
Available-for-sale investment-equity securities	819	819	-	-	819
	<b>1,428</b>	<b>1,428</b>	<b>-</b>	<b>-</b>	<b>1,428</b>

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020

(Unit: Million Baht)

	Separate				Total
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	
<b>March 31, 2020:</b>					
<b>Asset</b>					
<b>Financial assets measured at</b>					
<b>Fair value through profit or loss</b>					
Mutual fund - dept securities	198	198	-	-	198
<b>Financial assets measured at fair</b>					
<b>value through other</b>					
<b>comprehensive income</b>					
Equity securities	583	583	-	-	583
	<b>781</b>	<b>781</b>	<b>-</b>	<b>-</b>	<b>781</b>
<b>December 31, 2019:</b>					
<b>Financial assets/Financial liabilities</b>					
<b>measured at fair value</b>					
Current investments – Mutual fund	608	608	-	-	608
Available-for-sale investment-equity securities	819	819	-	-	819
	<b>1,427</b>	<b>1,427</b>	<b>-</b>	<b>-</b>	<b>1,427</b>

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

• **Determination of fair value for financial assets and liabilities not measured at fair value**

Most of the Group's / Company's financial assets and liabilities are short-term. The Group / Company estimates the fair value of financial assets and liabilities approximately their carrying amounts in the statement of financial position.

Fair values of long-term loans approximated their carrying amounts because interest rates approximated to market rates.

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

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

**27 Commitments with non-related parties**

As at March 31, 2020 the Group/Company had commitments as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
<b>Capital commitments: -</b>		
Not provide for contract		
Condominium	4	4
Camp and other buildings	2	2
Cost of construction building for service room	586	4
<b>Total</b>	<b>592</b>	<b>10</b>
<b>Commitments under non-cancellable service contracts leases</b>		
Within one year	16	16
After one year but within five years	71	71
Over five years	152	152
<b>Total</b>	<b>239</b>	<b>239</b>
<b>Other commitments: -</b>		
Subcontractor agreements	2,124	2,124
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,907	1,907
<b>Total</b>	<b>4,031</b>	<b>4,031</b>

The subsidiary (SCR Assets Management Co., Ltd.) had commitment under the technical consulting agreement and the service apartment management with other company, requiring consulting fee and service including conditions according to the agreements.

The subsidiary (CSM Capital Partners Co., Ltd.) had commitment under the room management agreement with other company, requiring management fee and conditions according to the agreements.

The subsidiary (“JT Ten Co., Ltd.”) had commitment under the land rental agreement with other company, requiring rental fee and conditions according to the agreement.

As at March 31, 2020, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 5,442 million.

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO INTERIM FINANCIAL STATEMENTS****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020****28 Contingent liabilities and assets****Litigations**

As at March 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 the case has been in the process of consideration by the Court, the result has not been finalized. However, as at March 31, 2020, the Company already recorded the provision on the above lawsuits amounting to Baht 0.54 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 May 12, 2020, the case has been in the process of the Court’s consideration, the result has not been finalized. However, as at March 31, 2020, the Company already recorded the provision on the above lawsuits amounting to Baht 28.09 million (inclusive interest).
- On November 24, 2014, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 3 million. Subsequently, on June 21, 2016, the Court of First Instance adjudged the Company to settle to that person in the amount of Baht 8.60 million. The Company appealed to the Court on August 23, 2017; the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 21.28 million with interest rate 7.5% per annum from the sued date onwards. The Company filed a petition to the Supreme Court. Subsequently, on April 4, 2019, the Supreme Court sentenced the Company to pay Baht 9.68 million with interest rate 7.5 % per annum form November 24, 2014, onwards until the debt payment is completed. And ordered another company, co-defendant, jointly liable for the payment. The Company settled Baht 10.13 million on April 24, 2019.
- On December 27, 2018, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 50 million 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.

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

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020**

- On March 13, 2019, the Company was sued by one customer claiming a compensation of construction due to breach of contract amounting to Baht 247.65 million with interest rate 7.5 % per annum from the filing date onward. Subsequently, on June 20, 2019, the Company submitted an answer to the court and counterclaimed the plaintiff with amounting to Baht 78.55 million. the court of First Instance appointed the plaintiff and defendant's witnesses on October 27-30, 2020.

**29 Subsequent event**

- 29.1 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.
- 29.2 The Extraordinary General Meeting of the subsidiary company ("CMS Capital Partners Public Co.,Ltd"), held on April 9, 2020, received important approval.
- Approved the debt restructuring with a local commercial bank (currently negotiating the conditions in the contract).
  - Approved 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 (currently in the process of negotiating the terms of the contract). The subsidiary company registered the capital increase with the Ministry of Commerce on April 20, 2020.
  - Approved a financial support from a related company in the amount of Baht 110 million in order to repay the loan with a local commercial bank.

**30 Approval of financial statements**

These interim financial statements have been approved for issue by the Company's Board of Directors on May 12, 2020.