# General information

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

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

The Company’s major shareholders who hold more than 10% of total paid share capital as at June 30, 2020 were as follows:

|  |  |  |
| --- | --- | --- |
|  |  | *(% of total paid share capital)* |
| Phahusutr Group |  | 30.08 |

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

Details of the Company’s subsidiaries were as follows:

|  |  |  | **Ownership interest (%)** | |
| --- | --- | --- | --- | --- |
|  |  | **Country of** | **June 30,** | **December 31,** |
| **Name of entity** | **Type of business** | **incorporation** | **2020** | **2019** |
| **Direct subsidiaries** |  |  |  |  |
| 1) SCR Asset Management  Co., Ltd. | Service apartment or real estate development for rental | Thailand | 68.00 | 68.00 |
| 2) Natural Ville Service Apartment and Management Co., Ltd. | Personnel management for hotel, service apartment and other properties | Thailand | 99.97 | 99.97 |
| 3) CSM Capital Partners Co., Ltd. | Service apartment or real estate development for rental | Thailand | 60.00 | 60.00 |
| 4) JT Ten Co., Ltd. \* | Service apartment or real estate development for rental | Thailand | 84.98 | 84.98 |
| 5) PT Three Land Co., Ltd. \* | Service apartment or real estate development for rental | Thailand | 79.98 | 79.98 |
| 6) AN 8 Co., Ltd. \* | Service apartment or real estate development for rental | Thailand | 79.90 | 79.90 |
| 7) SHG Management Co., Ltd | Hotel business management and services | Thailand | 70.00 | 70.00 |

**\*** Not commercial operations yet

# Basis of preparation of interim financial statement

1. **Statement of compliance**

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

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

1. **COVID-19 pandemic**

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

1. **Functional and presentation currency**

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

1. **Use of estimates and judgments**

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

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

# 2.4.1 Measurement of fair value

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

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

If the inputs used to measure the fair value of an asset or liability might be 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 recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

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

1. The consolidated and separate financial statements for the three-month and six-month periods ended June 30, 2020 and 2019 included the investment and share of loss of an associate, which had been accounted for by equity method amounted to Baht 0.01 million and Baht 0.01 million, respectively, in the consolidated financial statements, based on financial statements of such associate, which had been reviewed by management. In addition, the Company had no obligation under the guarantee for such associate and an allowance for impairment of investment in the above mentioned associate was set up as at June 30, 2020 and December 31, 2019 in the amount of Baht 10 million and Baht 10 million, respectively, in the separate financial statements. Please also see note 12 to the interim financial statements. However, the values of the investments in the associate were immaterial.

# Significant accounting policies

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

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

**Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”**

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

* + Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
  + To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1,2020.
  + Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

# Impact of first-time adoption of new accounting standards

This note explains the impact of the adoption of TFRS 9, Financial Instruments and group of financial reporting standards relate to financial instruments, TFRS 15, Revenue from Contracts with Customers and TFRS 16, Leases on the Group and Company’s financial statements and discloses the new accounting policies that have been applied from January 1, 2020 in Note 4.1.

The Group has adopted these accounting policies from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at January 1, 2020.

* 1. **The new accounting policies that have been applied from January 1, 2020**
     1. Financial instruments
* Classification and measurement:
* The classification and measurement of debt instrument financial assets has three classification categories, which are amortized cost, fair value through profit or loss (“FVPL”) and fair value through other comprehensive income (“FVOCI”). Classification of debt assets will be driven by the entity’s business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
* Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognize the fair value change in other comprehensive income without subsequent recycling to profit or loss.
* Financial liabilities are classified and measured at amortized cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
* Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.
* The impairment requirements relating to the accounting for an entity’s expected credit losses on its financial assets measured at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognized. The Group always accounts for expected credit losses which involves a three-stage approach. The stage dictates how the entity measured impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
* The objective of hedge accounting is to represent, in the financial statements, the effect of an entity’s risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.
* Disclosure of classification and measurement of financial assets and liabilities at the end of reporting period.
  + 1. Leases

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

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

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

* 1. **Impacts on the financial information**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | **Consolidated financial information (Unaudited)** | | | | | | |
|  | **December 31, 2019** |  | **TFRS9** |  | **TFRS16** |  | **January 1, 2020** |
| **Statement of financial position** |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |
| Current investments | 609,222 |  | (609,222) |  | - |  | - |
| Other current financial assets | - |  | 609,222 |  | - |  | 609,222 |
| Other current receivables | 106,980 |  | (973) |  | - |  | 106,007 |
| Current retention receivables under construction contracts | 130,269 |  | (6,511) |  | - |  | 123,758 |
| **Non-current assets** |  |  |  |  |  |  |  |
| Available-for-sale investments | 819,368 |  | (819,368) |  | - |  | - |
| Other non-current financial assets | - |  | 819,368 |  | - |  | 819,368 |
| Leasehold right, net | 453,705 |  | - |  | (453,705) |  | - |
| Right-of-use assets, net | - |  | - |  | 1,088,774 |  | 1,088,774 |
| **Total assets** | 2,119,544 |  | (7,484) |  | 635,069 |  | 2,747,129 |
| **Current liabilities** |  |  |  |  |  |  |  |
| Current portion of lease  liabilities, net | - |  | - |  | 42,664 |  | 42,664 |
| **Non-current liabilities** |  |  |  |  |  |  |  |
| Lease liabilities, net | - |  | - |  | 588,715 |  | 588,715 |
| Estimated demolition cost | - |  | - |  | 3,690 |  | 3,690 |
| **Total liabilities** | - |  | - |  | 635,069 |  | 635,069 |
| **Unappropriated retained earnings** | 3,409,801 |  | (7,484) |  | - |  | 3,402,317 |
| **Total equity** | 2,119,544 |  | (7,484) |  | - |  | 2,112,060 |
| **Total liabilities and  shareholders' equity** | 2,119,544 |  | (7,484) |  | 635,069 |  | 2,747,129 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | **Separate financial information (Unaudited)** | | | | | | |
|  | **December 31, 2019** |  | **TFRS9** |  | **TFRS16** |  | **January 1, 2020** |
| **Statement of financial position** |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |
| Current investments | 608,366 |  | (608,366) |  | - |  | - |
| Other current financial assets | - |  | 608,366 |  | - |  | 608,366 |
| Other current receivables | 70,432 |  | (973) |  | - |  | 69,459 |
| Current retention receivables under construction contracts | 130,269 |  | (6,511) |  | - |  | 123,758 |
| **Non-current assets** |  |  |  |  |  |  |  |
| Available-for-sale investments | 819,368 |  | (819,368) |  | - |  | - |
| Other non-current financial assets | - |  | 819,368 |  | - |  | 819,368 |
| Leasehold right, net | 269,672 |  | - |  | (269,672) |  | - |
| Right-of-use assets, net | - |  | - |  | 550,603 |  | 550,603 |
| **Total assets** | 1,898,107 |  | (7,484) |  | 280,931 |  | 2,171,554 |
| **Current liabilities** |  |  |  |  |  |  |  |
| Current portion of lease  liabilities, net | - |  | - |  | 42,664 |  | 42,664 |
| **Non-current liabilities** |  |  |  |  |  |  |  |
| Lease liabilities, net | - |  | - |  | 238,267 |  | 238,267 |
| **Total liabilities** | - |  | - |  | 280,931 |  | 280,931 |
| **Unappropriated retained earnings** | 3,635,442 |  | (7,484) |  | - |  | 3,627,958 |
| **Total equity** | 1,898,107 |  | (7,484) |  | - |  | 1,890,623 |
| **Total liabilities and  shareholders' equity** | 1,898,107 |  | (7,484) |  | 280,931 |  | 2,171,554 |

1. Financial instruments

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

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

Classification and measurement

On January 1, 2020 (the date of initial application), the Group’s management has assessed which business models applied to the financial assets and financial liabilities held by the Group and has classified the financial assets and liabilities as below.

|  |  |  |  | | |  | (Unit: Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial information (Unaudited)** | | | | | | | | |
| **Financial assets** | **FVPL** |  | **Fair value - Derivatives** |  | **FVOCI** |  | **Amortized cost** |  | **Total** |
| **as at January 1, 2020** |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | - |  | - |  | - |  | 926,504 |  | 926,504 |
| Current investments | 586,735 |  | - |  | - |  | 22,478 |  | 609,222 |
| Trade accounts receivables | - |  | - |  | - |  | 894,477 |  | 894,477 |
| Other current receivables | - |  | - |  | - |  | 106,980 |  | 106,980 |
| Retention receivables | - |  | - |  | - |  | 792,343 |  | 792,343 |
| Available-for-sale investments | - |  | - |  | 819,368 |  | - |  | 819,368 |
| Long-term investments | - |  | - |  | - |  | 192 |  | 192 |
| Restricted deposits with  financial institutions | - |  | - |  | - |  | 52,801 |  | 52,801 |
| Other non-current assets | - |  | - |  | - |  | 22,372 |  | 22,372 |
|  | **586,735** |  | **-** |  | **819,368** |  | **2,818,156** |  | **4,224,259** |

|  |  |  |  | | |  | (Unit: Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial information (Unaudited)** | | | | | | | | |
| **Financial liabilities** | **FVPL** |  | **Fair value - Derivatives** |  | **FVOCI** |  | **Amortized cost** |  | **Total** |
| **as at January 1, 2020** |  |  |  |  |  |  |  |  |  |
| Trade accounts payables | - |  | - |  | - |  | 392,563 |  | 392,563 |
| Other current payables | - |  | - |  | - |  | 350,026 |  | 350,026 |
| Other current liabilities | - |  | - |  | - |  | 22,700 |  | 22,700 |
| Long-term loans from financial  institutions | - |  | - |  | - |  | 1,818,604 |  | 1,818,604 |
|  | **-** |  | **-** |  | **-** |  | **2,583,893** |  | **2,583,893** |

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

|  |  |  |  | | |  | (Unit: Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial information (Unaudited)** | | | | | | | | |
| **Financial liabilities** | **FVPL** |  | **Fair value - Derivatives** |  | **FVOCI** |  | **Amortized cost** |  | **Total** |
| **as at January 1, 2020** |  |  |  |  |  |  |  |  |  |
| Trade accounts payables | - |  | - |  | - |  | 378,126 |  | 378,126 |
| Other current payables | - |  | - |  | - |  | 321,197 |  | 321,197 |
| Other current liabilities | - |  | - |  | - |  | 7,308 |  | 7,308 |
|  | **-** |  | **-** |  | **-** |  | **706,631** |  | **706,631** |

Financial assets and liabilities measured at amortised cost approximate fair value.

# Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of TAS 17, Leases. It is the right to use the asset with the value equal to the liabilities under the lease agreement. Adjusted by the amount of payment required to be paid in advance or payable in accordance with the lease agreement recognized in the statement of financial position before the date of first use. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rates. The Group’s weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2020 was range between 3.43 to 4.95 and 6.16, respectively.

|  |  | (Unit: Thousand Baht) | | |
| --- | --- | --- | --- | --- |
|  |  | **Consolidated financial information** |  | **Separate**  **financial information** |
| Operating lease commitments disclosed as at December 31, 2019 (Audited) |  | 1,016,521 |  | 352,552 |
| Less: Short-term leases recognised on a straight-line basis as expenses |  | (10,171) |  | (10,171) |
|  |  |  |  |  |
| Less: Deferred interest expenses |  | (374,971) |  | (61,450) |
| Additional lease liabilities from TFRS 16 adoption |  | 631,379 |  | 280,931 |
| Finance lease liabilities as at December 31, 2019 |  | - |  | - |
| Lease liabilities recognized as at January 1, 2020 (Unaudited) |  | 631,379 |  | 280,931 |
|  |  |  |  |  |
| Of which are: |  |  |  |  |
| Current lease liabilities |  | 42,664 |  | 42,664 |
| Non-current lease liabilities |  | 588,715 |  | 238,267 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | (Unit: Thousand Baht) | | |
|  |  | **Consolidated**  **financial information**  **(Unaudited)** |  | **Separate**  **financial information**  **(Unaudited)** |
| **As at January 1, 2020** |  |  |  |  |
| Land |  | 578,645 |  | 40,474 |
| Building and building improvement |  | 477,782 |  | 477,782 |
| Vehicles |  | 32,347 |  | 32,347 |
| Total right-of-use assets |  | 1,088,774 |  | 550,603 |

# Seasonal operations

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

# Related parties

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

Relationships with related parties were as follows:

| **Name of entities** | | **Country of incorporation/ nationality** | **Nature of relationships** |
| --- | --- | --- | --- |
| **Subsidiaries** | |  |  |
| 1. | SCR Asset Management Co., Ltd. | Thailand | Subsidiary, 68% shareholding, and some common directors |
| 2. | Natural Ville Service Apartment  and Management Co., Ltd. | Thailand | Subsidiary, 99.97% shareholding and some common directors |
| 3. | CSM Capital Partners Co., Ltd. | Thailand | Subsidiary, 60% shareholding and some common directors |
| 4. | JT Ten Co., Ltd. | Thailand | Subsidiary, 84.98% shareholding and some common directors |
| 5. | PT Three Land Co., Ltd. | Thailand | Subsidiary, 79.98% shareholding and some common directors |
| 6. | AN 8 Co., Ltd. | Thailand | Subsidiary, 79.90% shareholding and some common directors |
| 7. | SHG 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 Cafe Co., Ltd. | Thailand | Related company, directors related to the director of the Company |
| 9. | Safe Series Co., Ltd. | Thailand | Related company, shareholder as a key management personnel of the Company |
| 10. | Wrightman Corporation Co., Ltd. | Thailand | Related company, indirect held |
| 11. | Mankongsangtong Holding Co., Ltd. | Thailand | Related company, common shareholders |
| 12. | Thonglor Management Co., Ltd. | Thailand | Related company, shareholder related to the Company’s directors |
| 13. | Wealthy Living Co.,Ltd. | Thailand | Related company, shareholder related to the Company’s directors |
| 14. | Chuaphaibul Steel Co., Ltd. | Thailand | Related company, directors related to the director or shareholder of the Company |
| 15. | Wrightman Restaurant Co., Ltd. | Thailand | Related company, some common shareholder |
| 16. | Thai Roong Ruang Industry Co., Ltd. | Thailand | Related company, shareholder and director related to the shareholders and directors of the Company |
| 17. | TRR Property Co., Ltd. | Thailand | Related company, shareholder and director as the shareholder and director of the subsidiary |
| 18. | CSNJ Patong 3 Co., Ltd. | Thailand | Related company, shareholder related to the Company’s directors |
| **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 invoices (cost price) |
| 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 |
| Land rental | Contract price on the basis determined by the related concerned which approximated the market rate |
| Interest expenses | MLR – 2.75 per annum |
| Directors benefit expenses represented meeting allowance and director bonus | Approval from the Company’s directors and shareholders |
| Directors and management benefit expenses represented salary and bonus | Approval from the Company’s directors and shareholders |

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

|  |  | | | | | |  | | (Unit : Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | For three-month period | | | | | | | | | | | | | |
|  | Consolidated | | | | | |  | | Separate | | | | | |
|  | 2020 | |  | | 2019 | |  | | 2020 | |  | | 2019 | |
| **Revenue** |  | |  | |  | |  | |  | |  | |  | |
| **Subsidiaries** |  | |  | |  | |  | |  | |  | |  | |
| Contract revenues | - | |  | | - | |  | | - | |  | | - | |
| Rendering of service and others | - | |  | | - | |  | | 900 | |  | | 2,347 | |
| Interest income | - | |  | | - | |  | | 600 | |  | | 710 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **Related companies** |  | |  | |  | |  | |  | |  | |  | |
| Contract revenues | 66,992 | |  | | 270,731 | |  | | 66,992 | |  | | 270,731 | |
| Rental and service expenses | 1,086 | |  | | 1,095 | |  | | 1,086 | |  | | 1,095 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **Expenses** |  | |  | |  | |  | |  | |  | |  | |
| **Subsidiaries** |  | |  | |  | |  | |  | |  | |  | |
| Cost of service | - | |  | | - | |  | | 3,846 | |  | | 6,803 | |
| **Related companies** |  | |  | |  | |  | |  | |  | |  | |
| Contract costs | 30,472 | |  | | 36,333 | |  | | 30,472 | |  | | 36,333 | |
| Cost of service | 2,939 | |  | | 8,054 | |  | | 251 | |  | | 3,616 | |
| Space rental and services | 1,158 | |  | | 695 | |  | | 1,158 | |  | | 695 | |
| Other service expenses | 133 | |  | | 642 | |  | | 133 | |  | | 642 | |
| Purchase of steel | 11,180 | |  | | 36,022 | |  | | 11,180 | |  | | 36,022 | |
| **Related Persons** |  | |  | |  | |  | |  | |  | |  | |
| Consulting fee for security system | 900 | |  | | 900 | |  | | 900 | |  | | 900 | |
| Land rental expense | - | |  | | 19 | |  | | - | |  | | 19 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **Key management personnel** |  | |  | |  | |  | |  | |  | |  | |
| Key management personnel compensation |  | |  | |  | |  | |  | |  | |  | |
| Short-term employee benefits | 10,426 | |  | | 11,484 | |  | | 10,426 | |  | | 11,484 | |
| Post-employment benefits | 172 | |  | | 3,377 | |  | | 172 | |  | | 3,377 | |
| Total key management personnel compensation | 10,598 | |  | | 14,861 | |  | | 10,598 | |  | | 14,861 | |
|  | |  | | | | | |  | | (Unit : Thousand Baht) | | | | | |
|  | | For six-month period | | | | | | | | | | | | | |
|  | | Consolidated | | | | | |  | | Separate | | | | | |
|  | | 2020 | |  | | 2019 | |  | | 2020 | |  | | 2019 | |
| **Revenue** | |  | |  | |  | |  | |  | |  | |  | |
| **Subsidiaries** | |  | |  | |  | |  | |  | |  | |  | |
| Contract revenues | | - | |  | | - | |  | | - | |  | | 5,842 | |
| Rendering of service and others | | - | |  | | - | |  | | 3,059 | |  | | 4,794 | |
| Interest income | | - | |  | | - | |  | | 1,454 | |  | | 1,178 | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Related companies** | |  | |  | |  | |  | |  | |  | |  | |
| Contract revenues | | 116,293 | |  | | 359,374 | |  | | 116,293 | |  | | 359,374 | |
| Rental and service expenses | | 2,154 | |  | | 2,191 | |  | | 2,154 | |  | | 2,191 | |
| Other service expenses | | - | |  | | 800 | |  | | - | |  | | - | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Expenses** | |  | |  | |  | |  | |  | |  | |  | |
| **Subsidiaries** | |  | |  | |  | |  | |  | |  | |  | |
| Cost of service | | - | |  | | - | |  | | 9,929 | |  | | 12,648 | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Related companies** | |  | |  | |  | |  | |  | |  | |  | |
| Contract costs | | 84,328 | |  | | 89,256 | |  | | 84,328 | |  | | 89,256 | |
| Cost of service | | 8,208 | |  | | 17,011 | |  | | 1,278 | |  | | 8,333 | |
| Space rental and services | | 1,389 | |  | | 1,389 | |  | | 1,389 | |  | | 1,389 | |
| Other service expenses | | 406 | |  | | 5,788 | |  | | 406 | |  | | 5,788 | |
| Purchase of steel | | 31,839 | |  | | 67,932 | |  | | 31,839 | |  | | 67,932 | |
| **Related Persons** | |  | |  | |  | |  | |  | |  | |  | |
| Consulting fee for security system | | 1,800 | |  | | 1,800 | |  | | 1,800 | |  | | 1,800 | |
| Land rental expense | | - | |  | | 38 | |  | | - | |  | | 38 | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Key management personnel** | |  | |  | |  | |  | |  | |  | |  | |
| Key management personnel compensation | |  | |  | |  | |  | |  | |  | |  | |
| Short-term employee benefits | | 25,380 | |  | | 26,507 | |  | | 25,380 | |  | | 26,507 | |
| Post-employment benefits | | 895 | |  | | 3,853 | |  | | 895 | |  | | 3,853 | |
| Total key management personnel compensation | | 26,275 | |  | | 30,360 | |  | | 26,275 | |  | | 30,360 | |

Balance as at June 30, 2020 and December 31, 2019 with related parties were as follows:

|  |  | | |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| **Assets** |  |  |  |  |  |  |  |
| **Trade accounts receivables - related parties** |  |  |  |  |  |  |  |
| Related companies | 4,419 |  | 74,344 |  | 4,419 |  | 74,344 |
| Total | 4,419 |  | 74,344 |  | 4,419 |  | 74,344 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Retention receivables under construction contracts - related parties** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 3,100 |  | 3,100 |
| Related companies | 52,425 |  | 48,234 |  | 52,425 |  | 48,234 |
| Total | 52,425 |  | 48,234 |  | 55,525 |  | 51,334 |
|  |  |  |  |  |  |  |  |
| **Other current receivables and advances** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 3,203 |  | 18,095 |
| Related companies | 41 |  | 83 |  | 41 |  | 83 |
| Related persons | 1,861 |  | 1,651 |  | 1,861 |  | 1,651 |
| Total | 1,902 |  | 1,734 |  | 5,105 |  | 19,829 |
| Less allowance for doubtful accounts | - |  | - |  | - |  | - |
| Net | 1,902 |  | 1,734 |  | 5,105 |  | 19,829 |
| **Unbilled construction in progress - related parties** |  |  |  |  |  |  |  |
| Related companies | 18,720 |  | - |  | 18,720 |  | - |
| **Short-term loans to related parties** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 85,000 |  | 98,000 |
| **Other non-current financial assets** |  |  |  |  |  |  |  |
| **Equity securities** |  |  |  |  |  |  |  |
| Related companies | 714,128 |  | - |  | 714,128 |  | - |
| **Liabilities** |  |  |  |  |  |  |  |
| **Trade accounts payable - related parties** |  |  |  |  |  |  |  |
| Related companies | 4,429 |  | 25,321 |  | 3,507 |  | 25,321 |
|  |  |  |  |  |  |  |  |
| **Other current payables - related parties** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 16,191 |  | 16,084 |
| Related companies | 4,878 |  | 2,567 |  | 2,681 |  | 769 |
| Total | 4,878 |  | 2,567 |  | 18,872 |  | 16,853 |
| **Advance received from customers under construction contracts - related parties** |  |  |  |  |  |  |  |
| Related companies | 3,001 |  | 10,239 |  | 3,001 |  | 10,239 |
| **Retention payables from subcontractors - related parties** |  |  |  |  |  |  |  |
| Related companies | 7,098 |  | 7,544 |  | 7,098 |  | 7,544 |
| **Lease liabilities - related parties** |  |  |  |  |  |  |  |
| Related companies | 220,978 |  | - |  | - |  | - |

Movements of short - term loans to related parties for the six - month periods ended June 30, 2020 were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | (Unit : Thousand Baht) | | | |
|  | | Separate | | | |
|  |  | Balance as at January, 1 | During the period | | Balance as at June, 30 |
|  | Relationship | 2020 | Increase | Decrease | 2020 |
| **Loan to related parties** |  |  |  |  |  |
| CSM Capital Partners Co., Ltd. | Subsidiary | 10,000 | 5,000 | - | 15,000 |
| SCR Asset Management Co., Ltd. | Subsidiary | 83,000 | 5,000 | (18,000) | 70,000 |
| JT Ten Co., Ltd. | Subsidiary | 5,000 | - | (5,000) | - |
|  |  | 98,000 | 10,000 | (23,000) | 85,000 |

As at June 30, 2020 and December 31, 2019, the Company had short-term loans to a subsidiary (“CSM Capital Partners Co., Ltd.”) of Baht 15 million and Baht 10 million, respectively, represented short-term loans under 4 loan agreements, requiring payable on demand. The principal and interest will be repaid within 3 years, interest charged at MLR-2.75% per annum.

As at June 30, 2020 and December 31, 2019, the Company had short-term loans to a subsidiary (“SCR Asset Management Co., Ltd.”) of Baht 70 million and Baht 83 million represented short-term loans under 13 loan agreements, requiring payable on demand. The principal and interest will be repaid within 1 year, interest charged at MLR-2.75% per annum.

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

**The commitments with related parties**

The Ordinary General Meeting of Shareholders of the Company held on April 30, 2020, resolved the approval of Directors’ remunerations for the year 2020 which were represented the meeting allowance of Baht 18,000 per time per head, and the annual audit committee directors’ remunerations of Baht 310,000 per head.

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

# Other current financial assets

|  | (Unit : Thousand Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | |
|  | June 30, 2020 | | |  | December 31, 2019 | | |
|  | Cost |  | Fair value |  | Cost |  | Fair value |
| **Other current financial assets** |  |  |  |  |  |  |  |
| Premium savings | 22,573 |  | 22,573 |  | - |  | - |
| Fixed Deposit | 90,000 |  | 90,000 |  | - |  | - |
| Mutual fund – debt securities | 548,355 |  | 549,618 |  | - |  | - |
| **Total** | **660,928** |  | **662,191** |  | **-** |  | **-** |

|  | (Unit : Thousand Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate | | | | | | |
|  | June 30, 2020 | | |  | December 31, 2019 | | |
|  | Cost |  | Fair value |  | Cost |  | Fair value |
| **Other current financial assets** |  |  |  |  |  |  |  |
| Premium savings | 22,573 |  | 22,573 |  | - |  | - |
| Fixed Deposit | 90,000 |  | 90,000 |  | - |  | - |
| Mutual fund – debt securities | 547,500 |  | 548,757 |  | - |  | - |
| **Total** | **660,073** |  | **661,330** |  | **-** |  | **-** |

As at June 30, 2020 and December 31, 2019, investments in mutual fund – debt securities of the Company amounted to Baht 80 million and Baht 54 million, respectively, had been used as collateral for liabilities under letter of guarantee with two domestic commercial banks.

# Trade accounts receivables

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Related companies | 4,419 |  | 74,344 |  | 4,419 |  | 74,344 |
| Other parties | 769,492 |  | 951,815 |  | 761,302 |  | 939,361 |
| Total | 773,911 |  | 1,026,159 |  | 765,721 |  | 1,013,705 |
| Less allowance for doubtful accounts | (131,682) |  | (131,682) |  | (128,778) |  | (128,778) |
| **Net** | **642,229** |  | **894,477** |  | **636,943** |  | **884,927** |

Aging analyses for trade accounts receivables were as follows:

|  |  | | |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Within credit terms | 361,874 |  | 605,518 |  | 359,803 |  | 599,256 |
| Still litigation | 160,758 |  | 155,994 |  | 155,994 |  | 155,994 |
| Overdue: |  |  |  |  |  |  |  |
| * Less than 3 months | 214,197 |  | 148,576 |  | 212,814 |  | 147,270 |
| * Over 3 months to 6 months | 10,443 |  | 24,528 |  | 10,428 |  | 24,416 |
| * Over 6 months to 12 months | 26,639 |  | 85,332 |  | 26,682 |  | 82,748 |
| * Over 12 months | - |  | 6,211 |  | - |  | 4,021 |
| Total overdue | 251,279 |  | 264,647 |  | 249,924 |  | 258,455 |
| **Total** | **773,911** |  | **1,026,159** |  | **765,721** |  | **1,013,705** |

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

# Retentions receivables under construction contracts

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Related companies | 52,425 |  | 48,234 |  | 55,525 |  | 51,334 |
| Other parties | 796,222 |  | 764,271 |  | 796,223 |  | 764,271 |
| Total | 848,647 |  | 812,505 |  | 851,748 |  | 815,605 |
| Less allowance for doubtful accounts | (26,673) |  | (20,162) |  | (26,673) |  | (20,162) |
| **Net** | **821,974** |  | **792,343** |  | **825,075** |  | **795,443** |
|  |  |  |  |  |  |  |  |
| Current | 194,093 |  | 130,269 |  | 194,093 |  | 130,269 |
| Non-current | 627,881 |  | 662,074 |  | 630,982 |  | 665,174 |
| **Total** | **821,974** |  | **792,343** |  | **825,075** |  | **795,443** |

# Unbilled construction in progress

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Related companies | 18,720 |  | - |  | 18,720 |  | - |
| Other parties | 628,503 |  | 931,428 |  | 628,503 |  | 931,428 |
| Total | 647,223 |  | 931,428 |  | 647,223 |  | 931,428 |
| Less allowance for doubtful accounts | (14,342) |  | (14,342) |  | (14,342) |  | (14,342) |
| **Net** | **632,881** |  | **917,086** |  | **632,881** |  | **917,086** |

|  |  | | |  | (Unit : Million Baht) | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Construction project contracts amount | 47,078 |  | 44,995 |  | 47,078 |  | 44,995 |
|  |  |  |  |  |  |  |  |
| Contract revenue recognized as revenue since |  |  |  |  |  |  |  |
| commencing date to present | 40,501 |  | 36,395 |  | 40,501 |  | 36,395 |
| Less progress billings (as invoices) | (39,956) |  | (35,566) |  | (39,956) |  | (35,566) |
| Unbilled construction in progress | 545 |  | 829 |  | 545 |  | 829 |
| Unbilled construction in progress |  |  |  |  |  |  |  |
| (in litigation) | 102 |  | 102 |  | 102 |  | 102 |
| Unbilled construction in progress at |  |  |  |  |  |  |  |
| the end of period | 647 |  | 931 |  | 647 |  | 931 |
| Less allowance for doubtful accounts | (14) |  | (14) |  | (14) |  | (14) |
| **Net** | **633** |  | **917** |  | **633** |  | **917** |
| Excess of progress billing over work in progress | (522) |  | (635) |  | (522) |  | (635) |
| **Net** | **111** |  | **282** |  | **111** |  | **282** |

# Inventories

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit : Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Construction materials | 138,487 |  | 118,201 |  | 138,487 |  | 118,201 |
| Spare parts and supplies | 14,568 |  | 15,381 |  | 13,911 |  | 14,642 |
| **Total** | **153,055** |  | **133,582** |  | **152,398** |  | **132,843** |

# Investments in associate

Movements of investments in associate during the six-month periods ended June 30, 2020 were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | |
|  | Consolidated |  | Separate |
| At January 1, 2020 | 130 |  | - |
| Share of losses of investments from equity method | (28) |  | - |
|  |  |  |  |
| Less allowance for devaluation of investments | - |  | - |
| **At June 30, 2020** | **102** |  | **-** |

# Investments in subsidiaries

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | (Unit : Thousand Baht) | | |
| **Company’s name** |  | **Paid-up Share Capital** | | |  | **Cost** | | |
|  |  | June 30,  2020 |  | December 31,  2019 |  | June 30,  2020 |  | December 31,  2019 |
|  |  | Million Baht |  | Million Baht |  |  |  |  |
| SCR Asset Management Co., Ltd. |  | 600 |  | 600 |  | 408,064 |  | 408,064 |
| Natural Ville Service Apartment  and Management Co., Ltd. |  | 2 |  | 2 |  | 2,000 |  | 2,000 |
| CSM Capital Partners Co., Ltd. |  | 1,225 |  | 1,175 |  | 735,000 |  | 705,000 |
| PT Three Land Co., Ltd. |  | 120 |  | 120 |  | 95,976 |  | 95,976 |
| JT Ten Co., Ltd. |  | 140 |  | 100 |  | 118,972 |  | 84,980 |
| AN 8 Co., Ltd. |  | 130 |  | 130 |  | 103,870 |  | 103,870 |
| SHG Co., Ltd. |  | 4 |  | 4 |  | 2,800 |  | 2,800 |
| **Total** |  |  |  |  |  | **1,466,682** |  | **1,402,690** |

The Extraordinary General Meeting of the subsidiary company ("CMS Capital Partners Public Co., Ltd"),   
held on April 9, 2020, received important approval to increase the registered capital of the subsidiary company from Baht 1,175 million to Baht 1,225 million in order to repay the principal in accordance with the loan conditions with a local commercial bank. The subsidiary company registered the capital increase with the Ministry of Commerce on April 20, 2020.

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

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.

# Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended June 30, 2020 were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | |
|  | Consolidated |  | Separate |
| Net book value at January 1, 2020 | 3,465,876 |  | 688,189 |
| Acquisition and transfer in – at cost | 32,391 |  | 25,263 |
| Disposal | (1,920) |  | (1,920) |
| Depreciation for the period | (144,707) |  | (71,990) |
| **Net book value at June 30, 2020** | **3,351,640** |  | **639,542** |

Pledge:

As at June 30, 2020, land, buildings and building improvement of the Company in the carrying amount of Baht 104 million including indemnity from insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks.

As at June 30, 2020, land with existing structures of the subsidiary (SCR Asset Management Co., Ltd) in the carrying amount of Baht 764 million and structures to be constructed in the future was mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 620 million.

As at June 30, 2020, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co., Ltd) in the carrying amount of Baht 1,664 million were mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 1,150 million.

# Right-of-use assets, net

|  |  |  |  |
| --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | |
|  | Consolidated |  | Separate |
| **For the six-month periods ended June 30,2020** |  |  |  |
| Opening net book value (Audited) | - |  | - |
| Adjustment from adoption of TFRS 16 on January 1, 2020 (Note 4) | 1,088,774 |  | 550,603 |
| Right-of-use assets - Increase | 12,059 |  | 10,743 |
| Depreciation | (45,038) |  | (36,154) |
| Closing net book value (Unaudited) | **1,055,795** |  | **525,192** |

# Leasehold right

|  |  |  |  |
| --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | |
|  | Consolidated |  | Separate |
| Net book value at January 1, 2020 | 453,705 |  | 269,672 |
| Adjustment from adoption of TFRS 16 on January 1, 2020  (Note 4) | (453,705) |  | (269,672) |
| **Net book value at June 30, 2020** | **-** |  | **-** |

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.

# Trade accounts payables

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Related companies | 4,429 |  | 25,321 |  | 3,507 |  | 25,321 |
| Other parties | 421,528 |  | 367,242 |  | 410,120 |  | 352,805 |
| **Total** | **425,957** |  | **392,563** |  | **413,627** |  | **378,126** |

# Other current payables

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Related companies | 4,878 |  | 2,567 |  | 18,872 |  | 16,853 |
| Other parties | 364,897 |  | 347,459 |  | 321,523 |  | 304,344 |
| **Total** | **369,775** |  | **350,026** |  | **340,395** |  | **321,197** |
| **Other parties** |  |  |  |  |  |  |  |
| Other payables | 19,061 |  | 22,854 |  | 3,366 |  | 5,048 |
| Accrued value added tax | 30,966 |  | 2,292 |  | 29,668 |  | 297 |
| Accrued withholding tax | 7,597 |  | 12,267 |  | 7,539 |  | 11,951 |
| Other accrued expenses | 107,605 |  | 156,764 |  | 81,282 |  | 133,766 |
| Accrued estimated construction cost | 199,668 |  | 153,282 |  | 199,668 |  | 153,282 |
| **Total** | **364,897** |  | **347,459** |  | **321,523** |  | **304,344** |

# Retention payables from subcontractors

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30,  2020 |  | December 31, 2019 |  | June 30,  2020 |  | December 31, 2019 |
| Related companies | 7,098 |  | 7,544 |  | 7,098 |  | 7,544 |
| Other parties | 365,230 |  | 337,652 |  | 365,230 |  | 337,652 |
| **Total** | **372,328** |  | **345,196** |  | **372,328** |  | **345,196** |

# Long-term loans

As at June 30, 2020 and December 31, 2019, the Company has a Long-term loans as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  |  |  |  |  |  |
| Long-term loans | 1,634,882 |  | 1,818,604 |  | - |  | - |
| (Profit) loss from changes in contract terms | (6,047) |  | - |  | - |  | - |
| Addition (deduction) the principal based on effective real interest rate method | (1,538) |  | - |  | - |  | - |
| At June 30, 2020 | 1,627,297 |  | 1,818,604 |  | - |  | - |
| Less current portion of long-term loans | - |  | (737,900) |  | - |  | - |
| Less long-term in default | (1,627,297) |  | - |  | - |  | - |
| **Net** | **-** |  | **1,080,704** |  | **-** |  | **-** |

The movements of long-term loans for the six-month period ended June 30, 2020 are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  |  |  |  |  |  |
| At January 1, 2020 | 1,818,604 |  | 1,937,073 |  | - |  | - |
| Addition | - |  | 31,800 |  | - |  | - |
| Deduction | (183,722) |  | (150,269) |  | - |  | - |
| At June 30, 2020 | 1,634,882 |  | 1,818,604 |  | - |  | - |

**Loans from domestic financial institution**

1. On December 2, 2014, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a domestic financial institution in credit line of Baht 390.70 million. As of June 30, 2020, it was fully withdrawn, requiring monthly repayable interest from the date of the first drawdown and requiring monthly repayable principal within 10 years and 6 months. The first repayment shall be in 31st month of Baht 1.90 million to Baht 6.40 million. These loans were secured by 2 plots of land including structures, existing at the present and to be constructed in the future are mortgaged as collateral under the mortgage agreement dated December 15, 2017.

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

On September 23, 2013, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a local financial institution in credit line of Baht 224 million. As of June 30, 2020, loan was completely drawdown in the amount of Baht 206 million because the project is completed, requiring monthly repayable principal with interest within 8 years and 6 months. The first repayment at nineteenth month of Baht 1.3 million to Baht 4 million. These loans were secured by 11 plots of land including structures, existing at the present and to be constructed in the future are mortgaged as collateral under the mortgage agreement dated June 12, 2014 in the credit line amounting to Baht 229 million.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Financial ratio per  agreements |  | Financial ratio as at  June 30, 2020 |
| Financial ratio (DSCR) |  | Not less than 1.1 |  | 0.14 |

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

On April 27, 2020, Domestic financial institutions has approved to change the terms of the loan agreement. According to the objectives of the subsidiary that requested the domestic financial institutions to relax the conditions for repayment of the original loan agreements, the details are as follows:

Credit line of Baht 390.70 million

1. The Company agrees to pay only interest for a period of 6 months starting from July 2020 to December 2020.  
2. The Company agrees to repay the principal amounting to Baht 390.70 million to the domestic financial institutions within a period of 96 months, starting from January 2021 to December 2028.

Credit line of Baht 224 million

1. The Company agrees to pay only interest for a period of 6 months starting from May 2020 to October 2020.  
2. The Company agrees to repay the principal amounting to Baht 94.18 million to the domestic financial institutions within a period of 28 months, starting from November 2020 to February 2023.

As of the date of the modification of loan agreements, the subsidiary had loss from the modification amounting to Baht 3.80 million.

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

On April 28, 2020, the subsidiary (“CSM Capital Partners Co., Ltd.”) had entered into the 2 loan agreement with a domestic commercial bank in credit line of Baht 150 million and Baht 1,000 million, respectively. The purpose of the loan agreements is to repay the original loan agreements of April 7, 2016, the details are as follows:

Credit line of Baht 150 million

The repayment of principal and payment of interest shall be paid within 2 years from the date of the first drawdown. The interest rate is charged at MLR-2.48 per annum.

Credit line of Baht 1,000 million

The repayment of principal and payment of interest shall be paid within 10 years from the date of the first drawdown. The interest rate is charged at MLR-2.25 to MLR-2.48 per annum.

As of the date of the modification of loan agreements, the subsidiary had profit from the modification amounting to Baht 9.85 million.

The loan agreements were secured by Eight Thonglor Residences Project of 137 units.

Under the above loan agreements contain certain restrictive conditions such as increasing authorized shares, opening an DSRA account (Debt Service Reserve Account) with the bank amount of Baht 20 million and maintaining debt to equity ratio, and the events of default of agreement or non-compliance with loan agreements that assumes to be default. This may entitle the bank has the right to accelerate the subsidiary repay all outstanding immediately. The loan agreements also require the subsidiary to maintain debt service coverage ratio (DSCR) not less than 1.1. In addition, the agreement determines certain financial ratios of the Company as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Financial ratio per  agreements |  | Financial ratio as at  June 30, 2020 |
| Debt to equity ratio |  | Not more than 2.00 |  | 1.39 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Financial ratio per  agreements |  | Financial ratio as at  June 30, 2020 |
| Financial ratio (DSCR) |  | Not less than 1.1 |  | 0.80 |

# Provisions

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | (Unit: Thousand Baht) | | |
|  | Consolidated | | |  | Separate | | |
|  | June 30, |  | December 31, |  | June 30, |  | December 31, |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Provision for the estimating costs of rectification and guarantee work | 11,969 |  | 10,255 |  | 11,969 |  | 10,255 |
| Provision for litigation | 29,039 |  | 28,210 |  | 29,039 |  | 28,210 |
| Estimated demolition cost | 3,690 |  | - |  | - |  | - |
| **Total** | **44,698** |  | **38,465** |  | **41,008** |  | **38,465** |
|  |  |  |  |  |  |  |  |
| Current | 11,969 |  | 10,255 |  | 11,969 |  | 10,255 |
| Non-current | 32,729 |  | 28,210 |  | 29,039 |  | 28,210 |
| **Total** | **44,698** |  | **38,465** |  | **41,008** |  | **38,465** |

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | | | | | | | | | | | | |
|  | Consolidated | | | | | | | | | | | | | | |
|  | Provision for the estimating costs of rectification and  guarantee work | | |  | Provision for litigation | | |  | Estimated demolition cost | | |  | Total | | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 | |
| At January 1 | 10,255 |  | 8,024 |  | 28,210 |  | 58,465 |  | - |  | - |  | 38,465 |  | 66,489 | |
| Provision increased | 6,054 |  | 11,800 |  | 829 |  | 819 |  | 3,690 |  | - |  | 10,573 |  | 12,619 | |
| Reversal | - |  | (1,826) |  | - |  | (20,813) |  | - |  | - |  | - |  | (22,639) | |
| Payment of provision | (4,340) |  | (6,719) |  | - |  | (11,098) |  | - |  | - |  | (4,340) |  | (17,817) | |
| **At June 30** | **11,969** |  | **11,279** |  | **29,039** |  | **27,373** |  | **3,690** |  | - |  | **44,698** |  | **38,652** | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | | | | | | | | | |
|  | Separate | | | | | | | | | | | |
|  | Provision for the estimating costs of rectification and  guarantee work | | |  | Provision for litigation | | |  | | Total | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 | |  | 2019 |
| At January 1 | 10,255 |  | 8,024 |  | 28,210 |  | 58,465 |  | 38,465 | |  | 66,489 |
| Provision increased | 6,054 |  | 11,800 |  | 829 |  | 819 |  | 6,883 | |  | 12,619 |
| Reversal | - |  | (1,826) |  | - |  | (20,813) |  | - | |  | (22,639) |
| Payment of provision | (4,340) |  | (6,719) |  | - |  | (11,098) |  | (4,340) | |  | (17,817) |
| **At June 30** | **11,969** |  | **11,279** |  | **29,039** |  | **27,373** |  | **41,008** | |  | **38,652** |

# 

# Treasury shares *and* Treasury shares reserve

**Treasury shares**

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

As at June 30, 2020 and December 31, 2019 the Company held 9.04 million of the Company’s shares, comprising 0.57% of the Company’s issued share capital, at a total cost of Baht 22.90 million.

In 2018, the Board of Directors of the Company approved a treasury share plan (“Plan”) to re-purchase not more than 3.70%, or 60 million shares, of the Company’s shares then in issue. The purpose of the Plan is to manage   
the Company’s excess liquidity. The maximum amount approved for share purchase under the Plan is Baht 200 million and the price to be paid for the shares is not to exceed 115% of the average closing price on the Stock Exchange of Thailand (SET) over the 5 trading days before each share purchase is made. The Company could purchase the shares through the SET during the period from December 17, 2018 to June 16, 2019. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

**Treasury shares reserve**

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

# Segment information

**Information about reportable segments:**

|  |  | | |  | |  | | | |  | | (Unit: Million Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Segment 1 | | |  | | Segment 2 | | | |  | | Segment 3 | | | |  | | Total reportable segment | | | | |
|  | 2020 |  | 2019 | |  | | 2020 |  | 2019 | |  | | 2020 |  | 2019 | |  | | 2020 |  | | 2019 | |
| **For the three-month period** |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **ended June 30** |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| Revenues from customer |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| * External | 1,757 |  | 1,892 | |  | | 56 |  | 113 | |  | | - |  | - | |  | | 1,813 |  | 2,005 | | |
| * Inter - segments | 2 |  | 4 | |  | | 1 |  | - | |  | | 4 |  | 8 | |  | | 7 |  | 12 | | |
| * Eliminated | (2) |  | (4) | |  | | (1) |  | - | |  | | (4) |  | (8) | |  | | (7) |  | (12) | | |
| **Total revenue** | **1,757** |  | **1,892** | |  | | **56** |  | **113** | |  | | **-** |  | **-** | |  | | **1,813** |  | **2,005** | | |
|  |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **Segment profit (loss)** |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **before income tax** | **76** |  | **116** | |  | | **(51)** |  | **(36)** | |  | | **(5)** |  | **(6)** | |  | | **20** |  | **74** | | |
|  |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **For the six-month period** |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **ended June 30** |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| Revenues from customer |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| * External | 3,774 |  | 3,760 | |  | | 140 |  | 239 | |  | | 3 |  | 1 | |  | | 3,917 |  | 4,000 | | |
| * Inter - segments | 5 |  | 6 | |  | | 1 |  | - | |  | | 10 |  | 14 | |  | | 16 |  | 20 | | |
| * Eliminated | (5) |  | (6) | |  | | (1) |  | - | |  | | (10) |  | (14) | |  | | (16) |  | (20) | | |
| **Total revenue** | **3,774** |  | **3,760** | |  | | **140** |  | **239** | |  | | **3** |  | **1** | |  | | **3,917** |  | **4,000** | | |
|  |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **Segment profit (loss)** |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **Before Income tax** | **209** |  | **226** | |  | | **(87)** |  | **(51)** | |  | | **(11)** |  | **(12)** | |  | | **111** |  | **163** | | |
|  |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **Segment assets as at** | |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **June 30 / December 31** | **6,581** |  | **6,243** | |  | | **3,941** |  | **3,996** | |  | | **5** |  | **9** | |  | | **10,527** |  | **10,248** | | |
|  |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **Segment liabilities as at** |  |  |  | |  | |  |  |  | |  | |  |  |  | |  | |  |  |  | | |
| **June 30 / December 31** | **2,231** |  | **2,075** | |  | | **2,089** |  | **1,928** | |  | | **6** |  | **5** | |  | | **4,326** |  | **4,008** | | |

Reconciliation of reportable segment profit or loss and assets

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

|  | (Unit: Million Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | | | | | |
|  | For the three-month period | | |  | For the six-month period | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| **Profit or loss** |  | | | | | | |
| Total profit for reportable segments | 20 |  | 74 |  | 111 |  | 178 |
| Elimination of inter-segment profits | - |  | - |  | - |  | (15) |
| **Profit before income tax** | **20** |  | **74** |  | **111** |  | **163** |

|  | (Unit: Million Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | |  | Separate | | |
|  | June |  | December |  | June |  | December |
|  | 30, 2020 |  | 31, 2019 |  | 30, 2020 |  | 31, 2019 |
| **Assets** |  | | | | | | |
| Segmental assets | 7,175 |  | 6,782 |  | 6,046 |  | 5,884 |
| Investments in subsidiaries | - |  | - |  | 1,467 |  | 1,403 |
| Property, plant and equipment | 3,352 |  | 3,466 |  | 640 |  | 688 |
| Total assets | **10,527** |  | **10,248** |  | **8,153** |  | **7,975** |

# Earnings per share

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (in thousands Baht / thousands shares) | | | | | | |
|  | For the three-month period | | | | | | |
|  | Consolidated | | |  | Separate | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Profit for the period attributable to |  |  |  |  |  |  |  |
| shareholders of the Company (basic) | 37,965 |  | 67,213 |  | 73,210 |  | 94,549 |
| Number of ordinary shares outstanding | 1,590,957 |  | 1,595,491 |  | 1,590,957 |  | 1,595,491 |
| **Basic earnings per share (in Baht)** | **0.02** |  | **0.04** |  | **0.05** |  | **0.06** |
|  |  |  |  |  |  |  |  |
|  | (in thousands Baht / thousands shares) | | | | | | |
|  | For the six-month period | | | | | | |
|  | Consolidated | | |  | Separate | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
| Profit for the period attributable to |  |  |  |  |  |  |  |
| shareholders of the Company (basic) | 122,612 |  | 133,667 |  | 184,330 |  | 158,232 |
| Number of ordinary shares outstanding | 1,590,957 |  | 1,595,491 |  | 1,590,957 |  | 1,595,491 |
| **Basic earnings per share (in Baht)** | **0.08** |  | **0.08** |  | **0.12** |  | **0.10** |

# Dividends

Year 2020: -

On April 30, 2020, the annual general meeting of shareholders approved the payment of dividend at the rate of Baht 0.05 per share, totaling Baht 79.54 million on May 29, 2020.

Year 2019: -

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

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

# Financial instruments

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

|  | (Unit: Million Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated | | | | | | | | | | |
|  | Carrying |  | | Fair Value | | | | | |  |  |
|  | amount |  | | Level 1 |  | Level 2 |  | Level 3 | |  | Total |
| **June 30, 2020:** |  |  | |  |  |  |  |  | |  |  |
| **Asset** |  |  | |  |  |  |  |  | |  |  |
| **Financial assets measured at Fair value through profit or loss** |  |  | |  |  |  |  |  | |  |  |
| Mutual fund - debt securities | 550 |  | | 550 |  | - |  | - | |  | 550 |
| **Financial assets measured at fair value through other  comprehensive income** |  |  | |  |  |  |  |  | |  |  |
| Equity securities | 714 |  | | 714 |  | - |  | | - |  | 714 |
|  | **1,264** |  | | **1,264** |  | **-** |  | **-** | |  | **1,264** |
|  |  |  |  | |  |  |  | |  |  |  |
| **December 31, 2019:** |  |  |  | |  |  |  | |  |  |  |
| **Financial assets/Financial liabilities** |  |  |  | |  |  |  | |  |  |  |
| **measured at fair value** |  |  |  | |  |  |  | |  |  |  |
| Current investments – Mutual fund | 609 |  | 609 | |  | - |  | | - |  | 609 |
| Available-for-sale investment-equity securities | 819 |  | 819 | |  | - |  | | - |  | 819 |
|  | **1,428** |  | **1,428** | |  | **-** |  | | **-** |  | **1,428** |

|  | (Unit: Million Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate | | | | | | | | | | |
|  | Carrying |  | Fair Value | | | | | |  |  | |
|  | amount |  | Level 1 |  | Level 2 | |  | Level 3 |  | Total | |
| **June 30, 2020:** |  |  |  |  |  |  | |  |  | |  |
| **Asset** |  |  |  |  |  |  | |  |  | |  |
| **Financial assets measured at fair value through profit or loss** |  |  |  |  |  |  | |  |  | |  |
| Mutual fund - debt securities | 549 |  | 549 |  | - |  | | - |  | | 549 |
| **Financial assets measured at fair value through other comprehensive income** |  |  |  |  |  |  | |  |  | |  |
| Equity securities | 714 |  | 714 |  | - |  | | - |  | | 714 |
|  | **1,263** |  | **1,263** |  | **-** |  | | **-** |  | | **1,263** |
| **December 31, 2019:** |  |  |  |  |  |  | |  |  | |  |
| **Financial assets/Financial liabilities** |  |  |  |  |  |  | |  |  | |  |
| **measured at fair value** |  |  |  |  |  |  | |  |  | |  |
| Current investments – Mutual fund | 608 |  | 608 |  | - |  | | - |  | | 608 |
| Available-for-sale investment-equity securities | 819 |  | 819 |  | - |  | | - |  | | 819 |
|  | **1,427** |  | **1,427** |  | **-** |  | | **-** |  | | **1,427** |

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

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

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

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

# Commitments with non-related parties

As at June 30, 2020 the Group/Company had commitments as follows:

|  | (Unit: Million Baht) | | | |
| --- | --- | --- | --- | --- |
|  | Consolidated |  | | Separate |
| **Capital commitments: -** |  |  |  | |
| Not provide for |  |  |  | |
| Condominium | 2 |  | 2 | |
| Camp and other buildings | 4 |  | 4 | |
| Cost of construction building for service room | 586 |  | 4 | |
| Total | **592** |  | **10** | |
|  |  |  |  | |
| **Commitments under non-** **cancellable operating leases** |  |  |  | |
| Within one year | 16 |  | 16 | |
| After one year but within five years | 71 |  | 71 | |
| Over five years | 168 |  | 168 | |
| **Total** | **255** |  | **255** | |
|  |  |  |  | |
| **Other commitments: -** |  |  |  | |
| Subcontractor agreements | 2,124 |  | 2,124 | |
| Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers | 1,847 |  | 1,847 | |
| **Total** | **3,971** |  | **3,971** | |

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

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

As at June 30, 2020 the Group had unutilized credit facilities obtaining from domestic financial institutions totaling   
Baht 5,502 million.

# Contingent liabilities and assets

**Litigations**

As at June 30, 2020, contingent liabilities were as follows:

* The Company was sued by other person regarding the tort and claiming a compensation of construction and guarantee in the amount of Baht 2.55 million at the sue date. Subsequently, the Court of Appeal ordered the Company to jointly demolish and pay damages of Baht 100,000 with interest rate 7.5% per annum from September 23, 2013, onwards and monthly damages of Baht 5,000 onwards until the demolition will be completed. On November 3, 2018, the Company has filed a petition to the Supreme Court, which the case has been in the process of consideration by the Court, the result has not been finalized. However, as at June 30, 2020, the Company already recorded the provision on the above lawsuits amounting to Baht 0.56 million.
* On June 28, 2011, the Black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million at the sue date. On September 7, 2012, as Black case no. 2206/2555, the Company sued National Housing Authority to the Federal Administrative Court. The sued amount was Baht 874 million and on July 7, 2015, the Black case no.1218/2558, the National Housing Authority as the plaintiff, sued the Company regarding false of construction agreement and claimed a compensation in the amount of Baht 63 million at the sue date. The Administrative Court ordered to include this consideration with Black Case No. 2206/2555, Subsequently, on August 10, 2018, the Administrative Court ordered the Company made a payment to the National Housing Authority of Baht 25.32 million with interest rate 7.5% per annum for the principal of Baht 21.25 million from July 7, 2015, until the settlement was completed and ordered the National Housing Authority returned three letters of guarantee to the Company. On September 6, 2018, the Company filed an appeal with the Court. As of August 13, 2020, the case has been in the process of the Court’s consideration, the result has not been finalized. However, as at June 30, 2020, the Company already recorded the provision on the above lawsuits amounting to Baht 28.48 million (inclusive interest).
* On December 27, 2018, the Company was sued for infringement and called for damage by one non-related person regarding construction claim amounting to Baht 50 million with interest rate 7.5 % per annum from the filing date onwards until the payment was completed. Subsequently, on February 22, 2019, the Company has submitted an answer to the court. On February 12, 2020, the Court of First Instance ruled dismiss. Later, the plaintiffs filed an appeal on May 8, 2020 and the Company also submitted an amendment of testimony on June 12, 2020. Currently, the case is in pending consideration of the Court of Appeals.
* On March 13, 2019, the Company was sued by one customer claiming a compensation of construction due to breach of contract amounting to Baht 247.65 million with interest rate 7.5% per annum from the filing date onward. Subsequently, on June 20, 2019, the Company submitted an answer to the court and counterclaimed the plaintiff with amounting to Baht 78.55 million. The Court of First Instance appointed the plaintiff and defendant's witnesses on October 27-30, 2020.
* On May 31, 2019, the Company and the subsidiary were sued for infringement and demanded damage compensation by a non-related party regarding construction claim amounting to Baht 0.42 million. Subsequently, on July 12, 2019, the Company and the subsidiary submitted an answer to the Court of First Instance. The court has completed the examination of the witnesses of the plaintiffs and the 1st to 3rd defendants on July 14-15, 2020. And the examination of the witnesses of the 4th defendant will be carried out on September 28, 2020.

# Subsequent event

1. The Board of Directors’ Meeting of the Company held on August 13, 2020, the resolved to pay an interim dividend for the period from January 1, 2020 to June 30, 2020 at the rate of Baht 0.03 per share totaling Baht 47.73 million, which the Company made the payment on September 11, 2020.
2. According to the Board of Directors’ Meeting of the Company held on June 29, 2020, the resolution approved the registration of a subsidiary company; Delta Infra One Co., Ltd. The subsidiary provides services in consulting, purchasing and installing of sanitary, electrical, pipeline and air conditioning systems. The subsidiary was registered on July 13, 2020, which the Company holds 90% of authorized share capital.

# *A*pproval of financial statements

These interim financial statements have been approved for issue by the Company’s Board of Directors on August   
13, 2020.