

**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 appropriate 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)

	Notes	Consolidated		Separate	
		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)

Notes	Consolidated		Separate		
	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				
	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Authorized share capital				
	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Issued and paid share capital				
28	(22,899,616)	(22,899,616)	(22,899,616)	(22,899,616)
Treasury shares				
Share premium				
	23,744	23,744	23,744	23,744
Share premium on ordinary shares				
Discount from changes in the ownership interests in subsidiary				
	(6,869,861)	(6,869,861)	-	-
Retained earnings				
Appropriated				
	160,000,000	160,000,000	160,000,000	160,000,000
Legal reserves				
28	22,899,616	22,899,616	22,899,616	22,899,616
Treasury share reserves				
	3,521,947,903	3,409,801,632	3,860,481,728	3,635,442,421
Unappropriated				
	321,740,018	478,096,534	321,740,018	478,096,534
Other components of shareholders' equity				
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
14	569,803,505	598,994,368	-	-
Non-controlling interests				
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)

	Notes	Consolidated		Separate	
		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)	(56,693)	-	-
Profit before income tax expense		243,709,137	378,428,521	409,072,163	501,723,523
Income tax expense	32	59,921,193	131,165,745	55,941,698	130,362,064
Profit for the year		183,787,944	247,262,776	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		(149,102,129)	-	(149,690,201)	-
subsequently to profit or loss		(149,102,129)	72,164,544	(149,690,201)	72,164,544
Other comprehensive income for the year, net of tax		34,685,815	319,427,320	203,440,264	443,526,003
Total comprehensive income for the year		34,685,815	319,427,320	203,440,264	443,526,003
Profit (loss) attributable to :-					
Owners of the parent		239,823,297	294,166,450	353,130,465	371,361,459
Non - controlling interests	14	(56,035,353)	(46,903,674)	-	-
Profit for the year		183,787,944	247,262,776	353,130,465	371,361,459
Total comprehensive income (loss) attributable to :-					
Owners of the parent		90,547,228	366,330,994	203,440,264	443,526,003
Non - controlling interests		(55,861,413)	(46,903,674)	-	-
Total comprehensive income for the year		34,685,815	319,427,320	203,440,264	443,526,003
Earnings per share					
Basic (in Baht)	33	0.15	0.18	0.22	0.23

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												
	Retained earnings					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	Legal reserve	Appropriated		Unappropriated	Gains (Losses) on re-measurements of defined benefit plan	Available equity securities	Total other components of shareholder's equity	Total equity attributable to owners of the parent	Non Controlling interests
Treasury shares						Treasury shares reserve	Unappropriated						
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	5,499,526,423	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	-	-	-	-	-	-	(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	-	-	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	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	5,641,052,049	598,994,368	6,240,046,417	
Impact of first-time adoption of new financial reporting standards	-	-	-	-	-	-	(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	5,633,568,435	598,994,368	6,232,562,803	
Dividends to owner of the company	-	-	-	-	-	-	(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)	-	-	-	-	
Total comprehensive income (expense) for the year	-	-	-	-	-	239,833,297	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	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)

	Notes	Separate									
		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	other components of shareholder's equity	Total
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		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	5,873,562,699
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	5,873,562,699
Impact of first-time adoption of new financial reporting standards		-	-	-	-	-	(7,483,614)	-	-	-	(7,483,614)
Balance as at January 1, 2020 - restated		1,600,000,000	(22,899,616)	23,744	160,000,000	22,899,616	3,627,958,807	-	478,096,534	478,096,534	5,866,079,085
Dividends to owner of the company		-	-	-	-	-	(127,273,859)	-	-	-	(127,273,859)
Transferred to Retained earnings	34	-	-	-	-	-	6,666,315	-	(6,666,315)	(6,666,315)	-
Total comprehensive income (expense) for the year		-	-	-	-	-	353,130,465	-	(156,356,516)	(149,690,201)	203,440,264
Ending balance as at December 31, 2020		1,600,000,000	(22,899,616)	23,744	160,000,000	22,899,616	3,860,481,728	-	321,740,018	321,740,018	5,942,245,490

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
	<u>776,133,567</u>	<u>965,869,516</u>	<u>684,356,118</u>	<u>828,585,233</u>
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 assets/temporary investment	(2,740,120,882)	(1,776,435,586)	(903,138,143)	(1,776,435,586)
Proceeds from other current financial assets/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

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

IFRS 16 Leases

IFRS 16 supersedes IAS 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 IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under IAS 17.

The Group adopt IFRS 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

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

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.

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

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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.

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

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.

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

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>635,460,183</u>	<u>635,460,183</u>
Unappropriated retained earnings	<u>3,409,801,632</u>	<u>(7,483,614)</u>	-	<u>3,402,318,018</u>
Total equity	<u>2,119,543,397</u>	<u>(7,483,614)</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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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	<u>1,898,107,908</u>	<u>(7,483,614)</u>	<u>280,930,901</u>	<u>2,171,555,195</u>
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	<u>-</u>	<u>-</u>	<u>280,930,901</u>	<u>280,930,901</u>
Unappropriated retained earnings	<u>3,635,442,421</u>	<u>(7,483,614)</u>	<u>-</u>	<u>3,627,958,807</u>
Total equity	<u>1,898,107,908</u>	<u>(7,483,614)</u>	<u>-</u>	<u>1,890,624,294</u>
Total liabilities and shareholders' equity	<u>1,898,107,908</u>	<u>(7,483,614)</u>	<u>280,930,901</u>	<u>2,171,555,195</u>

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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)	3,402,318,018	3,627,958,807

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
	586,734,503	819,368,282	2,818,156,377	4,224,259,162

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(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
	<u>-</u>	<u>-</u>	<u>2,583,893,037</u>	<u>2,583,893,037</u>

(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
	<u>585,878,765</u>	<u>819,368,282</u>	<u>2,658,661,404</u>	<u>4,063,908,451</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

Financial liabilities as at January 1, 2020	Separate			Total
	FVPL	FVOCI	Amortized cost	
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: Short-term leases recognised on a straight-line basis as expenses</u>	(10,171,000)	(10,171,000)
<u>Less: Deferred interest expenses</u>	(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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 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
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).

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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	<u>55,376,857</u>	<u>75,992,441</u>	<u>48,403,920</u>	<u>61,641,970</u>

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

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</u>				
<u>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>
Less 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>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Short-term loans to related parties				
Subsidiaries	-	-	76,000,000	98,000,000

(Unit : Baht)

	Consolidated and Separate			
	2020		2019	
	Cost	Fair value	Cost	Fair value
Other non-current financial assets				
Equity securities/Investments for sale				
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
Liabilities				
Trade accounts payable - related parties				
Related companies	9,765,986	25,321,143	9,765,986	25,321,143
Other current payables - related parties				
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
Advance received from customers under construction contracts - related parties				
Related companies	9,097,032	10,239,312	9,097,032	10,239,312
Retention payables from subcontractors - related parties				
Related companies	7,460,329	7,544,275	7,460,329	7,544,275

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

	(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:

	Relationship	(Unit : Baht)			
		Separate			Balance as at December, 31 2020
		Balance as at January, 1 2020	During the period		
			Increase	Decrease	
<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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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			
	FVPL	FVOCI	Amortized cost	Total
Financial assets				
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
	<u>1,403,452,025</u>	<u>623,922,637</u>	<u>3,264,844,329</u>	<u>5,292,218,991</u>
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
	<u>-</u>	<u>-</u>	<u>2,685,799,167</u>	<u>2,685,799,167</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

	Separate			Total
	FVPL	FVOCI	Amortized cost	
Financial assets				
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
	<u>1,402,588,957</u>	<u>623,922,637</u>	<u>3,203,991,019</u>	<u>5,230,502,613</u>
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
	<u>-</u>	<u>-</u>	<u>1,028,469,828</u>	<u>1,028,469,828</u>

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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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)
	<u>Consolidated and Separate</u>
	<u>2020</u>
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)
	<u>Consolidated and Separate</u>
Dividends	6,765,426

7 Other current financial assets

	(Unit : Baht)			
	<u>Consolidated</u>			
	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
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	<u>1,512,360,029</u>	<u>1,516,060,291</u>	<u>-</u>	<u>-</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(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
Less 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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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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 expected loss rate %	Trade receivables (Gross) Baht	Loss allowance Baht	Average expected loss rate %	Trade receivables (Gross) Baht	Loss allowance 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	98.83	159,515,229	(157,656,444)	100.00	154,751,533	(154,751,533)
Total		1,076,503,507	(157,656,444)		1,068,666,928	(154,751,533)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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	<u>(157,656,444)</u>	<u>(154,751,533)</u>

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	<u>73,524,672</u>	<u>113,285,877</u>	<u>64,408,475</u>	<u>76,738,550</u>
Less allowance for credit losses	<u>(7,185,262)</u>	<u>(6,305,974)</u>	<u>(7,185,262)</u>	<u>(6,305,974)</u>
Net	<u>66,339,410</u>	<u>106,979,903</u>	<u>57,223,213</u>	<u>70,432,576</u>
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	<u>73,524,672</u>	<u>113,285,877</u>	<u>64,408,475</u>	<u>76,738,550</u>
Less allowance for credit losses	<u>(7,185,262)</u>	<u>(6,305,974)</u>	<u>(7,185,262)</u>	<u>(6,305,974)</u>
Net	<u>66,339,410</u>	<u>106,979,903</u>	<u>57,223,213</u>	<u>70,432,576</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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>	
	2020	2019	2020	2019
Contract assets				
Retentions receivables under construction				
contracts	826,881,385	792,342,531	829,981,777	795,442,922
Unbilled construction in progress	653,298,360	917,085,566	653,298,360	917,085,566
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	650,510,178	662,073,826	653,610,570	665,174,217
Total contract assets	<u>1,480,179,745</u>	<u>1,709,428,097</u>	<u>1,483,280,137</u>	<u>1,712,528,488</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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
Less 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
Less 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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FOR THE YEAR ENDED DECEMBER 31, 2020

	(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 progress billings (as invoices)</u>	(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 allowance for credit losses</u>	(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 allowance for devaluation of inventories</u>	-	-	-	-
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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

13 Investments in subsidiaries

Company's name	(Unit : Baht)			
	Paid-up Share Capital		Cost	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 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
CSM 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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 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.

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

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

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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 Management Co., Ltd.		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	
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	20.10	30.00	30.00	10.00	-	-	
Current assets	30	65	23	22	46	43	5	7	29	4	122	125	4	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	4	1	-	
Carrying amounts of non-controlling interests	133	154	-	-	374	382	19	23	19	14	25	25	-	1	-	1	-	570	599

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Million Baht)

	Natural Ville																	
	SCR Asset Management Co., Ltd.		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)	-	-	-	-	(47)
Profit (loss) allocated for Non-controlling interests	(21)	(20)	-	-	(29)	(24)	(3)	(1)	(2)	(1)	-	(1)	(1)	-	-	-	-	(56)
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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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	<u>306,571,138</u>	<u>237,276,699</u>	<u>1,336,274</u>	<u>-</u>	<u>545,184,111</u>
At December 31, 2020	<u>306,571,138</u>	<u>217,857,241</u>	<u>1,058,827</u>	<u>4,338,286</u>	<u>529,825,492</u>
Fair value measurement					
Appraised price	<u>400,949,468</u>	<u>296,570,155</u>	<u>1,384,788</u>		
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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FOR THE YEAR ENDED DECEMBER 31, 2020

	(Unit : Baht)		
	Separate		
	Condominium	Construction 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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

16 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the year ended December 31, 2020 were as follows:

	Consolidated							Total
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
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

(Unit : Baht)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 2020

(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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)

	Separate							Total
	Land	Buildings and building components	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
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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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
	และ MLR-2.75	และ 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)

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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

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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)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
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	<u>57,570,109</u>	<u>(44,214,777)</u>	<u>60,819,287</u>	<u>(44,214,777)</u>

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Movements of deferred tax assets and liabilities during the year were as follows:

	Consolidated						(Unit : Million Baht)
	At December 31, 2020	Adjustments from the (note 4)	At January 1, 2020	Charged / credited to		At December 31, 2020	
				Profit (loss)	Other comprehensive income		
Deferred tax assets							
Estimated cost of construction	31	-	31	69	-	100	
Non - current provisions for employee benefits	42	-	42	(2)	(2)	38	
Provisions	9	-	9	-	-	9	
Total	82	-	82	67	(2)	147	
Deferred tax liabilities							
Property, plant and equipment	1	-	1	3	-	4	
Accrued rental and service income	-	-	-	2	-	2	
Lease liabilities	5	-	5	(4)	-	1	
Gain (loss) on measuring investment in equity	120	-	120	-	(39)	81	
Long-term loans	-	-	-	1	-	1	
Total	126	-	126	2	(39)	89	
Net	(44)	-	(44)	65	37	58	

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	Separate						(Unit : Million Baht)
	At December 31, 2020	Adjustments from the (note 4)	At January 1, 2020	Charged / credited to		At December 31, 2020	
				Profit (loss)	Other comprehensive income		
Deferred tax assets							
Estimated cost of construction	31	-	31	69	-	100	
Non - current provisions for employee benefits	42	-	42	(2)	(2)	38	
Provisions	9	-	9	-	-	9	
Total	82	-	82	67	(2)	147	
Deferred tax liabilities							
Property, plant and equipment	1	-	1	3	-	4	
Lease liabilities	5	-	5	(4)	-	1	
Gain (loss) on measuring investment in equity	120	-	120	-	(39)	81	
Total	126	-	126	(1)	(39)	86	
Net	(44)	-	(44)	68	37	61	

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(Unit: Million Baht)

	Consolidated and separate			
	(Charged) / credited to			
	At		Other	At
	January 1, 2019	Profit or loss	comprehensive income (loss)	December 31, 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
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	<u>17,980,488</u>	<u>6,620,914</u>	<u>17,980,488</u>	<u>6,532,749</u>
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	(43,662,786)	(5,799,562)	(43,577,354)	(5,482,221)
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 financial statements	Separated financial statements	Consolidated financial statements	Separated 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.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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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					
	guarantee work		Provision for litigation		Total	
	2020	2019	2020	2019	2020	2019
Provision for the estimating costs of rectification and						
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.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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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)	(2)	-	(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		
	Before income tax	Income (expense) income tax	Net of income tax	Before income tax	Income (expense) income tax	Net of income 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		
	Before income tax	Income (expense) income tax	Net of income tax	Before income tax	Income (expense) income tax	Net of income 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.

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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)	(500)	(1,081)
Total		797	(528)	(500)	(231)

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(Unit : Million Baht)

	Effective Interest rate (% per annum)	Separate			Total
		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

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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.

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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				Total
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	
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
	<u>2,027</u>	<u>624</u>	<u>1,403</u>	<u>-</u>	<u>2,027</u>

(Unit : Million Baht)

	Consolidated				Total
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	
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
	<u>1,428</u>	<u>819</u>	<u>609</u>	<u>-</u>	<u>1,428</u>

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(Unit : Million Baht)

	Separate				Total
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	
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.

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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.

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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.

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- 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

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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	<u>191,522,621</u>
Profit (loss) before adjustment according to TFRS 16 (before tax expense)	<u>(81,576,589)</u>
Profit (loss) after adjustment according to TFRS 16 (before tax expense)	<u>(71,934,531)</u>

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

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(Unit : Thousand Baht)

	Separate		
	As previously reported	Increase (decrease) 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

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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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The effects from reclassifications to the statements of cash flows for year ended December 31, 2019 are summarized as follows:

(Unit : Thousand Baht)

	Consolidated		
	As previously reported	Increase (decrease) 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		
	As previously reported	Increase (decrease) 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.