



Analyst Meeting Conference

2Q04 Performance Review and Outlook

10th September 2004

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Agenda

- Highlights in 2Q04 and 2H04 outlook
- Consolidated Results
- Industry Outlook
- Future Plans
- Appendix



Highlights in 2Q04 and 2H04 Outlook

What Happen in 2Q04



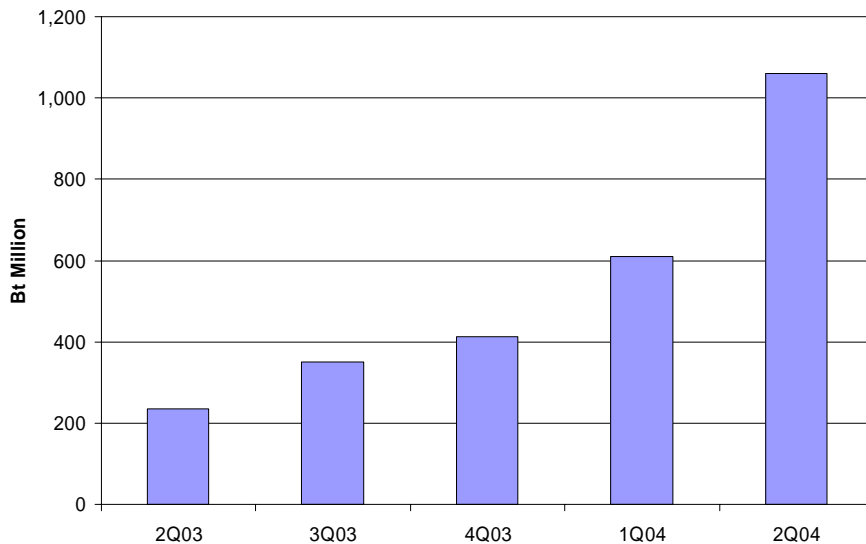
- 2Q04 was another excellent quarter with solid performance contributed by rising sales to over Bt1bn and Bt49m normalized profits (Bt43m of net profits)
- Significant performance improvement was contributed from improving margin (5.2% of gross margin and 4.7% of normalized profit margin)
- Strong financial position with only 0.5x Net D/E as at the end of June 04 (vs 5x a year ago) and 25x EBIT/ Interest
- Liability under rehabilitation plan was only Bt242.5m which the payment period is scheduled to be completed by 2008
- Bt9.8bn backlog order of 26 projects

What Happen in 2Q04 – Sales and GP

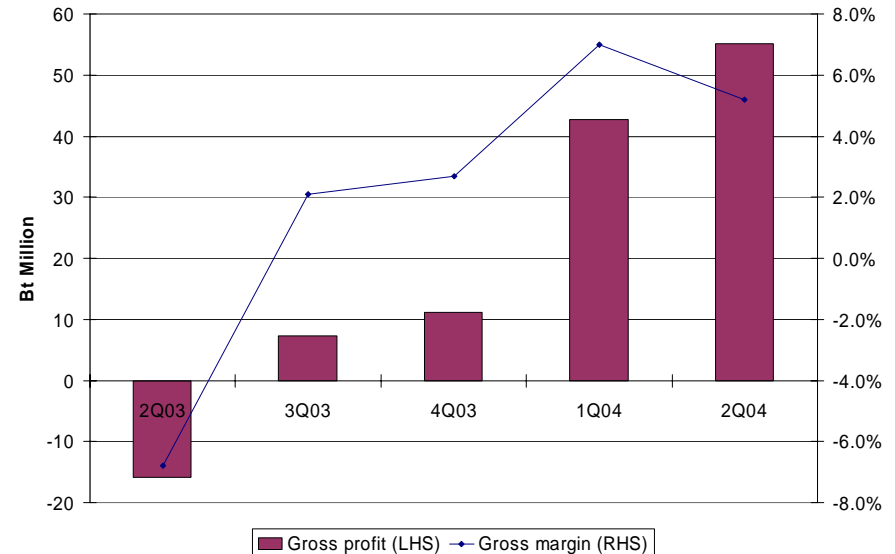


- Rising sales over the past 5 quarters with the compounded quarter growth rate of 46%
- Solid operating performance is seen from rising gross profit
- 1H04 gross margin was 5.9% vs. 2.4% in 2H03 and -3.9% in 1H03

Sales and service revenue



Gross Profits and Gross Margins

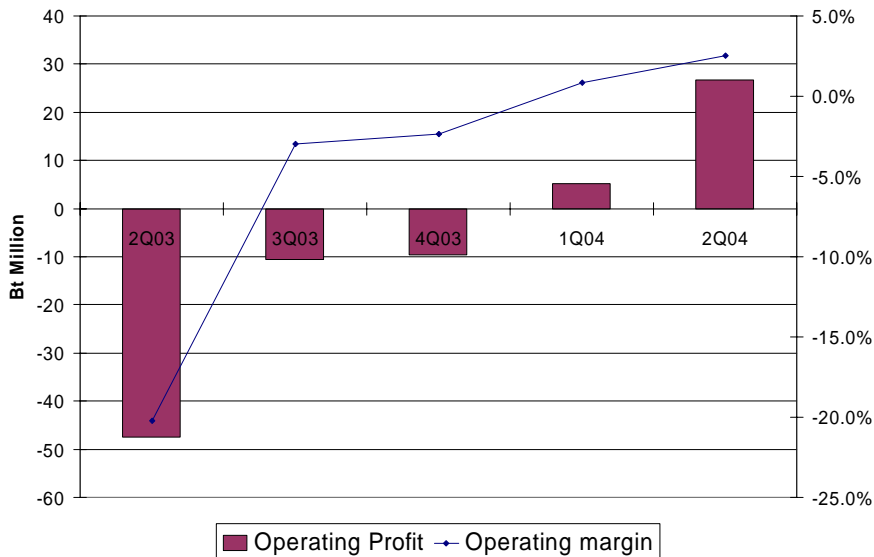


What Happen in 2Q04 – Profit and OP

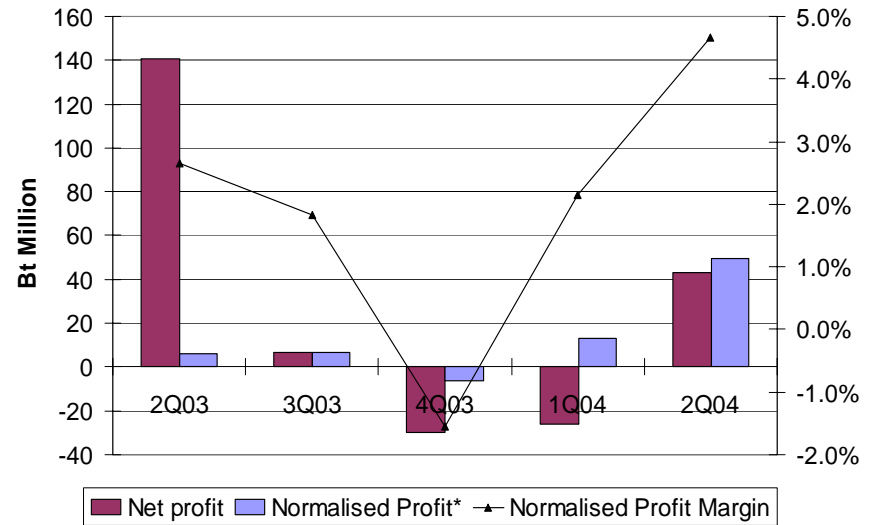


- Significant improvement of operating profits to Bt27 million and its margins to 2.5% in 2Q04
- Normalized profits surged to Bt49 million (4.7% margin) vs Bt13 million or 2.2% in 1Q04

Operating Profits and Operating Margins



Net Profits and Normalised profits and Margins



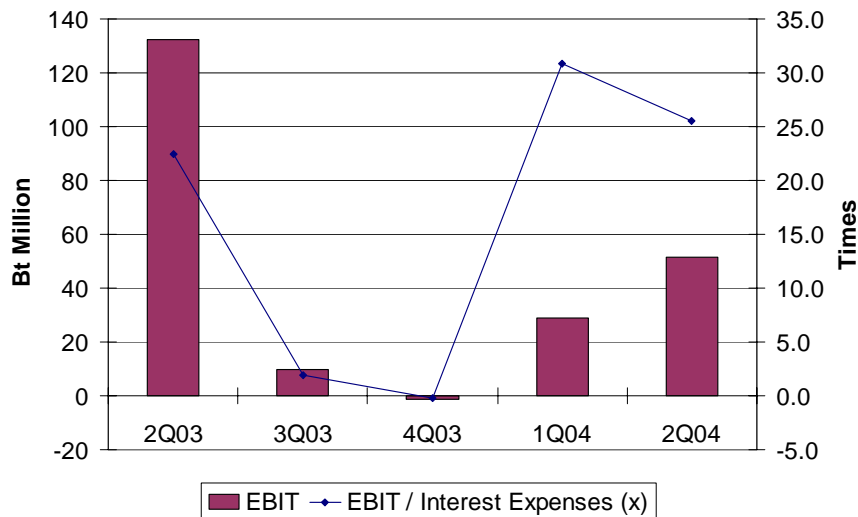
* Sales + Other income - COS - S,G&A - Other Expenses - Equity method - Interest expenses - Tax + Minority

What Happen in 2Q04 – EBIT and Debt

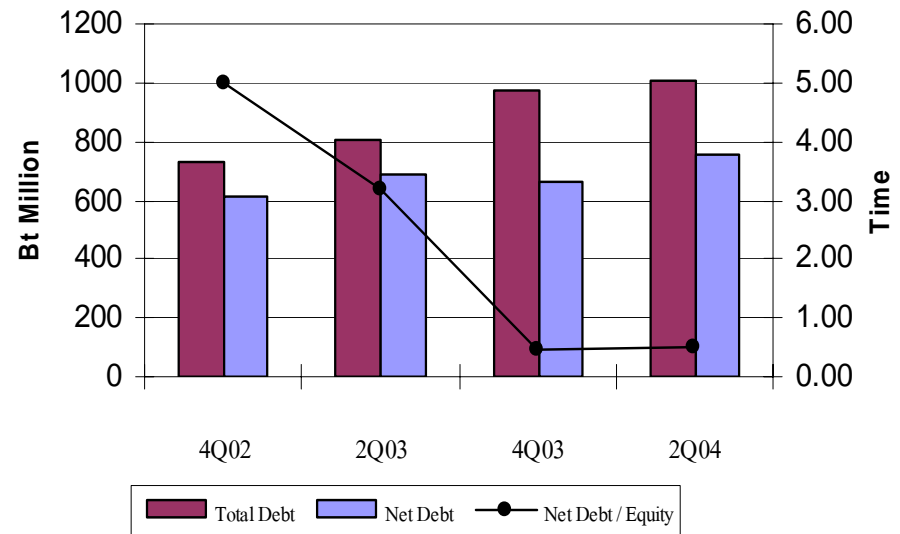


At conservative level, financial position is strong at 25x EBIT/Interest and 0.5x D/E in 2Q04

EBIT and EBIT / Interest Expenses



Debt and D/E



Total Debt (very conservative) = Total Liability – A/P – Advanced Received from Customers
 Net Debt = Total Debt – Cash & Equivalent – current investment

2H04 Outlook

- Syntec to be traded in ‘Property Development’ sector on 10 Sept. 04
- Challenging economic outlook in 2H04 is expected due to high steel prices, high level of oil price, and rising interest rate.
- Despite the uncertainties, it is expected that 2H04 should be another good period for Syntec due to strong financial position and sufficient backlog (the current backlog will generate revenue till 2007).



Company Overview



	Million Baht
Restructure Debt	17,067
Debt forgiveness	16,330
Net restructured debt	737
Outstanding as of June 04 Debt	201.22
Convert Debt to Equity	41.30
Total	242.52

- Within the debt figure, Bt 95mn has been reserved for claims of contingent creditors if the claims do not crystallize SYNTEC will have a benefit.
- Within the convert debt to equity figure, Bt27mn will be paid with P&D shares, these shares are recorded in the accounts at no value.

Consolidated Financial Results

2Q04 Performance – P&L

- Impressive sales growth of over 3x YoY.
- Gross margin improved to 5.2% from negative 6.8% in 2Q03.
- Due to increase sales and operational improvement, normalized profit rose 7x YoY to Bt49 mn.

P & L Statement (Bt m)

Quarter	2Q04	2Q03	% growth
Sales and service revenue	1,061	234	353%
Reversal of doubtful accounts	0	76	-100%
Gain on investment disposals	0	96	-100%
Other income	29	48	-41%
Total revenues	1,090	454	140%
Cost of sales	1,006	250	302%
S,G&A	28	15	87%
Doubtful accounts	0	40	-100%
Other expense	0	16	-100%
Equity method loss	4	0	
Total Expenses	1,038	321	223%
EBIT	51	133	-61%
Interest expenses	2	6	-66%
Income Tax	0	0	-100%
Loss on Minorities	0	11	-100%
Extraordinaries	-6	3	-350%
Net Profit	43	141	-69%
Normalised Profit*	49	6	695%

* Sales + Other income - COS - S,G&A - Other Expenses - Equity method - Interest expenses - Tax + Minority

1H04 Performance – P&L



- Sales surged almost 4x YoY to Bt1.67 bn in 1H04.
- Gross margin was 5.9%, improved substantially from –3.9% in 1H03.
- With increased economies of scale and margin improvement, normalized profit jumped 18x YoY to Bt63 mn in 1H04.

P & L Statement (Bt m)

Quarter	6M04	6M03	% growth
Sales and service revenue	1,670	338	394%
Reversal of doubtful accounts	0	124	-100%
Gain on investment disposals	15	96	-84%
Other income	40	60	-34%
Total revenues	1,725	618	179%
Cost of sales	1,572	351	348%
S,G&A	66	29	127%
Doubtful accounts	0	40	-100%
Other expense	0	16	-100%
Equity method loss	6	0	
Total Expenses	1,644	436	277%
EBIT	81	181	-56%
Interest expenses	3	12	-75%
Income Tax	0	0	-100%
Loss on Minorities	0	14	-100%
Extraordinaries	-61	11	-653%
Net Profit	17	194	-91%
Normalised Profit*	63	3	1788%

* Sales + Other income - COS - S,G&A - Other Expenses - Equity method - Interest expenses - Tax + Minority

2Q04 Performance – Balance Sheet



- Strong financial position with total debt of Bt1,010mn (total liability less account payable less advanced received from customers) and net debts (total debt less cash and equivalent less current investment) of Bt758mn.
- Net debt-to-equity ratio was only 0.5x

Balance Sheet (Bt m)

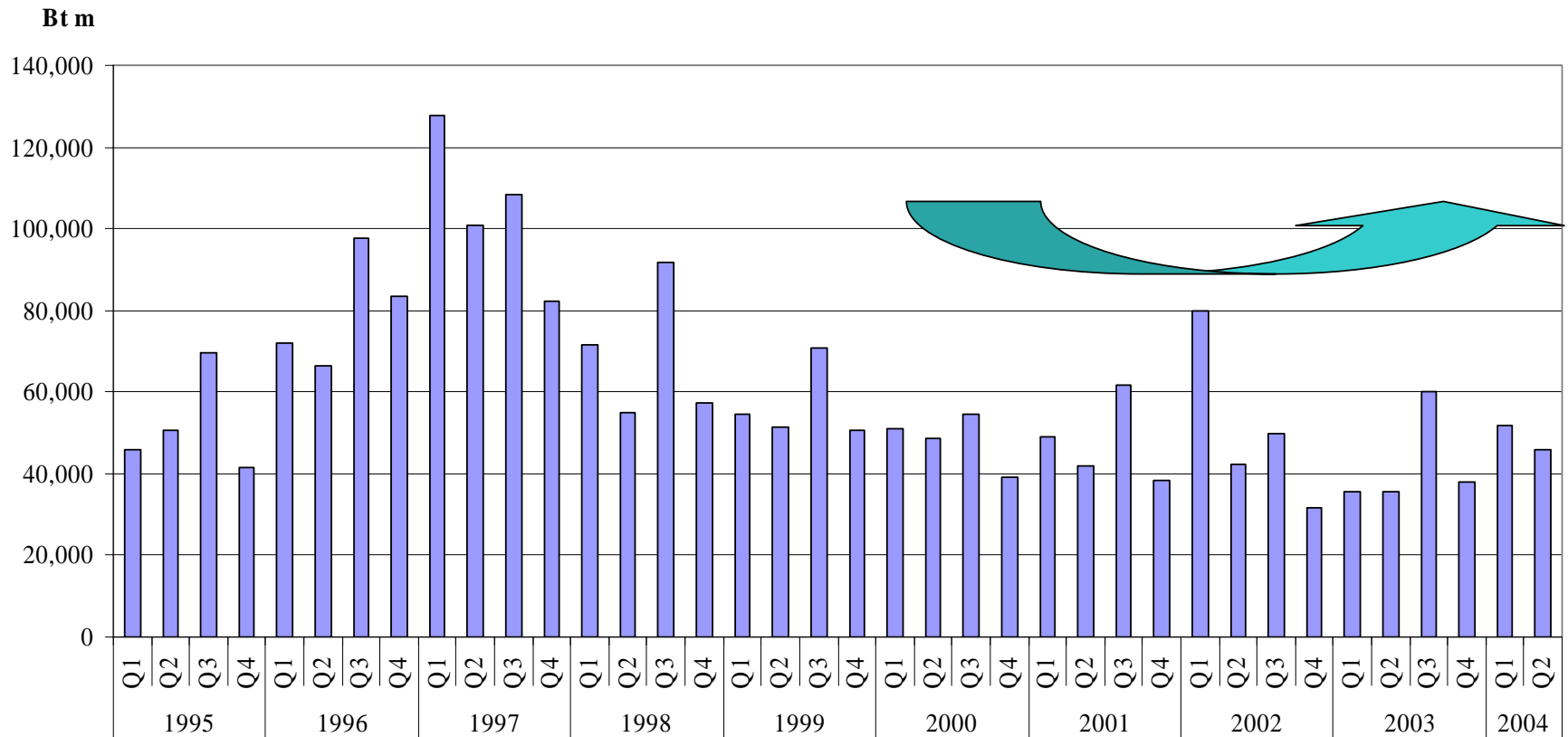
Quarter End	2Q04	4Q03	% growth
Cash & Investment	252	310	-19%
A/R, Accrued Income, and Advance Payments	1,628	747	118%
Inventory	46	44	5%
Current Asset	2,232	1,556	43%
Property, Plant & Equipment	128	589	-78%
Non-current Asset	826	1,189	-31%
Total Asset	3,058	2,745	11%
O/D and Short-term Loan	6	365	-98%
A/P, Accrued expense, Advanced Received	905	483	87%
CP-LT (banks)	50	0	n/a
CP-LT (Rehabs Plans)	41	40	3%
Total current liabilities	1,171	994	18%
Long-term Loans	75	15	393%
Creditors under Rehabs	202	221	-9%
Total Liabilities	1,549	1,328	17%
Paid-up Capital	1,600	1,600	0%
Shareholder Equity	1,509	1,411	7%

Industry Outlook

Government Spending

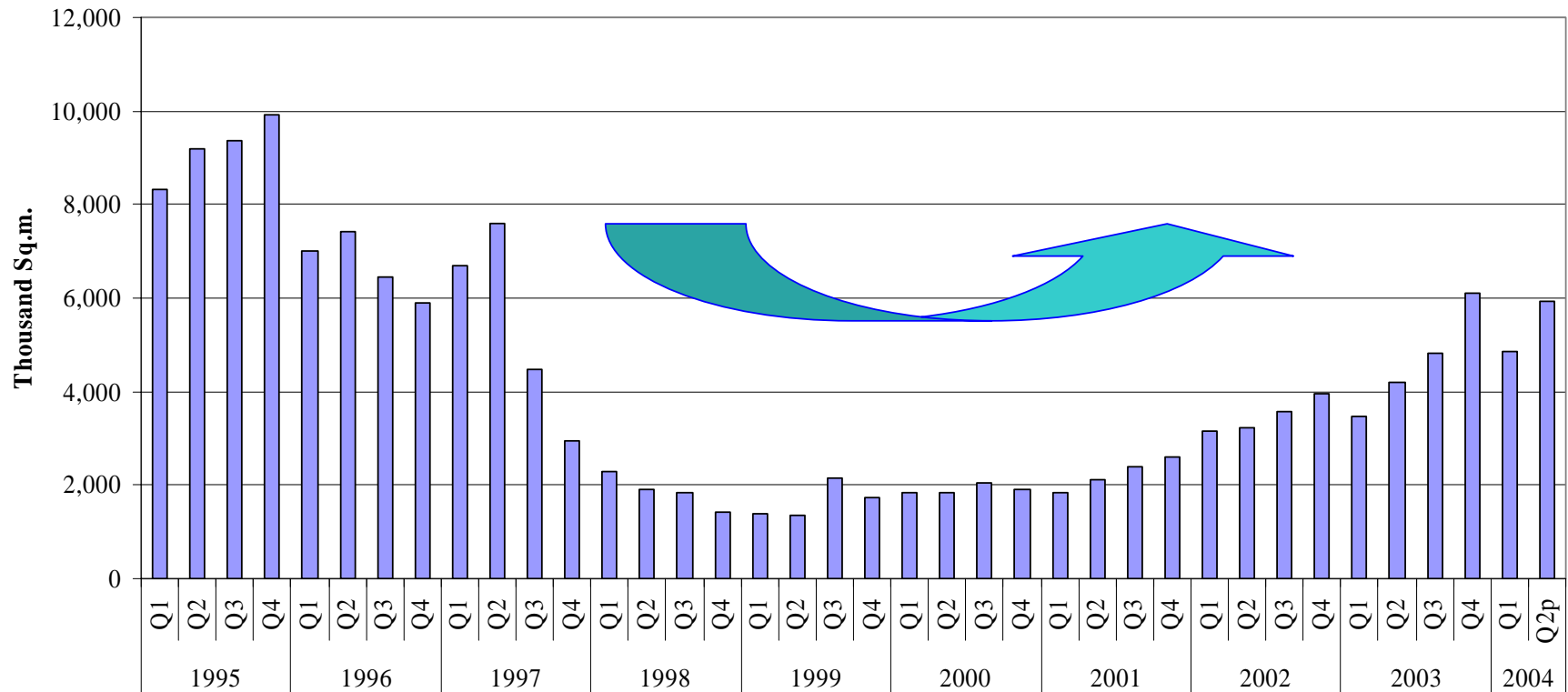
Rising government spending brightens industry prospect. In addition, the government plans to spend Bt900bn (US\$22bn) over the next 5 years on infrastructure projects.

Government Capital Expenditure



Activities in the private sector also rebound but the amount of construction areas are still well below the pre-crisis level.

Construction Areas Permitted in Municipal Zone



Future Plans

Backlog Order

- 26 projects valued worth Bt 9.8bn are diversified into different types namely infrastructure, commercial, residential, leisure, and industrial. Remaining value is worth Bt5.8b.
- The current projects will generate revenue till 2007.

Type of Project	No.of Projects	Owner	Value (Btm)	Progress (%)
Infrastructure	2	Government	312	73%
Commercial	6	Government and Private	2,037	47%
		Government and Private		
Residential	13	Private	2,721	25%
Leisure	4	Private	3,879	7%
Industrial	1	Government	874	32%
Total	26		9,823	24%
Project Owner	No.of Projects	Owner	Value (Btm)	Progress (%)
Group Alliances	16	Private	6,526	13%
Non Group Alliances	10	Government and Private	3,297	46%
		Government and Private		

2004 Targets

- To become a leading player in both private and public projects

- Expected realized revenues of Bt4.5bn in 2004
- Minimum net margin of 5% for public projects and 8% for private projects
- Expected backlog order of Bt6 bn at year-end 2004
- Targeted public and private projects – 50:50 from 33:67 currently
- Rooms to grow revenue to Bt10bn of capacity and then net debt-to-equity ratio to 1.0x

- Risks of higher steel prices are transferred to project owners

Risks

- Rising steel prices
 - Generally steel accounts for less than 15% of cost of construction
 - There is only 1 public project which has no K factor.

Impact/solution

- Project owners have to bear risks of rising steel prices.
- This Airport Maintenance Facility project is 78% completed.



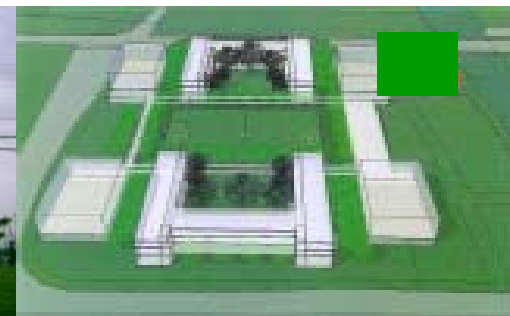
- Risks of delay in government projects are slim as public debt is less than 50% of GDP

Risks

- Government spending slowdown
- Slowdown in private sector

Impact/solution

- More infrastructure projects needed to facilitate economic growth
- There are sufficient backlogs on hand



Appendix

List of Current Projects

Project Description (as of 30 June 2004)						
No.	Project Title	Project Type	Project Owner	Value (Btm)	% Progress	Project Description
1	BMA flood protection Phase II	Infrastructure	BMA	295	71%	14.5 Kms-flood protection wall
2	Airport maintenance facility	Commercial	NBIA	405	78%	Building maintenance airport
3	RBSC's sport & recreation center	Commercial	Royal sport club	324	100%	5-story building & 1 basement
4	Narasiri (Sathorn-Wongwan)	Residential	Sansiri Plc.	360	92%	90 units of SDH
5	Sun Square	Commercial	Sansiri Plc.	74	100%	5-story building
6	Baan Aua-arthorn Rangsit Klongsam	Residential	NHA	124	100%	477-unit housing
7	8 BMA District offices	Commercial	BMA	448	47%	3-story office bulidings 8 locations
8	Bann Ratchadamri Building	Residential	Sansiri Plc.	260	30%	26-story condo
9	Perfect Place Onnut 77 Phase I	Residential	Property Perfect Plc.	73	33%	208 units of SDH
10	Bann Nunthasiri	Residential	Sansiri Plc.	320	14%	8-strory of 2 condos
11	TG Air Cargo	Industrial	Thai Airway	874	32%	Office Building and cargo
12	Sukhumvit Plus Apartment	Residential	Plus Property	407	12%	17-story of 2 condos
13	Sofitel Sukhumvit	Leisure	Richee Center & supply	1,303	8%	First class hotel
14	Jeddi Chiangmai	Leisure	Delux Origin, Natural Real Estate	457	32%	Low-rise hotel
15	Air Traffic Control Complex	Commercial	Aeronautical Radio of Thailand	536	6%	4-story of office building and control tower 135 meters
16	Pipe Jacking	Infrastructure	BMA	17	100%	Pipe jacking for utility and facility
17	Bann Sethasiri Panya Ramindra Phase I	Residential	Sansiri Plc.	38	100%	15 units of SDH
18	Sathorn Siri	Residential	Sansiri Plc.	170	2%	8-strory condo
19	Chiangmai Spa Land	Leisure	N-Park	456	0%	Resort
20	Siri Sukhumvit 31	Residential	Sansiri Plc.	324	0%	24-story condo
21	Plus Sathorn	Residential	Plus Property	201	0%	9-story condo
22	Plus 49/2	Residential	Plus Property	97	0%	9-story condo
23	Satit School of Bangkok	Commercial	Sansiri Plc.	250	0%	School
24	Town House	Residential	Plus Property	90	0%	90 units townhouse
25	Supalai Place Asoke	Residential	Supalai Plc.	257	0%	High-rise Condo
26	Hotel at Siam Center	Leisure	Richee Intertrade Supply	1,663	0%	300 rooms Resort hotel
Total	project value			9,823	24%	

List of Current Projects

