# General information

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

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

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

|  |  |  |
| --- | --- | --- |
|  |  | *(% of total paid share capital)* |
| Phahusutr Group |  | 30.04 |

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

Details of the Company’s subsidiaries were as follows:

|  |  |  | **Ownership interest (%)** | |
| --- | --- | --- | --- | --- |
|  |  | **Country of** | **December 31,** | **December 31,** |
| **Name of entity** | **Type of business** | **incorporation** | **2019** | **2018** |
| **Direct subsidiaries** |  |  |  |  |
| 1. SCR Asset Management   Co., Ltd. | Service apartment or real estate development for rental | Thailand | 68.00 | 68.00 |
| 2) Natural Ville Service Apartment and Management Co., Ltd. | Personnel management for hotel, service apartment and other properties | Thailand | 99.97 | 99.97 |
| 3) CSM Capital Partners Co., Ltd. | Service apartment or real estate development for rental | Thailand | 60.00 | 60.00 |
| 4) JT Ten Co., Ltd. \* | Service apartment or real estate development for rental | Thailand | 84.98 | 84.98 |
| 5) PT Three Land Co., Ltd. \* | Service apartment or real estate development for rental | Thailand | 79.98 | 69.98 |
| 6) AN 8 Co., Ltd. \* | Service apartment or real estate development for rental | Thailand | 79.90 | - |
| 7) SHG Management Co., Ltd \* | Hotel business management and services | Thailand | 70.00 | - |

**\*** Not commercial operations yet

# Basis of preparation of interim financial statement

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.

1. **Basis of consolidation**

The consolidated financial statements relate to the Company, its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition of non-controlling interests date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions under “discount from changes in the ownership interests in subsidiary” (please see note 14 to the financial statements).

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value on the date which control is lost.  
Associated companies and joint ventures

Interest in equity-accounted investees

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

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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.

1. **Basis of measurement**

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

|  |  |
| --- | --- |
| **Items** | **Measurement bases** |
| 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 |

1. **Functional and presentation currency**

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

1. **Use of estimates and judgements**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.5.1 Judgments

Information about judgements made in applying accounting policies that have the most significant

effects on the amount recognized in the financial statements is included in the following notes:

|  |  |
| --- | --- |
| Note 15 | Investment properties |

2.5.2 Assumptions and estimation uncertainties

Information about assumptions of estimation uncertainties that have a significant risk of resulting in a material adjustment to the amount recognised in the financial statements is included in the following notes:

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

Significant accounting judgments and estimates are summarized as follows:

Allowance for impairment of investments in securities

The Group/Company treats available-for-sale investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

Estimation of construction project costs

The Group /Company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs, to be incurred to completion of service, taking into account the direction of the movement in these costs. Management applied judgement to review regularly the estimates or whenever the actual costs differ significantly from the figures used in the original estimates.

Estimating costs of rectification in the period of guarantee work

Management applies judgement in estimating the costs of rectification in the period of guarantee work which they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred, together with fluctuations in costs of construction materials, labour and the current situation.

Non-current provisions for employee benefit

The Group/ Company has obligations in respect of the severance to be paid to employees upon retirement under the labour law. The Company treats these severance payment obligations as the post-employment benefit plan.

The obligation under the post-employment benefits (defined benefit plan) is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates.

Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation and believes that no loss will incur. Therefore, no contingent liabilities are recorded as at the end of reporting period.

1. **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 entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

|  |  |
| --- | --- |
| Note 5 | Measurement of available-for-sale investments |
| Note 6 | Measurement of current investments |
| Note 35 | Financial instruments |

1. The consolidated and separate financial statements for the years ended December 31, 2019 and 2018 included the investments and share of loss of an associate, which had been accounted for by equity method amounted to Baht 0.06 million and Baht 0.05 million, respectively, in the consolidated financial statements, based on the financial statements of such associate, which had been prepared by management. In addition, the Company had no obligation under the guarantee for the such set up associate an allowance for impairment of investment in the above mentioned associate was as at December 31, 2019 and 2018 in the amount of Baht 10 million and Baht 10 million, respectively, in the separate financial statements. Please also see note 12 to the financial statements. However, the value of the investments in the associate was immaterial.

# Significant accounting policies

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

**3.1 Foreign currencies**

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

**3.2 Derivative financial instruments**

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price at the reporting date, if available.

* 1. **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.

* 1. **Trade and other current receivables**

Trade and other current receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments together with an analysis of the current financial position of the debtor and the legal opinion. Bad debts are written off when incurred.

For the conservative purpose, the Company reviews the basis of set up of allowance for doubtful accounts at the least 75 percent of the outstanding debt which is under litigation but it is a stable state.

* 1. **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.

* 1. **Construction contracts work in progress**

Construction contracts work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized less progress billings and recognized losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable costs incurred in the Group/Company’s contract activities based on normal operating capacity.

Unbilled construction in progress is presented separately under current assets in the statement of financial position. If progress billings exceed the income recognized, then the difference is presented as advances received from customers under construction contracts under current liabilities in the statement of financial position.

When the outcome of a construction contract can be estimated reliably, contract costs are recognized as expenses in profit or loss by reference to the stage of completion of the contract activity at the reporting date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in profit or loss immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognized as an expense in profit or loss for the period in which they are incurred.

* 1. **Investments**

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements are accounted for using the cost method less allowance for devaluation of investments. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in profit or loss.

Debt securities that the Group/Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortized cost, less impairment losses on investment.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognized directly in equity. Impairment losses are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investments.

* 1. **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.

* 1. **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.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

|  |  |
| --- | --- |
| Office buildings and building components | 5-32 years |
| Machinery and construction equipment | 5-15 years |
| Steel and aluminium formwork | 5-15 years |
| Furniture, fixtures and equipment | 3-5 years |
| Vehicles | 5-10 years |

No depreciation is provided on freehold land or construction in progress.

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

* 1. **Leasehold right**

Leasehold land and building with furnishings that are acquired by the Company and have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses**.**

Amortization

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

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of asset, from the date that they are available for use, since the most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

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

* 1. **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.

* 1. **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.

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

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset’s value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss. For financial assets carried at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

* 1. **Interest-bearing liabilities**

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

* 1. **Trade and other current payables**

Trade and other current payables are stated at cost.

* 1. **Employee benefits**

1. Short-term employee benefits

Short-term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1. Post-employment benefits

The Group/Company records post-employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

* Defined contribution plans

A defined contribution plan contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (Provided Fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

* Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group’s/Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group’s/Company’s obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

The Group/Company recognized immediately all actuarial gains or losses arising from defined benefit plans in other comprehensive income.

1. 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.

1. 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.

* 1. **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.

* 1. **Share capital**

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, “Surplus on treasury shares”. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

* 1. **Revenues**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Contract revenues

Contract revenues include the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is measured based on reference to surveys of work performed by the construction manager and which is computed the proportion that construction cost incurred to date bear to the estimated total construction cost of the transaction. When the outcome of a construction contract cannot be estimated reliably, contract revenues are recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Sale of construction materials

Sales of construction materials and materials be over demand are recognized when the company has complied with the obligation in the contract and transferred the control of the product to the customer.

Rendering of service

Rendering of service are room service revenue, revenue from food and beverages, and other service incomes are recognised when guests check in or services are provided.

Interest and dividend income

Interest income is recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Group’s/Company’s right to receive payments is established.

Gain from compromise is recognized when the installable payment is made to creditor pursuant to the compromise agreement prepared in front of the Court.

Other income is recognized on an accrual basis. The compensation for damage from the lawsuit or dispute is recognized when has the result and receive the payment.

* 1. **Expenses**

Expenses are recognized on the accrual basis.

* 1. **Finance costs**

Finance costs comprise interest expenses on borrowings and unwinding of discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

* 1. **Operating leases**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expenses, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Group’s/Company’s incremental borrowing rate.

* 1. **Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group/Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

In determining the amount of current and deferred tax, the Group / Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group / Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group / Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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.

* 1. **Earnings per share**

Basic earnings per share is calculated by diving 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**.**

* 1. **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**.**

* 1. **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.

# New financial reporting standards

* 1. Financial reporting standards that became effective in the current period

During the year, the Company’s and s subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s and s subsidiaries’ financial statements. However, the new standard involves changes to key principles, which are summarised 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  Advertising Services |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers |

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

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

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

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

**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 business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

**TFRS 16 Leases**

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

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

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

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

# Related parties

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

Relationships with related parties were as follows:

| **Name of entities** | | **Country of incorporation/ nationality** | **Nature of relationships** |
| --- | --- | --- | --- |
| **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 Co., Ltd. | Thailand | Subsidiary, 70% 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 Café Co., Ltd. | Thailand | Related company, directors related to the director of the Company |
| 9. | Safe Series Co., Ltd. | Thailand | Related company, shareholder as a key management personnel of the Company |
| 10. | Wrightman Corporation Co., Ltd. | Thailand | Related company, indirect held |
| 11. | Mankongsangtong Holding Co., Ltd. | Thailand | Related company, common shareholders |
| 12. | Thonglor Management Co., Ltd. | Thailand | Related company, shareholder related to the Company’s directors |
| 13. | Wealthy Living Co.,Ltd. | Thailand | Related company, shareholder related to the Company’s directors |
| 14. | Chuaphaibul Steel Co., Ltd. | Thailand | Related company, directors related to the director or shareholder of the Company |
| 15. | Wrightman Restaurant Co., Ltd. | Thailand | Related company, some common shareholder |
| 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 |
| **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:

|  | **Pricing policies** |
| --- | --- |
| Sale of steel and others | As per Invoice (at cost) |
| Interest income | MLR – 2.75 per annum |
| Contract revenues | Cost price plus profit margin not less than 12% |
| Rendering of service | Service income to be refunded under the contract on the basis determined by related concern which approximated the market price |
| Contract costs | Market price |
| Purchase of steel | Market price |
| Cost of service (management fee for service apartment and others) | Contract price on the basis determined by the related concerned which approximated the market rate |
| Service expenses | Contract price on the basis determined by the related concerned which was not higher than employment rate |
| Consulting fee for security system | Contract price on the basis determined by the related concerned |
| Administrative expenses | Market price |
| Land rental | Contract price on the basis determined by the related concerned which approximated the market rate |
| Interest expenses | MLR – 2.75 per annum |
| Directors benefit expenses represented meeting allowance and director bonus | Approval from the Company’s directors and shareholders |
| Directors and management benefit expenses represented salary and bonus | Approval from the Company’s directors and shareholders |

Significant transactions with related parties for the years ended December 31 were summarized as follows:

|  |  | | |  | (Unit : Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
| **Revenue** |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Contract revenues | - |  | - |  | 8,498,892 |  | 26,329,357 |
| Rendering of service and others | - |  | - |  | 8,967,200 |  | 7,468,475 |
| Interest income | - |  | - |  | 2,825,472 |  | 1,525,127 |
|  |  |  |  |  |  |  |  |
| **Related companies** |  |  |  |  |  |  |  |
| Contract revenues | 725,709,613 |  | 297,753,561 |  | 725,709,613 |  | 297,753,561 |
| Rental and service expenses | 4,230,073 |  | 4,390,745 |  | 4,320,073 |  | 4,380,994 |
| Other service expenses | - |  | - |  | - |  | - |
| Other income | 800,000 |  | 700,000 |  | - |  | - |
| **Expenses** |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Cost of service | - |  | - |  | 26,882,710 |  | 29,001,453 |
| Administrative expenses | - |  | - |  | 45,501 |  | - |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Related companies** |  |  |  |  |  |  |  |
| Contract costs | 218,854,673 |  | 126,250,445 |  | 218,854,673 |  | 126,250,445 |
| Cost of service | 31,892,415 |  | 39,747,502 |  | 15,817,274 |  | 22,992,004 |
| Space rental and services | 2,777,106 |  | 2,777,106 |  | 2,777,106 |  | 2,777,106 |
| Other service expenses | 11,320,831 |  | 10,016,194 |  | 11,320,831 |  | 10,016,194 |
| Purchase of steel | 129,492,649 |  | 109,309,270 |  | 129,492,649 |  | 109,289,095 |
| **Related Persons** |  |  |  |  |  |  |  |
| Consulting fee for security system | 3,600,000 |  | 3,460,000 |  | 3,600,000 |  | 3,460,000 |
| Land rental expense | 38,400 |  | 445,200 |  | 38,400 |  | 445,200 |
| Interest expenses | - |  | 29,212 |  | - |  | - |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefits | 70,857,534 |  | 64,157,696 |  | 56,507,063 |  | 55,862,342 |
| Post-employment benefits | 5,134,907 |  | 2,797,096 |  | 5,134,907 |  | 2,746,871 |
| Total key management personnel   compensation | 75,992,441 |  | 66,954,792 |  | 61,641,970 |  | 58,609,213 |

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

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

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

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

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

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

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

As at December 31, 2019 and 2018, the Company’s had short-term loans to a subsidiary (“CSM Capital Partners Co., Ltd.”)   
of Baht 10 million and Baht 25 million, respectively, represented short-term loans under 2 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at MLR-2.75% per annum.

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

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

**The commitments with related parties**

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

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

# Current investments

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

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

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

# Trade accounts receivables

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

Aging analyses for trade accounts receivables were as follows:

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

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

# Other current receivables

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

# Retentions receivables under construction contracts

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

# Unbilled construction in progress

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

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

# Inventories

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

# Investments in associate

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

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

Summary of significant financial information of Natural Hotel Sukhumvit Company Limited

Summary of the financial status list

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

Summary of income statement

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

# Investments in subsidiaries

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

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.

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.

# Non-controlling interests

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

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | | | | | | | | | | | | | | |
|  | SCR Asset Management Co., Ltd. | | Natural Ville Service apartment and Management Co., Ltd. | | CSM Capital Partners Co., Ltd. | | PT Three Land Co., Ltd. | | JT Ten Co., Ltd. | | AN 8 Co., Ltd. | | SHG Management Co., Ltd. | | Total | |
|  | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Income | 77 | 59 | 28 | 30 | 282 | 245 | - | 0.09 | - | - | - | - | - | - |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Profit (Loss) | (63) | (11) | 2 | 4 | (59) | (69) | (7) | - | (3) | - | (5) | - | - | - |  |  |
| Other comprehensive income | - | - | - | 1 | - | 1 | - | - | - | - | - | - | - | - |  |  |
| **Total comprehensive income** | **(63)** | **(11)** | **2** | **5** | **(59)** | **(68)** | **(7)** | **-** | **(3)** | **-** | **(5)** | **-** | **-** | **-** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit (loss) allocated** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **for Non-controlling interests** | **(20)** | **(4)** | **-** | **-** | **(24)** | **(27)** | **(1)** | **-** | **(1)** | **-** | **(1)** | **-** | **-** | **-** | **(47)** | **(31)** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash flows from operating activities | (10) | (12) | 2 | (1) | 109 | 79 | (6) | - | (3) | 3 | (10) | - | - | - |  |  |
| Cash flows from investing activities | (54) | (253) | - | - | (15) | (74) | (99) | (8) | (5) | (96) | - | - | - | - |  |  |
| Cash flows from financing activities | 60 | 268 | - | - | (114) | 2 | 108 | 11 | 5 | 100 | 130 | - | 4 | - |  |  |
| **Cash and equivalent Net** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **increase (decrease) in cash** | **(4)** | **3** | **2** | **(1)** | **(20)** | **7** | **3** | **3** | **(3)** | **7** | **120** | **-** | **4** | **-** |  |  |

# Investment properties

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | |  | (Unit : Baht) | | | | | | |
|  |  | Separate | | | | | | | | | | |
|  |  | Land | | |  | Condominium | | |  | Total | | |
| **Cost** |  |  | | |  |  | | |  |  | | |
| At January 1, 2019 |  | - | | |  | 7,555,522 | | |  | 7,555,522 | | |
| Disposals |  | - | | |  | - | | |  | - | | |
| **At December 31, 2019** |  | **-** | | |  | **7,555,522** | | |  | **7,555,522** | | |
| **Accumulated depreciation** |  |  | | |  |  | | |  |  | | |
| At January 1, 2019 |  | - | | |  | 4,236,648 | | |  | 4,236,648 | | |
| Depreciation charge for the year |  | - | | |  | 275,979 | | |  | 275,979 | | |
| **At December 31, 2019** |  | **-** | | |  | **4,512,627** | | |  | **4,512,627** | | |
| **Net book value** |  |  | | |  |  | | |  |  | | |
| **At December 31, 2018** |  | - | | |  | **3,318,874** | | |  | **3,318,874** | | |
| **At December 31, 2019** |  | - | | |  | **3,042,895** | | |  | **3,042,895** | | |
| **Fair value measurement** |  |  | | |  |  | | |  |  | | |
| Appraised price |  |  | | |  | **11,143,000** | | |  |  | | |
| Evaluation criteria |  |  | | |  | Market Approach | | |  |  | | |
|  |  |  | | |  |  | | |  |  | | |
|  |  |  |  |  | | |  | (Unit: Baht) | | | | |
|  |  |  |  |  | | |  | Separate | | | | |
|  |  |  |  |  | | |  | 2562 | | |  | 2561 |
| Depreciation for the year is included in administrative expenses | | | | | | |  | 275,979 | | |  | 277,540 |

On January 11, 2018, the Company entered into an agreement to sell and purchase on 6 plots of land with two companies in the selling price of Baht 277 million. On the date of the agreement, the Company received the partial payment in the amount of Baht 28 million and the remaining will be received on the transferring registration date. On 27 June 2018, the Company entered into sale and purchase agreement of land and registered to transfer ownership together with receiving the remaining of Baht 249 million and incurred selling expense in the amount of Baht 15 million and recognized net gain on sale of land amounted to Baht 162 million (net amount of Baht 147 million), in the statement of comprehensive income.

Measurement of fair value

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

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

Pledge

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

# Property, plant and equipment

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

|  |  | (Unit : Baht) | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated | | | | | | | | | | | | | | | |
|  |  | Land |  | Buildings and  building  components |  | Construction  machinery and  equipment |  | Aluminium  lining  Boards  (formwork) |  | Furniture,  fixtures and  equipment |  | Vehicles |  | Construction  in progress |  | Total |
| **Cost** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At January 1, 2019** |  | **1,601,757,548** |  | **2,322,450,257** |  | **1,063,425,761** |  | **182,748,340** |  | **320,065,496** |  | **193,810,769** |  | **50,488,215** |  | **5,734,746,486** |
| Reclassification |  | (306,571,138) |  | (307,521,499) |  | - |  | - |  | (2,424,701) |  | - |  | - |  | (616,517,338) |
| At January 1, 2019 (Revise) |  | 1,295,186,410 |  | 2,014,928,758 |  | 1,063,425,761 |  | 182,748,340 |  | 317,640,795 |  | 193,810,869 |  | 50,488,215 |  | 5,118,229,148 |
| Additions |  | - |  | 35,612,464 |  | 67,274,197 |  | 10,032,534 |  | 20,769,861 |  | - |  | 58,468,547 |  | 192,157,603 |
| Transfers |  | - |  | 77,170,990 |  | 5,908,120 |  | - |  | 135,170 |  | - |  | (83,214,280) |  | - |
| Adjustment |  | - |  | - |  | - |  | - |  | (771,094) |  | - |  | - |  | (771,094) |
| Disposals/write-off |  | - |  | (7,951,980) |  | (26,544,841) |  | (21,571,818) |  | (6,387,344) |  | (38,503,919) |  | - |  | (100,959,902) |
| **At December 31, 2019** |  | **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** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At January 1, 2019** |  | **-** |  | **455,683,911** |  | **709,284,262** |  | **103,439,378** |  | **177,611,903** |  | **131,700,498** |  | **-** |  | **1,577,719,952** |
| Reclassification |  | - |  | (53,933,155) |  | - |  | - |  | (1,411,731) |  | - |  | - |  | (55,344,886) |
| At January 1, 2019 (Revise) |  | - |  | 401,750,756 |  | 709,284,262 |  | 103,439,378 |  | 176,200,172 |  | 131,700,498 |  | - |  | 1,522,375,066 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation charge for the year |  | - |  | 108,135,831 |  | 73,790,043 |  | 25,956,450 |  | 82,036,815 |  | 18,835,508 |  | - |  | 308,754,647 |
| Transfer |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |
| Disposals |  | - |  | 318,186 |  | - |  | - |  | 1,347,590 |  | - |  | - |  | 1,665,776 |
| Disposals/write-off |  | - |  | (4,848,930) |  | (23,678,263) |  | (20,072,420) |  | (6,225,498) |  | (35,190,599) |  | - |  | (90,015,710) |
| **At December 31, 2019** |  | **-** |  | **505,355,843** |  | **759,396,042** |  | **109,323,408** |  | **253,359,079** |  | **115,345,407** |  | **-** |  | **1,742,779,779** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net book value** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets |  | 1,295,186,410 |  | 1,613,178,002 |  | 354,141,499 |  | 79,308,962 |  | 141,440,623 |  | 62,110,371 |  | 50,488,215 |  | 3,595,854,082 |
| **Total at December 31, 2018** |  | **1,295,186,410** |  | **1,613,178,002** |  | **354,141,499** |  | **79,308,962** |  | **141,440,623** |  | **62,110,371** |  | **50,488,215** |  | **3,595,854,082** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets |  | 1,295,186,410 |  | 1,614,404,389 |  | 350,667,195 |  | 61,885,648 |  | 78,028,309 |  | 39,961,543 |  | 25,742,482 |  | 3,465,875,976 |
| **Total at December 31, 2019** |  | **1,295,186,410** |  | **1,614,404,389** |  | **350,667,195** |  | **61,885,648** |  | **78,028,309** |  | **39,961,543** |  | **25,742,482** |  | **3,465,875,976** |

|  |  | (Unit : Baht) | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Separate | | | | | | | | | | | | | | |
|  |  | Land |  | Buildings and  building  components |  | Construction  machinery and  equipment |  | Aluminium  lining  Boards  (formwork) |  | Furniture,  fixtures and  equipment |  | Vehicles |  | Construction  in progress |  | Total |
| **Cost** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At January 1, 2019** |  | **85,869,331** |  | **269,939,494** |  | **1,063,425,761** |  | **197,257,159** |  | **216,622,289** |  | **192,603,393** |  | **-** |  | **2,025,717,427** |
| Additions |  | - |  | 9,958,291 |  | 67,274,197 |  | 10,032,534 |  | 14,380,374 |  | - |  | 6,737,724 |  | 108,383,120 |
| Transfers |  | - |  | - |  | 5,908,120 |  | - |  | - |  | - |  | (5,908,120) |  | - |
| Disposals/write-off |  |  |  | (1,861,980) |  | (26,544,841) |  | (21,571,818) |  | (6,233,482) |  | (38,503,919) |  | - |  | (94,716,040) |
| **At December 31, 2019** |  | **85,869,331** |  | **278,035,806** |  | **1,110,063,236** |  | **185,717,875** |  | **224,769,179** |  | **154,099,475** |  | **829,604** |  | **2,039,384,505** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At January 1, 2019** |  | **-** |  | **169,487,345** |  | **709,284,263** |  | **117,948,198** |  | **140,562,063** |  | **130,799,357** |  | **-** |  | **1,268,081,226** |
| Depreciation charge for the year |  | - |  | 24,769,288 |  | 73,790,043 |  | 25,956,450 |  | 26,608,271 |  | 18,831,042 |  | - |  | 169,955,094 |
| Transfer |  | - |  | - |  | - |  | - |  | - |  | - |  | - |  | - |
| Disposals/write-off |  | - |  | (1,794,399) |  | (23,678,263) |  | (20,072,420) |  | (6,105,512) |  | (35,190,599) |  | - |  | (86,841,193) |
| **At December 31, 2019** |  | **-** |  | **192,462,234** |  | **759,396,041** |  | **123,832,227** |  | **161,064,822** |  | **114,439,800** |  | **-** |  | **1,351,195,127** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net book value** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets |  | 85,869,331 |  | 100,452,149 |  | 354,141,498 |  | 79,308,961 |  | 76,060,226 |  | 61,804,036 |  | - |  | 757,636,201 |
| **Total at December 31, 2018** |  | **85,869,331** |  | **100,452,149** |  | **354,141,498** |  | **79,308,961** |  | **76,060,226** |  | **61,804,036** |  | **-** |  | **757,636,201** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets |  | 85,869,331 |  | 85,573,571 |  | 350,667,194 |  | 61,885,647 |  | 63,704,359 |  | 39,659,674 |  | 829,604 |  | 688,189,380 |
| **Total at December 31, 2019** |  | **85,869,331** |  | **85,573,571** |  | **350,667,194** |  | **61,885,647** |  | **63,704,359** |  | **39,659,674** |  | **829,604** |  | **688,189,380** |

Depreciation was included in:

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

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

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

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

During 2018, the Board of Directors Meeting of the Company resolved to approve the write off of buildings and equipment acquired prior year 1999, which had not been utilized, with carrying amount of Baht 20.36 million and to approve the disposal of machinery and equipment with carrying amount of Baht 14.30 million. This resulted to in 2018, the Company had loss on write off of building and equipment in the amount of Baht 20.36 million and gain on disposal of machinery and equipment in the amount of Baht 5.26 million.

Assets under construction:

• Total budget cost of project in constructing service apartment building of a subsidiary (SCR Asset Management Co., Ltd.) at Sriracha Poe, Prachinburi Province (Project 3), amounted to Baht 550 million. Actual cost incurred to December 31, 2019 in the amount of Baht 6 million, (recorded as construction in progress of Baht 6 million), remaining amounted to Baht 544 million.

Pledge:

As at December 31, 2019, land, buildings and building improvement of the Company in the carrying amount of Baht 105 million including indemnity from insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks.

As at December 31, 2019, land with existing structures of the subsidiary (SCR Asset Management Co., Ltd.) in the carrying amount of Baht 796 million and structures to be constructed in the future was mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial banks in the credit line amounting to Baht 620 million.

As at December 31, 2019, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co., Ltd.) in the carrying amount of Baht 1,700 million were mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 1,550 million.

# Leasehold right

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

Depreciation was included in:

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

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

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

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

On October 22, 2018, the subsidiary (“JT Ten Co., Ltd.”) entered into a lease land agreement and supplemental memorandum to lease land for the real estate development project with other company (“Siriwat Lease Co., Ltd.”) (“the lessor”). The subsidiary agreed to lease land in Chonburi Province totaling 21 plots of land of 11 rai 3 Ngan 21.70 square wah, to develop into projects of hotel, resort and other real estate development projects for the lease period of 30 years commencing from the date of the lease agreement until October 21, 2048. The subsidiary will complete the development of the project and will commercially operate within 3 years from the date of the lease agreement. The subsidiary agreed to pay whole land fee in the amount of Baht 81 million and the monthly rental will be charged in the fourth year at the rate of Baht 300,000. The rental shall be adjusted increasingly every 3 years throughout the lease term. The subsidiary paid the land leasing fee on the contract date of Baht 10 million and the remaining of Baht 71 million will be paid within the date of registration of the land lease. The memorandum of lease land agreement stipulates that upon the expiration of the first 3 years of the land lease agreement, the lessor and the subsidiary agreed to register the lease for an additional 3 years from the maturity date of the lease term. The subsidiary agreed to pay the monthly rental fee to the lessor at the rate of Baht 1,950,000 starting from November 1, 2048 onwards.

* 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, 2049, 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.

# Intangible assets

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Bath) | | | | | | |
|  | Consolidated | | | | | | |
|  | List of customers and existing business |  | | Software license |  | | Total |
| **Cost** |  |  | |  |  | |  |
| At January 1, 2018 | **8,000,000** |  | | **36,993,457** |  | | **44,993,457** |
| Additions | - |  | | 6,444,439 |  | | 6,444,439 |
| Transfer in | - |  | | 797,240 |  | | 797,240 |
| Deductions | - |  | | (125,000) |  | | (125,000) |
| **At December 31, 2018 and January 1, 2019** | **8,000,000** |  | | **44,110,136** |  | | **52,110,136** |
| Additions | - |  | | 658,360 |  | | 658,360 |
| **At December 31, 2019** | **8,000,000** |  | | **44,768,496** |  | | **52,768,496** |
|  |  | |  |  | | | |
| **Accumulated amortization** |  | |  |  | |  |  |
| At January 1, 2018 | **4,478,539** | |  | **30,177,364** | |  | **34,655,903** |
| Amortization charge for the year | 2,666,667 | |  | 4,385,130 | |  | 7,051,797 |
| Transfer in | - | |  | 771,066 | |  | 771,066 |
| Deductions | - | |  | (124,999) | |  | (124,999) |
| **At December 31, 2018 and 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** | **8,000,000** | |  | **39,689,718** | |  | **47,689,718** |
|  |  | |  |  | |  |  |
| **Net book value** |  | |  |  | |  |  |
| **At December 31, 2018** | **854,794** | |  | **8,901,575** | |  | **9,756,369** |
| **At December 31, 2019** | **-** | |  | **5,078,778** | |  | **5,078,778** |

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

Amortization for the year was included in:

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

# Bank overdrafts and short-term loans from financial institutions

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

# Trade accounts payables

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

# Other current payables

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

# Retention payables from subcontractors

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

# Long-term loans

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

**Loans from domestic financial institution**

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

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

On September 23, 2013, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a local financial institution in credit line of Baht 224 million. As of December 31, 2019, loan was completely drawdown in the amount of Baht 206 million because the project is completed, requiring monthly repayable principal with interest within 8 years and 6 months. The first repayment at nineteenth month of Baht 1.3 million to Baht 4 million. These loans were secured by 11 plots of land including structures, existing at the present and to be constructed in the future are mortgaged as collateral under the mortgage agreement dated June 12, 2014 in the credit line amounting to Baht 229 million.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Financial ratio per  agreement |  | Financial ratio as at  December 31, 2019 |
| Financial ratio (DSCR) |  | Not less than 1.1 |  | 0.17 |

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

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

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Financial ratio per  agreement |  | Financial ratio as at  December 31, 2019 |
| Debt to equity ratio |  | Not more than 2:1 |  | 1.47:1 |
|  |  |  |  |  |

# Deferred income tax

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

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

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

|  |  | | | |  | (Unit: Million Bath) | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated and separate | | | | | | | |
|  | At  January 1, 2019 |  | (Charged) / credited to | | | |  | At  December 31, 2019 |
|  |  | Profit or loss |  | | Other comprehensive income (loss) |  |
| **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)** |

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

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

|  |  | | |  | (Unit: Million Bath) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
| Deductible temporary differences | 14 |  | 13 |  | 13 |  | 13 |
| Tax losses | 42 |  | 39 |  | - |  | - |
| **Total** | **56** |  | **52** |  | **13** |  | **13** |

The tax losses will be expired in 2019 to 2024. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group/subsidiaries can utilize the benefits therefrom.

# Non-current provision for employee benefits

# The Group/Company operates post-employment benefits based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

# The defined benefit plans expose the Group/Company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

Non-current provision for employee benefits in the statement of financial position as at December 31 was as follows:

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

Movement in the present value of the defined benefit obligations

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

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

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

Expense recognized in profit or loss

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

The above expense is recognized in the following line items:

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

Principal actuarial assumptions at the reporting date

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | |
|  | 2019 | |  | | | 2018 | | |
|  | (%) | | | | | | | |
| Discount rate | 2.46-2.93 | |  | | | 2.46 -2.93 | | |
| Salary increase rate | 3.00-5.00 | |  | | | 3.00-5.00 | | |
| Staff turnover rate | 0-23.00 | |  | | | 0-23.00 | | |
| Mortality rate (Thai Mortality Ordinary Table) | TMO 2017 | |  | | | TMO 2017 | | |
| Disability rate | 5% of mortality rate | |  | | | 5% of mortality rate | | |
|  | | Separate | | | | | | | |
|  | | 2019 | |  | | | 2018 | | |
|  | | (%) | | | | | | | |
| Discount rate | | 2.46 | | |  | | | 2.46 | |
| Salary increase rate | | 5.00 | | |  | | | 5.00 | |
| Staff turnover rate | | 0-21.00 | | |  | | | 0-21.00 | |
| Mortality rate (Thai Mortality Ordinary Table) | | TMO 2017 | | |  | | | TMO 2017 | |
| Disability rate | | 5% of mortality rate | | |  | | | 5% of mortality rate | |

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

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

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

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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

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

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

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

# Provisions

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

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

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

# 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.

# Treasury shares and Treasury shares reserve

# Treasury shares

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

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

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

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

**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.

# Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as managing director and/or the Company’s Board of Directors.

Information of the performance of each segment reported a profit before tax of the segment. Which is presented in the management reports on a monthly basis, summarized as follows:

The Group/Company comprises the 3 reportable segments as follows:

**•** Segment 1: Construction business

**•** Segment 2: Real estate development for room service or service apartment and rental business.

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

Geographical segments

Management considers that the Group/Company operates in a single geographical area, namely in Thailand, and has, therefore, only one major geographical segment.

**Information about reportable segments:**

|  |  | | |  |  | | |  | (Unit: Million Baht) | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Segment 1 | | |  | Segment 2 | | |  | Segment 3 | | |  | | Total reportable segment | | | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 | |  | | 2019 |  | | 2018 | |
| Revenues from customer |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  | | |
| * External | 8,088 |  | 6,999 |  | 473 |  | 428 |  | 1 |  | 1 | |  | | 8,562 |  | 7,428 | | |
| * Inter - segments | 2 |  | 35 |  | - |  | - |  | 27 |  | 29 | |  | | 29 |  | 64 | | |
| * Eliminated | (2) |  | (35) |  | - |  | - |  | (27) |  | (29) | |  | | (29) |  | (64) | | |
| **Total revenue** | **8,088** |  | **6,999** |  | **473** |  | **428** |  | **1** |  | **1** | |  | | **8,562** |  | **7,428** | | |
|  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  | | |
| **Segment profit (loss)** |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  | | |
| **before income tax** | **516** |  | **831** |  | **(114)** |  | **(51)** |  | **(24)** |  | **(24)** | |  | | **378** |  | **756** | | |
| Interest income | 19 |  | 3 |  | **-** |  | - |  | - |  | - | |  | | 19 |  | 4 | | |
| Interest expense | - |  | 3 |  | 75 |  | 66 |  | - |  | - | |  | | 75 |  | 69 | | |
| Depreciation and amortization | 165 |  | 190 |  | 198 |  | 146 |  | - |  | - | |  | | 363 |  | 336 | | |
|  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  | | |
| **Segment assets** | **6,243** |  | **6,273** |  | **3,996** |  | **4,017** |  | **9** |  | **5** | |  | | **10,248** |  | **10,295** | | |
| **Investment properties** | **-** |  | **-** |  | **545** |  | **564** |  | **-** |  | **-** | |  | | **545** |  | **564** | | |
| **Property, plant and equipment** | **656** |  | **717** |  | **2,810** |  | **3,440** |  | **-** |  | **-** | |  | | **3,466** |  | **4,157** | | |
| **Leasehold right** | **-** |  | **-** |  | **454** |  | **383** |  | **-** |  | **-** | |  | | **454** |  | **383** | | |
| **Segment liabilities** | **2,075** |  | **2,154** |  | **1,928** |  | **2,071** |  | **5** |  | **5** | |  | | **4,008** |  | **4,230** | | |

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

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

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

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

**Major customers**

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

# 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.

# Expenses by nature

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

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

# Income tax

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

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

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

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

Reconciliation to find the effective tax rate

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

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

# Earnings per share

# The calculation of basic earnings per share for the years ended December 31, 2019 and 2018 were based on the profit for the years attributable to ordinary shareholder of the Company and the number of ordinary shares outstanding during the years as follows:

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

# Dividends

Year 2019:

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

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

Year 2018: -

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

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

# 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.

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

|  | (Unit : Million Bath) | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | |
|  | Effective Interest rate (% per annum) |  | Within 1 year |  | After 1 year but within 5 years |  | After 5 years |  | Total |
| **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)** |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2018** |  |  |  |  |  |  |  |  |  |
| **Current** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 0.29 |  | 756 |  | - |  | - |  | 756 |
| Current investments | 0.19 |  | 992 |  | - |  | - |  | 992 |
| Short-term loans from |  |  |  |  |  |  |  |  |  |
| financial institution | 3.00 |  | (100) |  | - |  | - |  | (100) |
| Long-term in default | 4.27 |  | (497) |  | - |  | - |  | (497) |
| Long-term loans | 3.98 |  | (108) |  | - |  | - |  | (108) |
| **Non-current** |  |  |  |  |  |  |  |  |  |
| Pledged deposit at banks | 1.52 |  | - |  | 86 |  | - |  | 86 |
| Long-term loans | 3.98 |  | - |  | (946) |  | (385) |  | (1,331) |
| **Total** |  |  | **1,043** |  | **(860)** |  | **(385)** |  | **(202)** |

|  | (Unit : Million Bath) | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate | | | | | | | | |
|  | Effective Interest rate (% per annum) |  | Within 1 year |  | After 1 year but within 5 years |  | After 5 years |  | Total |
| **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** |
| **2018** |  |  |  |  |  |  |  |  |  |
| **Current** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 0.29 |  | 674 |  | - |  | - |  | 674 |
| Current investments | 0.19 |  | 991 |  | - |  | - |  | 991 |
| Short-term loans | 3.85 |  | 35 |  | - |  | - |  | 35 |
| Short-term loans from | 3.0 |  | (100) |  | - |  | - |  | (100) |
| financial institution |  |  |  |  |  |  |  |  |  |
| **Non-current** |  |  |  |  |  |  |  |  |  |
| Pledged deposit at banks | 1.64 |  | - |  | 66 |  | - |  | 66 |
| **Total** |  |  | **1,600** |  | **66** |  | **-** |  | **1,666** |

**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 doubtful accounts in the reporting date as described in note 7 to the financial statement. However, due to the large number of parties comprising the Group’s/Company’s customer base, management does not anticipate material losses from its debt collection.

**Liquidity risk**

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group’s/Company’s operations and to mitigate the effects of fluctuations in cash flows.

**Carrying amount and fair values**

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

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

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

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

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

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

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

|  | (Unit : Million Bath) | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | | |
|  | Carrying |  | Fair Value | | | | | |  |  |
|  | amount |  | Level 1 |  | Level 2 |  | Level 3 | |  | Total |
| **December 31, 2018:** |  |  |  |  |  |  |  | |  |  |
| **Financial assets/Financial liabilities** |  |  |  |  |  |  |  | |  |  |
| **measured at fair value** |  |  |  |  |  |  |  | |  |  |
| Current investments | 992 |  | 992 |  | - |  | - | |  | 992 |
| Other equity securities | 729 |  | 729 |  | - |  | | - |  | 729 |
|  | **1,721** |  | **1,721** |  | **-** |  | **-** | |  | **1,721** |

|  | (Unit : Million Bath) | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate | | | | | | | | | |
|  | Carrying |  | Fair Value | | | | | |  |  |
|  | amount |  | Level 1 |  | Level 2 |  | Level 3 | |  | Total |
| **December 31, 2019:** |  |  |  |  |  |  |  | |  |  |
| **Financial assets/Financial liabilities** |  |  |  |  |  |  |  | |  |  |
| **measured at fair value** |  |  |  |  |  |  |  | |  |  |
| Current investments | 608 |  | 608 |  | - |  | - | |  | 608 |
| Other equity securities | 819 |  | 819 |  | - |  | | - |  | 819 |
|  | **1,427** |  | **1,427** |  | **-** |  | **-** | |  | **1,427** |
|  |  |  |  |  |  |  |  | |  |  |
| **December 31, 2018:** |  |  |  |  |  |  |  | |  |  |
| **Financial assets/Financial liabilities** |  |  |  |  |  |  |  | |  |  |
| **measured at fair value** |  |  |  |  |  |  |  | |  |  |
| Current investments | 991 |  | 991 |  | - |  | - | |  | 991 |
| Other equity securities | 729 |  | 729 |  | - |  | - | |  | 729 |
|  | **1,720** |  | **1,720** |  | **-** |  | **-** | |  | **1,720** |
|  |  |  |  |  |  |  |  | |  |  |

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

# Commitments with non-related parties

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

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

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

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

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

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

# Contingent liabilities and assets

**Litigations**

As at December 31, 2019, contingent liabilities were as follows:

* The Company was sued by other person regarding the tort and claiming a compensation of construction and guarantee in the amount of Baht 2.55 million at the sue date. Subsequently, the Court of Appeal ordered the Company to jointly demolish and pay damages of Baht 100,000 with interest rate 7.5% per annum from September 23, 2013, onwards and monthly damages of Baht 5,000 onwards until the demolition will be completed.   
  On November 3, 2018, the Company has filed a petition to the Supreme Court, which the case has been in the process of consideration by the Court, the result has not been finalized. However, as at December 31, 2019, the Company already recorded the provision on the above lawsuits amounting to Baht 0.52 million.
* On June 28, 2011, the Black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million at the sue date. On September 7, 2012, as Black case no. 2206/2555, the Company sued National Housing Authority to the Federal Administrative Court. The sued amount was Baht 874 million and on July 7, 2015, the Black case no.1218/2558, the National Housing Authority as the plaintiff, sued the Company regarding false of construction agreement and claimed a compensation in the amount of Baht 63 million at the sue date. The Administrative Court ordered to include this consideration with Black Case No. 2206/2555, Subsequently, on August 10, 2018, the Administrative Court ordered the Company made a payment to the National Housing Authority of Baht 25.32 million with interest rate 7.5% per annum for the principal of Baht 21.25 million from   
  July 7, 2015, until the settlement was completed and ordered the National Housing Authority returned three   
  letters of guarantee to the Company. On September 6, 2018, the Company filed an appeal with the Court. As of   
  February, 2019, the case has been in the process of the Court’s consideration, the result has not been finalized.  
  However, as at December, 2019, the Company already recorded the provision on the above lawsuits amounting to Baht 27.69 million (inclusive interest).
* The Company was sued by other person regarding the tort and claiming a compensation of construction with   
  the sued amount of Baht 46.39 million. Subsequently, on December 28, 2012, the Court of First Instance adjudged the Company to settle to the other person in the amount of Baht 13.10 million. Subsequently, on August 26, 2013,  
  the Company appealed to the Court and the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 14.05 million with interest rate 7% per annum from February 1, 2011, onwards.

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

* On November 24, 2014, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 3 million. Subsequently, on June 21, 2016, the Court of First Instance adjudged the Company to settle to that person in the amount of Baht 8.60 million. The Company appealed to the Court on August 23, 2017; the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 21.28 million with interest rate 7.5% per annum from the sued date onwards. The Company filed a petition to the Supreme Court. Subsequently, on April 4, 2019, the Supreme Court sentenced the Company to pay Baht 9.68 million with interest rate 7.5 % per annum form November 24, 2014, onwards until the debt payment   
  is completed. And ordered another company, co-defendant, jointly liable for the payment. The Company settled   
  Baht 10.13 million on April 24, 2019.
* On December 27, 2018, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 50 million baht with interest rate 7.5 % per annum from the filing date onwards until the payment was completed. Subsequently, on February 22, 2019, the company has submitted an answer to the court. On February 12, 2020 the Court of First Instance ruled dismiss.
* On March 13, 2019, the Company was sued by one customer claiming a compensation of construction due to breach of contract amounting to Baht 247.65 million with interest rate 7.5 % per annum from the filing date onward. Subsequently, on June 20, 2019, the Company submitted an answer to the court and counterclaimed the plaintiff with amounting to Baht 78.55 million. the court of First Instance appointed the plaintiff and defendant's witnesses on April 23-24, 2020, and April 28-29, 2020, respectively.

# Pledged assets

As at December 31, 2019 and 2018, the Group/Company’s cash at banks of Baht 53 million and Baht 86 million in consolidated financial statements and Baht 33 million and Baht 66 million in separate financial statement, respectively, was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks and guarantee to the Court for the settle debt to a creditor as the Court’s judgment.

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

As at December 31, 2019 and 2018, investment properties, land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 85 million and Baht 109 million, respectively, including of indemnity from fire insurance of those assets were mortgaged as collateral for loans from banks, issuance of the letter of guarantee from banks, other short-term loans and other long-term loans from others pursuant to the mortgage agreements in the credit line amounting to Baht 2,500 million and Baht 2,352 million, respectively.

# Operating lease

Leases as lessee

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

* Lesser is the ownership of land and a residential building located at Langshan Road.
* Lessee was transferred the right of leasehold land from the Property Fund (“former lessee”). The former lessee made a letter to transfer right of such lease to lessee.
* Lesser consents the lessee to have the right in instead of former lessee
* The lease period covers 19 years, 7 months and 17 days from October 15, 2013 to May 31, 2033.
* The objective of lease is use in the rental business as the residences and sub-lease in a single time within the lease period.
* Lessee agrees to pay fee of transferring the right of leasehold in the amount of Baht 11 million.
* Lessee agrees to pay monthly rental at the rate of Baht 1.06 million – Baht 1.89 million.

Lease agreement contains certain conditions regarding lessee such as not disposal/transfer of the right under the agreement to another person or use the leasehold as a security for repayment etc.

Such leases are classified as operating lease because the rent paid to lesser is adjusted to rate stipulated in agreement at regular interval. The lessee has to comply with the conditions set out in the agreement. In addition, the lessee has to deliver leased asset to the lesser in the former condition when the expiry of agreement.

# Reclassification of accounts

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

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

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

# Subsequent event

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

# Approval of financial statements

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