

**SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
INTERIM FINANCIAL REPORTING
FOR THE THREE-MONTH AND SIX-MONTH PERIODS
ENDED JUNE 30, 2019
AND REVIEW REPORT OF INDEPENDENT'S AUDITOR**

Independent Auditor’s Report on Review of Interim Financial

To the Board of Directors of Syntec Construction Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of Syntec Construction Public Company Limited and its subsidiaries as at June 30, 2019, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended June 30, 2019, changes in shareholders’ equity, and cash flows for the six-month periods then ended June 30, 2019, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Syntec Construction Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting.” My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Other matters

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

The consolidated and separate statements of comprehensive income for the three-month and six-month period ended June 30, 2018 , changes in shareholders' equity and cash flows for six-month period ended June 30, 2018 , of Syntec Construction Public Company Limited and its subsidiaries, presented herewith for comparative purpose only, were reviewed by another auditor, and concluded an unqualifying in her report dated on August 10, 2018.

Mr.Jadesada Hungsapruak

Certified Public Accountant (Thailand) No. 3759

Karin Audit Company Limited

August 9, 2019

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		544,945	756,455	486,461	674,797
Current investments	6	992,379	992,267	991,531	991,425
Trade accounts receivable	5, 7	1,095,951	1,282,680	1,085,531	1,277,118
Other current receivables	5	115,675	124,342	78,621	94,166
Current retention receivables					
under construction contracts	8	75,237	114,231	75,237	114,231
Unbilled construction in progress	5, 9	774,369	730,136	774,369	730,136
Short-term loans	5	-	-	85,000	35,000
Inventories	10	163,203	140,472	162,107	139,362
Advance payments to subcontractors		365,555	208,953	365,555	208,953
TOTAL CURRENT ASSETS		4,127,314	4,349,536	4,104,412	4,265,188
NON-CURRENT ASSETS					
Available-for-sale investments	5	856,954	729,163	856,954	729,163
Investments in associate	11	159	187	-	-
Investment in subsidiaries	12	-	-	1,200,823	1,155,744
Other long-term investments		20,054	19,573	20,054	19,573
Non-current retention receivables					
under construction contracts	8	570,166	506,973	573,133	509,454
Investment properties		3,182	3,319	3,182	3,319
Property, plant and equipment	13	4,116,573	4,157,027	717,041	757,636
Leasehold right	14	372,952	382,946	279,832	289,826
Intangible assets		6,850	9,756	6,143	7,981
Withholding tax		73,827	34,206	61,558	24,093
Pledged deposit at bank		51,886	86,214	31,885	66,212
Other non-current assets		15,811	15,919	10,388	9,423
TOTAL NON-CURRENT ASSETS		6,088,414	5,945,283	3,760,993	3,572,424
TOTAL ASSETS		10,215,728	10,294,819	7,865,405	7,837,612

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	15	-	100,040	-	99,140
Trade accounts payables	5, 16	478,043	416,616	466,391	406,893
Other current payables	5, 17	341,082	352,940	299,825	297,455
Current portion of long-term loans	19	143,909	108,189	-	-
Current portion of creditors under					
rehabilitation plan		14,901	-	14,420	-
Long-term in default	19	513,082	497,482	-	-
Advances received from customers					
under construction contracts	5, 9	604,641	650,030	604,641	650,030
Retention payables from subcontractors	5, 18	324,959	319,026	324,959	319,026
Undue value added tax		114,675	123,071	114,675	123,071
Current income tax payable		-	622	-	-
Other current provisions	20	11,279	8,024	11,279	8,024
Other current liabilities		23,089	26,394	7,632	7,498
TOTAL CURRENT LIABILITIES		2,569,660	2,602,434	1,843,822	1,911,137
NON-CURRENT LIABILITIES					
Long-term loans	19	1,204,597	1,331,402	-	-
Deferred tax liabilities		49,401	49,085	49,401	49,085
Non-current provisions for					
employee benefits		196,147	168,465	190,671	163,783
Other non-current provisions	20	27,373	58,465	27,373	58,465
Deposit from customers		22,984	20,297	-	-
TOTAL NON-CURRENT LIABILITIES		1,500,502	1,627,714	267,445	271,333
TOTAL LIABILITIES		4,070,162	4,230,148	2,111,267	2,182,470

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
LIABILITIES AND EQUITY					
SHAREHOLDER'S EQUITY					
Share capital					
Authorized share capital		1,600,000	1,600,000	1,600,000	1,600,000
Issued and paid share capital		1,600,000	1,600,000	1,600,000	1,600,000
Treasury shares	21	(22,900)	(4,767)	(22,900)	(4,767)
Share premium					
Share premium on ordinary shares		24	24	24	24
Discount from changes in the ownership interests in subsidiary					
		(6,870)	(6,870)	-	-
Retained earnings					
Appropriated					
Legal reserve		160,000	160,000	160,000	160,000
Treasury shares reserve	21	22,900	4,767	22,900	4,767
Unappropriated		3,312,939	3,340,741	3,485,949	3,489,186
Other components of shareholders' equity		508,165	405,932	508,165	405,932
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT					
		5,574,258	5,499,827	5,754,138	5,655,142
Non-controlling interests		571,308	564,844	-	-
TOTAL SHAREHOLDERS' EQUITY					
		6,145,566	6,064,671	5,754,138	5,655,142
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		10,215,728	10,294,819	7,865,405	7,837,612

STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

	(Unit : Thousand Baht)			
	Consolidated		Separate	
Notes	2019	2018	2019	2018
Revenues				
Contract revenues	1,881,040	1,392,228	1,874,335	1,399,365
Revenue from rendering of services	104,432	82,010	24,174	25,344
Gain on disposal and write off of assets	2,344	145,538	2,344	146,854
Interest income	1,537	714	2,132	955
Other income	15,883	18,062	18,344	6,865
Total revenues	2,005,236	1,638,552	1,921,329	1,579,383
Expenses				
Contract costs	1,667,766	1,165,781	1,665,233	1,173,204
Cost of rendering of services	86,196	58,651	22,540	21,269
Distribution costs	10,402	7,889	4,685	4,692
Administrative expenses	144,409	112,152	112,522	85,792
Other expenses	3,382	1,392	477	1,392
Finance costs	19,131	17,962	-	720
Total expenses	1,931,286	1,363,827	1,805,457	1,287,069
Share of loss of associate	(14)	(10)	-	-
Profit before income tax expense	73,936	274,715	115,872	292,314
Income tax expense	21,323	57,208	21,323	57,208
Profit for the period	52,613	217,507	94,549	235,106
Other comprehensive income				
Items that will be reclassified				
subsequently to profit or loss :-				
Gains on remeasuring available-for-sale investments	105,240	26,310	105,240	26,310
Income tax relating to items that will be reclassified				
subsequently to profit or loss	(21,048)	(5,262)	(21,048)	(5,262)
Total items that will be reclassified				
subsequently to profit or loss	84,192	21,048	84,192	21,048

STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

		(Unit : Thousand Baht)			
		Consolidated		Separate	
Notes	2019	2018	2019	2018	
Items that will not be reclassified					
subsequently to profit or loss :-					
Gains on remeasurements of defined benefit plans	-	13,802	-	12,541	
Income tax relating to item will not be reclassified					
subsequently to profit or loss	-	(2,508)	-	(2,508)	
Total items that will not be reclassified					
subsequently to profit or loss					
	-	11,294	-	10,033	
Other comprehensive income for the period, net of tax	84,192	32,342	84,192	31,081	
Total comprehensive income for the period	136,805	249,849	178,741	266,187	
Profit (loss) attributable to :-					
Owners of the parent	67,213	224,305	94,549	235,106	
Non - controlling interests	(14,600)	(6,798)	-	-	
Profit for the period	52,613	217,507	94,549	235,106	
Total comprehensive income (loss) attributable to :-					
Owners of the parent	151,405	256,647	178,741	266,187	
Non - controlling interests	(14,600)	(6,798)	-	-	
Total comprehensive income for the period	136,805	249,849	178,741	266,187	
Earnings per share					
Basic (in Baht)	23	0.04	0.14	0.06	0.15

STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

		(Unit : Thousand Baht)			
		Consolidated		Separate	
Notes		2019	2018	2019	2018
Revenues					
	Contract revenues	3,685,550	2,961,109	3,691,392	2,975,774
	Revenue from rendering of services	232,679	180,677	55,406	55,034
	Gain on disposal and write off of assets	6,076	145,538	6,076	146,854
	Reversal of estimated allowance for litigation cases	20,813	-	20,813	-
	Interest income	2,866	1,248	3,911	1,913
	Other income	52,452	32,571	36,654	20,575
	Total revenues	4,000,436	3,321,143	3,814,252	3,200,150
Expenses					
	Contract costs	3,314,786	2,428,410	3,317,968	2,443,075
	Cost of rendering of services	174,686	128,645	46,067	42,441
	Distribution costs	22,129	15,852	9,389	9,325
	Administrative expenses	284,368	266,225	228,906	213,660
	Other expenses	3,863	2,091	958	2,091
	Finance costs	37,741	34,219	8	1,453
	Total expenses	3,837,573	2,875,442	3,603,296	2,712,045
	Share of loss of associate	11	(28)	(20)	-
	Profit before income tax expense	162,835	445,681	210,956	488,105
	Income tax expense	52,724	90,503	52,724	90,503
	Profit for the period	110,111	355,178	158,232	397,602
Other comprehensive income					
Items that will be reclassified					
subsequently to profit or loss :-					
	Gains on remeasuring available-for-sale investments	127,791	(18,793)	127,791	(18,793)
	Income tax relating to items that will be reclassified				
	subsequently to profit or loss	(25,558)	3,759	(25,558)	3,759
	Total items that will be reclassified				
	subsequently to profit or loss	102,233	(15,034)	102,233	(15,034)

STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

		(Unit : Thousand Baht)			
		Consolidated		Separate	
Notes	2019	2018	2019	2018	
Items that will not be reclassified					
subsequently to profit or loss :-					
Gains on remeasurements of defined benefit plans	-	13,802	-	12,541	
Income tax relating to item will not be reclassified					
subsequently to profit or loss	-	(2,508)	-	(2,508)	
Total items that will not be reclassified					
subsequently to profit or loss					
	-	11,294	-	10,033	
Other comprehensive income for the period, net of tax	102,233	(3,740)	102,233	(5,001)	
Total comprehensive income for the period	212,344	351,438	260,465	392,601	
Profit (loss) attributable to :-					
Owners of the parent	133,667	371,911	158,232	397,602	
Non - controlling interests	(23,556)	(16,733)	-	-	
Profit for the period	110,111	355,178	158,232	397,602	
Total comprehensive income (loss) attributable to :-					
Owners of the parent	235,900	368,171	260,465	392,601	
Non - controlling interests	(23,556)	(16,733)	-	-	
Total comprehensive income for the period	212,344	351,438	260,465	392,601	
Earnings per share					
Basic (in Baht)	23	0.08	0.23	0.10	0.25

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

(Unit : Thousand Baht)

Consolidated												
Equity attributable to owners of the parent												
	Notes	Retained earnings						Other components of shareholders' equity Available-for-sale investments	Total equity attributable to owners of the parent	Non Controlling interests	Total shareholders' equity	
		Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Discount from changes in the ownership interests in subsidiary	Appropriated						
						Legal reserve	Treasury shares reserve					Unappropriated
Balance as at January 1, 2018		1,600,000	-	24	(6,870)	160,000	-	2,984,005	285,658	5,022,817	540,892	5,563,709
Dividends to owner of the company	24	-	-	-	-	-	-	(207,995)	-	(207,995)	-	(207,995)
Purchase of investment in subsidiary		-	-	-	-	-	-	-	-	-	450	450
Acquisition for non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	40,000	40,000
Total comprehensive income (expense) for the periods		-	-	-	-	-	-	383,205	(15,034)	368,171	(16,733)	351,438
Ending balance as at June 30, 2018		<u>1,600,000</u>	<u>-</u>	<u>24</u>	<u>(6,870)</u>	<u>160,000</u>	<u>-</u>	<u>3,159,215</u>	<u>270,624</u>	<u>5,182,993</u>	<u>564,609</u>	<u>5,747,602</u>
Balance as at January 1, 2019		1,600,000	(4,767)	24	(6,870)	160,000	4,767	3,340,741	405,932	5,499,827	564,844	6,064,671
Treasury stock reserve		-	(18,133)	-	-	-	-	-	-	(18,133)	-	(18,133)
Dividends to owner of the company	24	-	-	-	-	-	-	(143,336)	-	(143,336)	-	(143,336)
Acquisition for non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	30,020	30,020
Total comprehensive income (expense) for the periods		-	-	-	-	-	-	133,667	102,233	235,900	(23,556)	212,344
Allocation of treasury stock reserve		-	-	-	-	-	18,133	(18,133)	-	-	-	-
Ending balance as at June 30, 2019		<u>1,600,000</u>	<u>(22,900)</u>	<u>24</u>	<u>(6,870)</u>	<u>160,000</u>	<u>22,900</u>	<u>3,312,939</u>	<u>508,165</u>	<u>5,574,258</u>	<u>571,308</u>	<u>6,145,566</u>

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

(Unit : Thousand Baht)

	Notes	Separate							Total shareholders' equity
		Issued and paid share capital	Treasury shares	Share premium on ordinary shares	Retained earnings			Other components	
					Legal reserve	Treasury shares reserve	Unappropriated	of shareholders' equity	
								Available-for-sale investments	
Balance as at January 1, 2018		1,600,000	-	24	160,000	-	3,088,992	285,658	5,134,674
Dividends to owner of the company	24	-	-	-	-	-	(207,995)	-	(207,995)
Total comprehensive income (expense) for the periods		-	-	-	-	-	407,635	(15,034)	392,601
Ending balance as at June 30, 2018		<u>1,600,000</u>	<u>-</u>	<u>24</u>	<u>160,000</u>	<u>-</u>	<u>3,288,632</u>	<u>270,624</u>	<u>5,319,280</u>
Balance as at January 1, 2019		1,600,000	(4,767)	24	160,000	4,767	3,489,186	405,932	5,655,142
Treasury stock reserve		-	(18,133)	-	-	-	-	-	(18,133)
Dividends to owner of the company	24	-	-	-	-	-	(143,336)	-	(143,336)
Total comprehensive income (expense) for the periods		-	-	-	-	-	158,232	102,233	260,465
Allocation of treasury stock reserve		-	-	-	-	18,133	(18,133)	-	-
Ending balance as at June 30, 2019		<u>1,600,000</u>	<u>(22,900)</u>	<u>24</u>	<u>160,000</u>	<u>22,900</u>	<u>3,485,949</u>	<u>508,165</u>	<u>5,754,138</u>

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

STATEMENTS OF CASH FLOWS

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit for the period	110,111	355,178	158,232	397,602
Adjustments to reconcile profit to cash receipts (payments)				
Doubtful debts expense	139	96	139	96
Depreciation and amortization	175,541	170,741	98,467	113,099
Interest income	(2,866)	(1,248)	(3,911)	(1,913)
Interest expense	37,741	34,219	8	1,453
Loss on write-off withholding tax paid	-	762	-	-
Gain on disposal of fixed assets	(6,076)	(162,261)	(6,076)	(163,577)
Loss on write-off of equipment	-	16,723	-	16,723
Unrealized gains from changes in fair value				
of current investments	(6,104)	(7,132)	(6,097)	(7,128)
Unrealized gain on exchange rate	-	208	-	208
Share of loss of associate	28	20	-	-
Estimated costs of rectification in the period				
of guarantee work (reversal)	9,974	18,500	9,974	18,500
Provision for litigation	(19,994)	1,995	(19,994)	1,995
Provision for employee benefit	43,018	11,565	41,744	10,515
Tax expense	52,724	90,503	52,724	90,503
	394,236	529,869	325,210	478,076
Changes in operating assets and liabilities				
Trade accounts receivables	186,590	266,557	191,448	268,531
Other current receivables	8,160	(12,331)	15,282	(1,806)
Retention receivable under construction contract	(24,199)	14,577	(24,685)	13,663
Unbilled construction in progress	(44,233)	(163,646)	(44,233)	(163,646)
Inventories	(22,731)	(4,719)	(22,746)	(4,110)
Advance payments to subcontractors	(156,602)	(68,612)	(156,602)	(68,612)
Other non-current assets	109	884	(964)	1,116
Trade accounts payables	61,426	22,888	59,497	23,071
Advance received under construction contracts	(45,389)	(32,619)	(45,389)	(32,619)
Undue value added tax	(8,395)	(10,466)	(8,395)	(10,466)
Deposit receipt from customers	(751)	(1,190)	-	-
Retention payables from subcontractors	5,933	(7,864)	5,933	(7,864)
Other current payables	(14,017)	(477,726)	(138)	(473,901)

STATEMENTS OF CASH FLOWS

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Other current liabilities	133	(20)	133	1,530
Payment of estimated costs of rectification in the period of guarantee work	(6,719)	(10,471)	(6,719)	(10,471)
Payment of provisions for employee benefits	(436)	-	(436)	-
Payment of provisions for litigation	(11,098)	-	(11,098)	-
Net Cash generated from operation	322,017	45,111	276,098	12,492
Withholding tax paid	(115,702)	(107,471)	(112,923)	(105,290)
Net cash from operating activities	206,315	(62,360)	163,175	(92,798)
Cash flows from investing activities				
Interest received	3,365	1,496	4,166	2,121
Purchase of current investments	(751,156)	(291,768)	(751,156)	(291,768)
Proceeds from current investments	757,148	461,675	757,148	461,675
Purchase of investment in subsidiaries	-	-	(45,080)	(61,550)
Payment of short-term loans	-	-	(65,000)	(180,000)
Proceeds from short-term loans	-	-	15,000	155,000
Proceeds from long-term investments	(481)	-	(481)	-
Pledged deposit at bank Increase(Decrease)	34,328	(40,896)	34,328	(40,896)
Purchase of property, plant and equipment	(128,084)	(243,294)	(51,936)	(52,317)
Payment of leasehold right in the process of registration	-	(9,000)	-	(9,000)
Purchase of intangible assets	(260)	(2,837)	(260)	(2,815)
Sale to investment property	-	261,429	-	261,429
Sale of equipment	12,370	12,353	12,369	12,353
Net cash from (used in) investing activities	(72,770)	149,158	(90,902)	254,232
Cash flows from financing activities				
Interest paid	(38,081)	(32,729)	-	22
Dividend paid	(143,336)	(207,995)	(143,336)	(207,995)
Bank overdrafts Increase (Decrease)	(100,040)	651	(99,140)	-
Proceeds from long-term loans	31,800	145,000	-	-
Payment of long-term loans	(107,285)	(70,573)	-	-
Proceeds from non-controlling interests	30,020	40,450	-	-
Payment of treasury stock reserve	(18,133)	-	(18,133)	-
Net cash from (used in) financing activities	(345,055)	(125,196)	(260,609)	(207,973)
Net increase (decrease) in cash and cash equivalents	(211,510)	(38,398)	(188,336)	(46,539)
Cash and cash equivalents at 1 January	756,455	436,374	674,797	375,899
Cash and cash equivalents at 30 June	544,945	397,976	486,461	329,360

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

1 General information

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

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

The Company’s major shareholders who hold more than 10% of total paid share capital as at June 30, 2019 were as follows:

	<i>(% of total paid share capital)</i>
Phahusutr Group	29.69

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 (%)	
			June 30, 2019	December 31, 2018
Direct subsidiaries				
1) SCR Asset Management Co., Ltd.	Service apartment or real estate development for rental	Thailand	68.00	68.00
2) Natural Ville Service Apartment and Management Co., Ltd.	Personnel management for hotel, service apartment and other properties	Thailand	99.97	99.97
3) CSM Capital Partners Co., Ltd.	Service apartment or real estate development for rental	Thailand	60.00	60.00
4) JT Ten Co., Ltd. *	Service apartment or real estate development for rental	Thailand	84.98	84.98
5) PT Three Land Co., Ltd. *	Service apartment or real estate development for rental	Thailand	69.98	69.98
6) AN 8 Co., Ltd. *	Service apartment or real estate development for rental	Thailand	79.90	-

* Not commercial operations yet

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

2 Basis of preparation of interim financial statement

2.1 Statement of compliance

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

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2018. The financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and the subsidiaries for the year ended December 31, 2018.

2.2 Functional and presentation currency

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

2.3 Use of estimates and judgments

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

In preparing these interim financial statements, the significant judgments made by management in applying the Group/Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company and its subsidiaries for the year ended December 31, 2018.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

2.3.1 Measurement of fair Value

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

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

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

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

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

Note 5	Measurement of available-for-sale investments
Note 6	Measurement of current investments
Note 25	Financial instruments

- 2.4** The consolidated and separate financial statements for the three-month and six-month periods ended June 30, 2019 and 2018 included the investment and share of loss of an associate, which had been accounted for by equity method amounted to Baht 0.01 million and Baht 0.01 million, respectively, in the consolidated financial statements, based on financial statements of such associate, which had been reviewed by management. In addition, the Company had no obligation under the guarantee for such associate and an allowance for impairment of investment in the above mentioned associate was set up as at June, 30 2019 and December 31, 2018 in the amount of Baht 10 million and Baht 10 million, respectively, in the separate financial statements. Please also see note 11 to the interim financial statements. However, the values of the investments in the associate was immaterial.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

3 Significant accounting policies

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended December 31, 2018.

Revised accounting standards and financial reporting standards.

3.1 Financial reporting standards that becomes effective for fiscal years beginning on or after January 1, 2019.

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards are not have any significant impact on the financial. However, the new standard involves changes to key principles, as summarized below.

TFRS 15	Revenue from Contracts with Customers
---------	---------------------------------------

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

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

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020.

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarized below.

Financial reporting standards related to financial instruments

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TRFIC 16 Hedges of a Net Investment in a Foreign Operation

TRFIC 19 Extinguishing Financial Liabilities with Equity

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

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

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

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

4 Seasonal operations

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

5 Related parties

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

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Subsidiaries		
1. SCR Asset Management Co., Ltd.	Thailand	Subsidiary, 68% shareholding, and some common directors
2. Natural Ville Service Apartment and Management Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding and some common directors
3. CSM Capital Partners Co., Ltd.	Thailand	Subsidiary, 60% shareholding and some common directors
4. JT Ten Co., Ltd.	Thailand	Subsidiary, 84.98% shareholding and some common directors
5. PT Three Land Co., Ltd.	Thailand	Subsidiary, 69.98% shareholding and some common directors
6. AN 8 Co., Ltd.	Thailand	Subsidiary, 79.90% 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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
16. Thai Roong Ruang Industry Co., Ltd.	Thailand	Related company, shareholder and director related to the shareholders and directors of the Company

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
17. TRR Property Co., Ltd.	Thailand	Related company, shareholder and director as the shareholder and director of the subsidiary
Related persons		
1. Six related persons	Thailand	Related persons, as the Company’s and the subsidiaries’ directors, shareholders, key management personnel or related to the key management personnel.
2. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director of the Group/Company (whether executive or otherwise).

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

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

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

Significant transactions for the three-month and six-month periods ended June 30 with related parties were summarized as follows:

(Unit : Thousand Baht)

	For three-month period			
	Consolidated		Separate	
	2019	2018	2019	2018
Revenue				
Subsidiaries				
Contract revenues	-	-	-	7,136
Rendering of service and others	-	-	2,347	300
Interest income	-	-	710	290
Related companies				
Contract revenues	270,731	69,483	270,731	69,483
Rental and service expenses	1,095	1,095	1,095	1,095
Expenses				
Subsidiaries				
Cost of service	-	-	6,803	6,166
Related companies				
Contract costs	36,333	23,914	36,333	23,914
Cost of service	8,054	8,986	3,616	4,884
Space rental and services	695	695	695	695
Other service expenses	642	2,860	642	2,860
Purchase of steel	36,022	36,073	36,022	36,073

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

(Unit : Thousand Baht)

	For three-month period			
	Consolidated		Separate	
	2019	2018	2019	2018
Related Persons				
Consulting fee for security system	900	870	900	870
Land rental expense	19	220	19	220
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	11,484	15,221	11,484	15,221
Post-employment benefits	3,377	802	3,377	802
Total key management personnel compensation	14,861	16,023	14,861	16,023

(Unit : Thousand Baht)

	For six-month period			
	Consolidated		Separate	
	2019	2018	2019	2018
Revenue				
Subsidiaries				
Contract revenues	-	-	5,842	14,664
Rendering of service and others	-	-	4,794	600
Interest income	-	-	1,178	756
Related companies				
Contract revenues	359,374	117,940	359,374	117,940
Rental and service expenses	2,191	2,190	2,191	2,190
Other service expenses	800	-	-	-
Expenses				
Subsidiaries				
Cost of service	-	-	12,648	12,409

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

(Unit : Thousand Baht)

	For six-month period			
	Consolidated		Separate	
	2019	2018	2019	2018
Related companies				
Contract costs	89,256	72,211	89,256	72,211
Cost of service	17,011	18,875	8,333	10,361
Space rental and services	1,389	1,389	1,389	1,389
Other service expenses	5,788	10,007	5,788	10,007
Purchase of steel	67,932	76,150	67,932	76,150
Related Persons				
Consulting fee for security system	1,800	1,720	1,800	1,720
Land rental expense	38	220	38	220
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	26,507	33,456	26,507	33,456
Post-employment benefits	3,853	1,373	3,853	1,373
Total key management personnel compensation	30,360	34,829	30,360	34,829

Balance as at June 30, 2019 and December 31, 2018 with related parties were as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Assets				
Trade accounts receivables - related parties				
Subsidiaries	-	-	-	4,039
Related companies	126,204	32,356	126,204	32,356
Total	126,204	32,356	126,204	36,395

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

(Unit : Thousand Baht)

	Consolidated		Separate	
	June 30,	December 31,	June 30,	December 31,
	2019	2018	2019	2018
<u>Retention receivables under construction</u>				
<u>contracts - related parties</u>				
Subsidiaries	-	-	2,968	2,481
Related companies	26,574	13,664	26,574	13,664
Total	26,574	13,664	29,542	16,145
<u>Other current receivables and advances</u>				
Subsidiaries	-	-	18,709	22,197
Related companies	117	704	117	94
Related persons	1,831	5,258	1,831	4,795
Total	1,948	5,962	20,657	27,086
Less allowance for doubtful accounts	-	-	-	-
Net	1,948	5,962	20,657	27,086
<u>Unbilled construction in progress - related parties</u>				
Related companies	-	1,621	-	1,621
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	85,000	35,000
<u>Available - for - sale investments</u>				
Related companies	856,954	729,163	856,954	729,163
<u>Liabilities</u>				
<u>Trade accounts payable - related parties</u>				
Related companies	28,382	23,362	26,954	23,102
<u>Other current payables - related parties</u>				
Subsidiaries	-	-	13,749	15,557
Related companies	2,301	12,391	623	10,306
Total	2,301	12,391	14,372	25,863
<u>Advance received from customers under</u>				

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

(Unit : Thousand Baht)

	Consolidated		Separate	
	June 30,	December 31,	June 30,	December 31,
	2019	2018	2019	2018
<u>construction contracts - related parties</u>				
Related companies	36,755	57,016	36,755	57,016
<u>Retention payables from subcontractors - related parties</u>				
Related companies	1,993	3,917	1,993	3,917

Movements of short - term loans to related parties for the six - month periods ended June 30, 2019 were as follows:

(Unit : Thousand Baht)

Relationship	Separate			
	Balance as at	During the period		Balance as at
	January, 1	Increase	Decrease	June, 30
	2019			2019
<u>Loan to related parties</u>				
CSM Capital Partners Co., Ltd.	25,000	5,000	(15,000)	15,000
PT Three Land Co., Ltd.	10,000	5,000	-	15,000
SCR Asset Management Co., Ltd.	-	55,000	-	55,000
	35,000	65,000	(15,000)	85,000

As at June 30, 2019 and December 31, 2018, the Company had short-term loans to a subsidiary (“CSM Capital Partners Co., Ltd.”) of Baht 15 million and Baht 25 million, respectively, represented short-term loans under 2 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at MLR-2.75% per annum.

As at June 30, 2019 the Company had short-term loans to a subsidiary (“SCR Asset Management Co., Ltd.”) of Baht 55 million, represented short-term loans under 7 loan agreements, requiring payable on demand. The principal and interest will be repaid within 1 years, interest charged at MLR-2.75% per annum.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

As at June 30, 2019 and December 31, 2018, the Company had short-term loans to a subsidiary (“PT Three Land Co., Ltd.”) of Baht 15 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-2.75% per annum.

The commitments with related parties

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

The Ordinary General Meeting of Shareholders of the Company held on April 27, 2018 resolved the approval of Directors’ remunerations for the year 2018 which were represented the meeting allowance of Baht 18,000 per time per head, and the annual audit committee directors’ remunerations of Baht 350,000 per head.

6 Current investments

(Unit : Thousand Baht)

	Consolidated			
	June 30, 2019		December 31, 2018	
	Cost	Fair value	Cost	Fair value
Current investments				
Premium savings	22,208	22,208	22,092	22,092
Mutual fund – debt securities	964,067	970,171	960,402	970,175
Total	986,275	992,379	982,494	992,267

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

(Unit : Thousand Baht)

	Separate			
	June 30, 2019		December 31, 2018	
	Cost	Fair value	Cost	Fair value
Current investments				
Premium savings	22,208	22,208	22,092	22,092
Mutual fund – debt securities	963,225	969,323	959,570	969,333
Total	985,433	991,531	981,662	991,425

As at June 30, 2019 and December 31, 2018, current investments in mutual fund – debt securities of the Company amounted to Baht 162 million and Baht 161 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

7 Trade accounts receivables

(Unit : Thousand Baht)

	Consolidated		Separate	
	June 30,	December 31,	June 30,	December 31,
	2019	2018	2019	2018
Related companies	126,204	32,356	126,204	36,395
Other parties	982,506	1,262,943	972,086	1,253,342
Total	1,108,710	1,295,299	1,098,290	1,289,737
<u>Less allowance for doubtful accounts</u>	<u>(12,759)</u>	<u>(12,619)</u>	<u>(12,759)</u>	<u>(12,619)</u>
Net	1,095,951	1,282,680	1,085,531	1,277,118

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

Aging analyses for trade accounts receivables were as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Within credit terms	584,523	839,329	580,527	833,554
Still litigation	155,994	109,137	155,994	109,137
Overdue:				
- Less than 3 months	234,909	229,716	228,513	228,022
- Over 3 months to 6 months	78,253	92,691	78,225	91,755
- Over 6 months to 12 months	50,526	23,086	50,526	25,929
- Over 12 months	4,505	1,340	4,505	1,340
Total overdue	368,193	346,833	361,769	347,046
Total	1,108,710	1,295,299	1,098,290	1,289,737

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

8 Retentions receivables under construction contracts

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Related companies	26,574	13,664	29,542	16,145
Other parties	637,759	626,470	637,758	626,470
Total	664,333	640,134	667,300	642,615
<u>Less allowance for doubtful accounts</u>	<u>(18,930)</u>	<u>(18,930)</u>	<u>(18,930)</u>	<u>(18,930)</u>
Net	645,403	621,204	648,370	623,685
Current	75,237	114,231	75,237	114,231
Non-current	570,166	506,973	573,133	509,454
Total	645,403	621,204	648,370	623,685

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

9 Unbilled construction in progress

(Unit : Thousand Baht)

	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Related companies	-	1,621	-	1,621
Other parties	783,543	737,689	783,543	737,689
Total	783,543	739,310	783,543	739,310
<u>Less allowance for doubtful accounts</u>	<u>(9,174)</u>	<u>(9,174)</u>	<u>(9,174)</u>	<u>(9,174)</u>
Net	<u>774,369</u>	<u>730,136</u>	<u>774,369</u>	<u>730,136</u>

(Unit : Million Baht)

	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Construction project contracts amount	43,264	39,038	43,264	39,038
Contract revenue recognized as revenue since commencing date to present	34,098	30,155	34,098	30,155
<u>Less progress billings (as invoices)</u>	<u>(33,360)</u>	<u>(29,461)</u>	<u>(33,360)</u>	<u>(29,461)</u>
Unbilled construction in progress	738	694	738	694
Unbilled construction in progress (in litigation)	45	45	45	45
Unbilled construction in progress at the end of period	783	739	783	739
<u>Less allowance for doubtful accounts</u>	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>	<u>(9)</u>
Net	<u>774</u>	<u>730</u>	<u>774</u>	<u>730</u>
Excess of progress billing over work in progress	(605)	(650)	(605)	(650)
Net	<u>169</u>	<u>80</u>	<u>169</u>	<u>80</u>

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

10 Inventories

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Construction materials	149,949	128,732	149,949	128,732
Spare parts and supplies	13,254	11,740	12,158	10,630
<u>Less</u> allowance for devaluation of inventories	-	-	-	-
Spare parts and supplies, net	13,254	11,740	12,158	10,630
Total	163,203	140,472	162,107	139,362

11 Investments in associate

Movements of investments in associate during the six-month periods ended June 30, 2019 were as follows:

	(Unit : Thousand Baht)	
	Consolidated	Separate
At January 1, 2019	187	-
Share of losses of investments from equity method	(28)	-
<u>Less</u> allowance for devaluation of investments	-	-
At June 30, 2019	159	-

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

12 Investments in subsidiaries

(Unit : Thousand Baht)

Company's name	Paid-up Share Capital		Cost	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
	Million Baht	Million Baht		
SCR Asset Management Co., Ltd.	600	600	408,064	408,064
Natural Ville Service Apartment and Management Co., Ltd.	2	2	2,000	2,000
CSM Capital Partners Co., Ltd.	1,175	1,100	705,000	660,000
PT Three Land Co., Ltd.	1	1	700	700
JT Ten Co., Ltd.	100	100	84,980	84,980
AN 8 Co., Ltd.	0.10	-	79	-
Total			1,200,823	1,155,744

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 0.10 million bath 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.

The Extraordinary Meeting of Shareholders of subsidiary (JT Ten Co., Ltd.) held on July 3, 2018 approved the increase of the company's authorized share capital from Baht 1 million to Baht 100 million. The subsidiary also registered the increases of shares with Ministry of Commerce on July 20, 2018.

The Board of Directors Meeting of the Company held on May 15, 2018, resolved to establish two subsidiaries named JT Ten Co., Ltd. and PT Three Land Co., Ltd with the authorized share capital of Baht 1 million in each of subsidiary to conduct a business in real estate for rental. On June 13, 2018 and June 25, 2018, the Company registered the establishing those subsidiaries and held 84.98% and 69.98% of shares, respectively.

The Extraordinary Meeting of Shareholders of the subsidiary (CSM Capital Partners Co., Ltd.) held on April 20, 2018 approved the increase of the company's authorized share capital from Baht 1,000 million to Baht 1,100 million for cost of the renovation of Eight Thonglor Residences Project. The subsidiary also registered the increase of shares with Ministry of Commerce on May 4, 2018.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

13 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended June 30, 2019 were as follows:

	(Unit : Thousand Baht)	
	Consolidated	Separate
Net book value at 1 January 2019	4,157,027	757,636
Acquisition and transfer in – at cost	128,084	51,936
Disposal and transfer out		
- net book value	(6,294)	(6,293)
Depreciation for the period	(162,244)	(86,238)
Net book value at June 30, 2019	4,116,573	717,041

Pledge:

As at June 30, 2019, land, buildings and building improvement of the Company in the carrying amount of Baht 87 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 June 30, 2019, land with existing structures of the subsidiary (SCR Asset Management Co., Ltd) in the carrying amount of Baht 737 million and structures to be constructed in the future was mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 620 million.

As at June 30, 2019, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co., Ltd) in the carrying amount of Baht 2,287 million were mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 1,550 million.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

14 Leasehold right

	(Unit : Thousand Baht)	
	Consolidated	Separate
Net book value at January 1, 2019	382,946	289,826
Acquisition and transfer in – at cost	-	-
Disposal – net book value	-	-
Amortization charge for the period	(9,994)	(9,994)
Net book value at June 30, 2019	372,952	279,832

On February 6, 2018, the Company (“the lessee”) entered into a memorandum to lease land for the real estate development project with other person (“the lessor”). The Company agreed to lease land in Chonburi Province totalling 19 plots of land of 11 rai 1 ngan 54.1 square wah, to develop into projects of hotel, resort and other real estate development projects under the business of a subsidiary. The lease term is 30 years commencing from the date of completion of the real estate development project and starting operations. The Company will complete the development of the project and will commercially operate within 3 years from the date of the lease agreement. The Company agrees to pay whole land fee in the amount of Baht 90 million and the monthly rental of Baht 300,000. The rental shall be adjusted increasingly every 3 years throughout the lease term. The Company paid the land leasing fee of Baht 9 million to be as leasehold right in the process of registration and the remaining of Baht 81 million will be paid within the date of registration of the land lease.

Under the lease agreement of the land, the lessor agrees to collect the plots of land for 180 square wah owned by another person and to be transferred to the lessor or the land must be registered servitude prior to the registration of the lease. If the lessor fails to do so, the Company has the right to cancel the memorandum without being considered as breach of agreement. The lessor agrees to return the land lease fee of Baht 9 million to the Company within 7 days from the date of the lessor be unable to comply with the agreement.

Subsequently, on August 1, 2018, the Company received deposit on leasehold right in the process of registration from a subsidiary (“JT Ten Co., Ltd.”) of Baht 9 million.

On October 22, 2018, the subsidiary (“JT Ten Co., Ltd.”) entered into a lease land agreement and supplemental memorandum to lease land for the real estate development project with other company (“Siriwat Lease Co., Ltd.”) (“the lessor”). The subsidiary agreed to lease land in Chonburi Province totaling 21 plots of land of 11 rai 3 ngan 21.70 square wah, to develop into projects of hotel, resort and other real estate development projects for the lease period of 30 years commencing from the date of the lease agreement until October 21, 2048. The subsidiary will complete the development of the project and will commercially operate within 3 years from the date of the lease agreement. The subsidiary agreed to pay whole land fee in the amount of Baht 81 million and the monthly rental will

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

be charged in the fourth year at the rate of Baht 300,000. The rental shall be adjusted increasingly every 3 years throughout the lease term. The subsidiary paid the land leasing fee on the contract date of Baht 10 million and the remaining of Baht 71 million will be paid within the date of registration of the land lease. The memorandum of lease land agreement stipulates that upon the expiration of the first 3 years of the land lease agreement, the lessor and the subsidiary agreed to register the lease for an additional 3 years from the maturity date of the lease term. The subsidiary agreed to pay the monthly rental fee to the lessor at the rate of Baht 1,950,000 starting from November 1, 2048 onwards.

On April 26, 2019, the annual general meeting of shareholders approved the company subsidiary to rent the land from the related person. At present, there is no land lease agreement.

15 Bank overdrafts and short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Bank overdrafts	-	900	-	-
Short-term loans from financial institutions	-	99,140	-	99,140
Total	-	100,040	-	99,140

16 Trade accounts payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Related companies	28,382	23,362	26,954	23,102
Other parties	449,661	393,254	439,437	383,791
Total	478,043	416,616	466,391	406,893

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

17 Other current payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	June 30,	December 31,	June 30,	December 31,
	2019	2018	2019	2018
Related persons and companies	2,301	12,391	14,372	25,863
Other parties	338,781	340,549	285,453	271,592
Total	341,082	352,940	299,825	297,455
Other parties				
Other payables	31,494	51,844	6,304	4,455
Accrued value added tax	5,277	6,643	3,485	5,461
Accrued withholding tax	8,393	14,165	8,039	9,827
Other accrued expenses	114,095	167,546	88,103	151,498
Accrued estimated construction cost	179,522	100,351	179,522	100,351
Total	338,781	340,549	285,453	271,592

18 Retention payables from subcontractors

(Unit: Thousand Baht)

	Consolidated		Separate	
	June 30,	December 31,	June 30,	December 31,
	2019	2018	2019	2018
Related companies	1,993	3,917	1,993	3,917
Other parties	322,966	315,109	322,966	315,109
Total	324,959	319,026	324,959	319,026

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

19 Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
At January 1, 2019	1,937,073	1,724,558	-	-
Addition	31,800	303,200	-	-
Deduction	(107,285)	(90,685)	-	-
Balance as at June 30, 2019	1,861,588	1,937,073	-	-
<u>Less</u> Current portion of long-term loans	(143,909)	(108,189)	-	-
<u>Less</u> Long-term in default	(513,082)	(497,482)	-	-
Net	1,204,597	1,331,402	-	-

Loans from domestic financial institution

On December 2, 2014, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a domestic financial institution in credit line of Baht 390.70 million. As of March 31, 2019, it was fully withdrawn, requiring monthly repayable interest from the date of the first drawdown and requiring monthly repayable principal within 10 years and 6 months. The first repayment shall be in 31st month of Baht 1.90 million to Baht 6.40 million. These loans were secured by 2 plots of land including structures, existing at the present and to be constructed in the future are mortgaged as collateral under the mortgage agreement dated December 15, 2017.

Under the above loan agreement contains certain restrictive conditions such as opening operating account with a commercial bank, shareholding of the main shareholder of the Company and the events of default or non-compliance with the loan agreements, which assumes that it is default. The default entitles the bank to accelerate the maturity of all amounts outstanding and immediately payable. Since the year 2019, the agreement requires certain financial ratio (DSCR) not less than 1.1.

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 June 30, 2019, loan was completely drawdown in the amount of Baht 206 million because the project is completed, requiring monthly repayable principal with interest within 8 years and 6 months. The first repayment at nineteenth month of Baht 1.3 million to Baht 4 million. These loans were secured by 11 plots of land including structures, existing at the present and to be constructed in the future are mortgaged as collateral under the mortgage agreement dated June 12, 2014 in the credit line amounting to Baht 229 million.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

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

	Financial ratio per <u>agreement</u>	Financial ratio as at <u>June 30, 2019</u>
Financial ratio (DSCR)	Not less than 1.1	0.02

Therefore, as at June 30, 2019, the subsidiary broke the loan agreement. As a result of a breach of such agreement, the bank may accelerate the repayment of all its subsidiaries immediately prior to maturity. Therefore, the subsidiary classified long-term loan in default in the amount of Baht 513 million and presented as current liabilities. However, the management of the Company is negotiating with the bank that the result has not been finalized.

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

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

	Financial ratio per <u>agreement</u>	Financial ratio as at <u>June 30, 2019</u>
Debt to equity ratio	Not more than 2:1	1.48:1

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NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

20 Provisions

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	June 30, 2019	December 31, 2018
Provision for the estimating costs of rectification and guarantee work	11,279	8,024
Provision for litigation	27,373	58,465
Total	38,652	66,489
Current	11,279	8,024
Non-current	27,373	58,465
Total	38,652	66,489

Movements for the six-month ended June 30 were as follows:

	(Unit: Thousand Baht)					
	Consolidated and Separate					
	Provision for the estimating costs of rectification and guarantee work		Provision for litigation		Total	
	2019	2018	2019	2018	2019	2018
At January 1	82	228	5846	574	6648	7713
Provision made	1180	1830	8	19	1269	2048
Reversal	(186)		(20813)		(2269)	
Payment of provision	(679)	(10471)	(11098)		(17817)	(10471)
At June 30	1125	309	2737	573	3862	873

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO INTERIM FINANCIAL STATEMENTS****FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019****21 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 June, 2019 the Company held 9.04 million of the Company’s shares, comprising 0.57% of the Company’s issued share capital, at a total cost of Baht 22.90 million.

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

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

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company’s own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

22 Segment information

Information about reportable segments:

	(Unit: Million Baht)							
	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2019	2018	2019	2018	2019	2018	2019	2018
For the three-month period ended June 30								
Revenues from customer								
- External	1,892	1,543	113	96	-	-	2,005	1,639
- Inter - segments	4	9	-	-	8	6	12	15
- Eliminated	(4)	(9)	-	-	(8)	(6)	(12)	(15)
Total revenue	1,892	1,543	113	96	-	-	2,005	1,639
Segment profit (loss) before income tax	116	296	(36)	(15)	(6)	(6)	74	275
For the six-month period ended June 30								
Revenues from customer								
- External	3,760	3,123	239	198	1	-	4,000	3,321
- Inter - segments	6	19	-	-	14	12	20	31
- Eliminated	(6)	(19)	-	-	(14)	(12)	(20)	(31)
Total revenue	3,760	3,123	239	198	1	-	4,000	3,321
Segment profit (loss) Before Income tax	226	491	(51)	(33)	(12)	(12)	163	446

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	(Unit: Million Baht)							
	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2019	2018	2019	2018	2019	2018	2019	2018
Segment assets as at								
June 30 / December 31	6,233	6,273	3,978	4,017	5	5	10,216	10,295
Segment liabilities as at								
June 30 / December 31	2,087	2,154	1,978	2,071	5	5	4,070	4,230

Reconciliation of reportable segment profit or loss and assets

For the three-month and six-month period ended June 30

	(Unit: Million Baht)			
	Consolidated			
	For the three-month period		For the six-month period	
	2019	2018	2019	2018
Profit or loss				
Total profit for reportable segments	74	275	178	447
Elimination of inter-segment profits	-	-	(15)	(1)
Profit before income tax	74	275	163	446

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(Unit: Million Baht)

	Consolidated		Separate	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Assets				
Segmental assets	6,099	6,138	5,947	5,924
Investments in subsidiaries	-	-	1,201	1,156
Property, plant and equipment	4,117	4,157	717	757
Total assets	10,216	10,295	7,865	7,837

23 Earnings per share

The calculation of basic earnings per share for the ended of three-month and six-month periods ended June 30 was based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

	(in thousands Baht / thousands shares)			
	For the three-month period			
	Consolidated		Separate	
	2019	2018	2019	2018
Profit for the period attributable to				
shareholders of the Company (basic)	67,213	224,305	94,549	235,106
Number of ordinary shares outstanding	1,595,491	1,600,000	1,595,491	1,600,000
Basic earnings per share (in Baht)	0.04	0.14	0.06	0.15

	(in thousands Baht / thousands shares)			
	For the six-month period			
	Consolidated		Separate	
	2019	2018	2019	2018
Profit for the period attributable to				
shareholders of the Company (basic)	133,667	371,911	158,232	397,602
Number of ordinary shares outstanding	1,595,491	1,600,000	1,595,491	1,600,000
Basic earnings per share (in Baht)	0.08	0.23	0.10	0.25

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

24 Dividends

Year 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.

Year 2018: -

The Board of Directors Meeting of the Company held on August 10, 2018 resolved to pay an interim dividend for the period from January 1, 2018 to June 30, 2018 at the rate of Baht 0.04 per share totaling Baht 64 million, which the Company made the payment on September 7, 2018.

The Ordinary General Meeting of Shareholders of the Company held on April 27, 2018 resolved the approval of dividend from the Company's result of operations for the period from January 1, 2017 to December 31, 2017 at the rate of Baht 0.17 per share totaling Baht 272 million. The Board of Directors Meeting of the Company resolved to pay an interim dividend for the period from January 1, 2017 to June 30, 2017 at the rate of Baht 0.04 per share totaling Baht 64 million, and it remained Baht 208 million, which the Company made the payment on May 22, 2018.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

25 Financial instruments

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

(Unit: Million Baht)

	Consolidated				Total
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	
June 30, 2019:					
Financial assets/Financial liabilities					
measured at fair value					
Current investments – Mutual fund	992	992	-	-	992
Available-for-sale investment-equity securities	857	857	-	-	857
	1,849	1,849	-	-	1,849
December 31, 2018:					
Financial assets/Financial liabilities					
measured at fair value					
Current investments – Mutual fund	992	992	-	-	992
Available-for-sale investment-equity securities	729	729	-	-	729
	1,721	1,721	-	-	1,721

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

(Unit: Million Baht)

	Separate				Total
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	
June 30, 2019:					
Financial assets/Financial liabilities					
measured at fair value					
Current investments – Mutual fund	992	992	-	-	992
Available-for-sale investment-equity securities	857	857	-	-	857
	1,849	1,849	-	-	1,849
December 31, 2018:					
Financial assets/Financial liabilities					
measured at fair value					
Current investments – Mutual fund	991	991	-	-	991
Available-for-sale investment-equity securities	729	729	-	-	729
	1,720	1,720	-	-	1,720

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

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

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

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

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

26 Commitments with non-related parties

As at June 30, 2019 the Group/Company had commitments as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
Capital commitments: -		
Not provide for		
Condominium	4	4
Camp and other buildings	1	1
Cost of construction building for service room	598	6
Total	603	11
Commitments under non- cancellable operating leases		
Within one year	16	16
After one year but within five years	69	69
Over five years	181	181
Total	266	266
Other commitments: -		
Subcontractor agreements	1,937	1,937
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,798	1,798
Total	3,735	3,735

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

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

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

As at June 30, 2019 the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 5,744 million.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO INTERIM FINANCIAL STATEMENTS****FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019****27 Contingent liabilities and assets****Litigations**

As at June 30, 2019, contingent liabilities were as follows:

- The Company was sued by other person regarding the tort and claiming a compensation of construction and guarantee in the amount of Baht 2.55 million at the sue date. Subsequently, the Court of Appeal ordered the Company to jointly demolish and pay damages of Baht 100,000 with interest rate 7.5% per annum from September 23, 2013 onwards and monthly damages of Baht 5,000 onwards until the demolition will be completed. On November 3, 2018, the Company has filed a petition to the Supreme Court, which the case has been in the process of consideration by the Court, the result has not been finalized. However, as at June 30, 2019, the Company already recorded the provision on the above lawsuits amounting to Baht 0.49 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 August 9, 2019, the case has been in the process of the Court’s consideration, the result has not been finalized. However, as at June 30, 2019, the Company already recorded the provision on the above lawsuits amounting to Baht 26.88 million (inclusive interest).
- The Company was sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 46.39 million. Subsequently, on December 28, 2012, the Court of First Instance adjudged the Company to settle to the other person in the amount of Baht 13.10 million. Subsequently, on August 26, 2013, the Company appealed to the Court and the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 14.05 million with interest rate 7% per annum from February 1, 2011 onwards.

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO INTERIM FINANCIAL STATEMENTS****FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019**

Subsequently, on May 15, 2014, the Company filed a petition to the Supreme Court. On June 28, 2018, the Supreme Court sentenced the Company to settle of Baht 14.49 million with interest rate 7.5% per annum from February 1, 2011 until the debt payment was completed. An insurance company (co-defendant) was jointly liable for a sum of Baht 10.35 million with interest rate 7.5% per annum from March 14, 2012 until the debt payment was completed. If the insurance company does not pay the debt, the Company will have to repay all debts. The Company settled debt in the amount of Baht 7.89 million to others person on September 21, 2018.

- On November 24, 2014, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 3 million. Subsequently, on June 21, 2016, the Court of First Instance adjudged the Company to settle to that person in the amount of Baht 8.60 million. The Company appealed to the Court on August 23, 2017, the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 21.28 million with interest rate 7.5% per annum from the sued date onwards. The Company filed a petition to the Supreme Court. Subsequently, on April 4, 2019, the Supreme Court sentenced the Company to pay Baht 9.68 million with interest rate 7.5 % per annum form November 24, 2014, onwards until the debt payment is completed. And ordered another company, co-defendant, jointly liable for the payment. The Company settled Baht 10.13 million on April 24, 2019.
- On December 27, 2018, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 50 million baht with interest rate 7.5 % per annum from the filing date onwards until the payment was completed. Subsequently, on February 22, 2019, the company has submitted an answer to the court and the court of First Instance appointed the plaintiff and defendant's witnesses on 11-13 December 2019 and the hearing of the judgment on February 12, 2020.
- On March 13, 2019, the Company was sued by one customer claiming a compensation of construction due to breach of contract amounting to Baht 247.65 million with interest rate 7.5 % per annum from the filing date onward. Subsequently, on June 20, 2019, the Company submitted an answer to the court and counterclaimed the plaintiff with amounting to Baht 78.55 million.

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NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

28 Subsequent event

28.1 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.

28.2 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 is in the process of being registered with the Ministry of Commerce.

29 Approval of financial statements

These interim financial statements have been approved for issue by the Company’s Board of Directors on August 9, 2019.