

**Syntec Construction Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month period ended
31 March 2016

and

Independent auditor's report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Syntec Construction Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively as at 31 March 2016, the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and condensed notes, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Manit Warakitjaporn)
Certified Public Accountant
Registration Number 7326

NPS Siam Audit Limited
Bangkok
16 May 2016

Syntec Construction Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 March 2016

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		660,147	644,324	629,000	615,412
Current investments	6	1,734,496	917,951	1,734,496	917,951
Trade accounts receivable	7	750,353	1,001,535	746,803	999,474
Other receivables	5, 8	93,393	41,157	61,794	61,236
Retention receivable under construction contracts	9	472,493	508,243	472,493	508,243
Unbilled construction in progress	10	254,309	476,380	254,309	476,380
Current portion of Long-term loans	5, 14	-	-	85,000	-
Short-term loans	5	-	-	30,000	-
Inventories		138,470	138,775	138,470	138,775
Advance payments to subcontractors		61,166	96,017	61,166	96,017
Total current assets		4,164,827	3,824,382	4,213,531	3,813,488
Non-current assets					
Investment in subsidiaries	11	-	-	210,600	211,149
Investments in associates	12	305	316	-	-
Other long-term investments	5, 13	417,201	393,282	417,201	393,282
Long-term loans	5, 14	-	-	-	85,000
Investment properties	15	100,483	100,509	100,483	100,509
Property, plant and equipment	16	1,545,402	1,549,948	919,059	919,472
Leasehold right	17	345,341	350,373	345,341	350,373
Intangible assets	18	4,800	4,812	4,793	4,805
Withholding tax		209,368	209,206	206,154	206,093
Pledged deposit at bank		222,506	237,106	222,506	237,106
Other non-current assets		51,787	51,900	51,148	51,260
Total non-current assets		2,897,193	2,897,452	2,477,285	2,559,049
Total Assets		7,062,020	6,721,834	6,690,816	6,372,537

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

Syntec Construction Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 March 2016

Liabilities and equity	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Bank overdrafts and short-term loans from					
financial institutions	20	160,000	162,533	160,000	160,000
Trade accounts payable	21	380,475	339,178	378,377	338,954
Other payables	22	630,308	751,071	627,973	749,760
Current portion of creditors under					
rehabilitation plan		26,338	26,704	26,338	26,704
Current portion of Long-term loans	23	367,700	365,600	350,000	350,000
Current portion of financial lease liabilities		36,697	33,908	36,697	33,908
Advances received from customers					
under construction contracts	10	651,712	562,893	651,712	562,893
Retention payables from subcontractors		311,613	304,080	311,613	304,080
Undue value added tax		66,959	98,791	66,959	98,791
Short-term loans	5	25,000	-	-	-
Accrued income tax		10,628	-	10,628	-
Short-term provisions	25	104,301	30,801	104,301	30,801
Other current liabilities		8,570	8,589	8,570	8,589
Total current liabilities		2,780,301	2,684,148	2,733,168	2,664,480
<i>Non-current liabilities</i>					
Long-term loans	23	184,182	190,182	-	-
Financial lease liabilities		21,425	29,839	21,425	29,839
Deferred tax liabilities	19	45,897	42,473	45,897	42,473
Employee benefit obligations	24	122,253	117,071	120,231	115,292
Long-term provisions	25	45,848	45,848	45,848	45,848
Total non-current liabilities		419,605	425,413	233,401	233,452
Total liabilities		3,199,906	3,109,561	2,966,569	2,897,932

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

Syntec Construction Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 March 2016

Liabilities and equity	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital	26				
Authorized share capital		<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
Issued and paid-up share capital		1,600,000	1,600,000	1,600,000	1,600,000
Premium on share					
Premium on ordinary shares		24	24	24	24
Retained earnings					
Appropriated					
Legal reserve	27	125,265	113,739	125,265	113,739
Unappropriated		1,804,650	1,585,556	1,842,595	1,623,615
Other components of equity					
Change in fair value of available-for-sale investments	5, 13	<u>156,363</u>	<u>137,227</u>	<u>156,363</u>	<u>137,227</u>
Total equity attributable to owners of the Company		<u>3,686,302</u>	<u>3,436,546</u>	<u>3,724,247</u>	<u>3,474,605</u>
Non-controlling interests		<u>175,812</u>	<u>175,727</u>	<u>-</u>	<u>-</u>
Total equity		<u>3,862,114</u>	<u>3,612,273</u>	<u>3,724,247</u>	<u>3,474,605</u>
Total liabilities and equity		<u>7,062,020</u>	<u>6,721,834</u>	<u>6,690,816</u>	<u>6,372,537</u>

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 31 March		Three-month period ended 31 March	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Revenues					
Revenue from construction		1,675,452	1,825,203	1,675,452	1,825,202
Revenue from room service		46,299	32,105	29,371	29,962
Interest income		2,242	5,050	3,348	7,370
Compensation for damages	31	58,510	-	58,510	-
Reversal of allowance for doubtful accounts	7, 9, 10	20,010	4,885	20,010	4,885
Other income		24,066	3,347	23,449	4,828
Total revenues		1,826,579	1,870,590	1,810,140	1,872,247
Expenses					
Cost of construction		1,381,466	1,595,556	1,381,466	1,595,556
Cost of room service		27,291	22,212	21,933	21,119
Selling expenses		275	682	110	66
Administrative expenses		104,988	94,695	96,008	85,696
Other expenses		200	21,275	758	21,275
Finance costs		9,638	10,496	7,123	10,496
Total expenses		1,523,858	1,744,916	1,507,398	1,734,208
Share of loss of investments in associate	12	(11)	(6)	-	-
Profit before income tax expense		302,710	125,668	302,742	138,039
Income tax expense	19	72,405	31,242	72,236	31,242
Profit for the period		230,305	94,426	230,506	106,797
Other comprehensive income (loss)					
Items that will be reclassified to profit or loss :-					
Profit (loss) in fair value of available-for-sale	13	23,920	(19,664)	23,920	(19,664)
Income tax on other components income		(4,784)	3,933	(4,784)	3,933
Other comprehensive income (loss) for the period		19,136	(15,731)	19,136	(15,731)
Total comprehensive income for the period		249,441	78,695	249,642	91,066

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

Syntec Construction Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 31 March		Three-month period ended 31 March	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Profit (loss) attributable to :-					
Owners of the Company		230,620	98,627	230,506	106,797
Non - controlling interests		(315)	(4,201)	-	-
Profit for the period		230,305	94,426	230,506	106,797
Total comprehensive income (loss) attributable to :-					
Owners of the Company		249,756	82,896	249,642	91,066
Non - controlling interests		(315)	(4,201)	-	-
Total comprehensive income for the period		249,441	78,695	249,642	91,066
Earnings per share					
Basic (in Baht)	29	0.14	0.06	0.14	0.07

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited)

	Consolidated financial statements								
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	<i>Retained earnings</i>		Other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments			
<i>(in thousand Baht)</i>									
For the three-month period ended 31 March 2015									
Balance at 1 January 2015		1,600,000	24	80,749	1,106,329	107,195	2,894,297	111,570	3,005,867
Transaction with owner, recorded directly in equity :-									
Comprehensive income for the period									
Profit		-	-	-	98,627	-	98,627	(4,201)	94,426
Other comprehensive loss		-	-	-	-	(15,731)	(15,731)	-	(15,731)
Total comprehensive income for the period		-	-	-	98,627	(15,731)	82,896	(4,201)	78,695
Transfer to legal reserve		-	-	5,339	(5,339)	-	-	-	-
Balance as at 31 March 2015		1,600,000	24	86,088	1,199,617	91,464	2,977,193	107,369	3,084,562

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited)

	Consolidated financial statements								
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	<i>Retained earnings</i>		Other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments			
<i>(in thousand Baht)</i>									
For the three-month period ended 31 March 2016									
Balance at 1 January 2016		1,600,000	24	113,739	1,585,556	137,227	3,436,546	175,727	3,612,273
Transaction with owner, recorded directly in equity :-									
Changes in ownership interest in subsidiaries :									
Acquisition for non - controlling interests without a chang in control		-	-	-	-	-	-	400	400
Total changes in ownership interest in subsidiaries		-	-	-	-	-	-	400	400
Total transaction with owner, recorded directly in equity		-	-	-	-	-	-	400	400
Comprehensive income for the period									
Profit		-	-	-	230,620	-	230,620	(315)	230,305
Other comprehensive income		-	-	-	-	19,136	19,136	-	19,136
Total comprehensive income for the period		-	-	-	230,620	19,136	249,756	(315)	249,441
Transfer to legal reserve		-	-	11,526	(11,526)	-	-	-	-
Balance as at 31 March 2016		1,600,000	24	125,265	1,804,650	156,363	3,686,302	175,812	3,862,114

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited)

	Separate financial statements						
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	<u>Retained earnings</u>		<u>Other components of equity</u>	Total equity equity
				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments	
<i>(in thousand Baht)</i>							
For the three-month period ended 31 March 2015							
Balance at 1 January 2015		1,600,000	24	80,749	1,124,787	107,195	2,912,755
Transaction with owner, recorded directly in equity :-							
Comprehensive income for the period							
Profit		-	-	-	106,797	-	106,797
Other comprehensive income		-	-	-	-	(15,731)	(15,731)
Total comprehensive income for the period		-	-	-	106,797	(15,731)	91,066
Transfer to legal reserve		-	-	5,339	(5,339)	-	-
Balance as at 31 March 2015		1,600,000	24	86,088	1,226,245	91,464	3,003,821

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited)

	Separate financial statements						
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	<u>Retained earnings</u>		<u>Other components of equity</u>	Total equity equity
				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments	
<i>(in thousand Baht)</i>							
For the three-month period ended 31 March 2016							
Balance at 1 January 2016		1,600,000	24	113,739	1,623,615	137,227	3,474,605
Transaction with owner, recorded directly in equity :-							
Comprehensive income for the period							
Profit		-	-	-	230,506	-	230,506
Other comprehensive income		-	-	-	-	19,136	19,136
Total comprehensive income for the period		-	-	-	230,506	19,136	249,642
Transfer to legal reserve		-	-	11,526	(11,526)	-	-
Balance as at 31 March 2016		1,600,000	24	125,265	1,842,595	156,363	3,724,247

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

Syntec Construction Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 31 March		Three-month period ended 31 March	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the period		230,305	94,426	230,506	106,797
<i>Adjustments for</i>					
Reversal of allowance for doubtful accounts		(20,010)	(4,885)	(20,010)	(4,885)
Doubtful accounts		242	665	250	665
Depreciation and amortization		56,033	47,087	50,753	47,043
Interest income		(2,242)	(5,050)	(3,348)	(7,370)
Interest expense		9,638	10,496	7,123	10,496
(Gain) loss on disposal and written off of equipment		(1,442)	12,652	(1,450)	12,652
Unrealized gains from changes in fair value of available-for-sale investments		(4,779)	(1,383)	(4,779)	(1,383)
Unrealized gain on exchange rate		(366)	(1,070)	(366)	(1,070)
Loss on devaluation of investment in subsidiaries		-	-	549	-
Share of loss of investment in associate		11	6	-	-
Provision for losses on constructions project		73,500	577	73,500	577
Estimated loss under joint venture agreements		-	1,941	-	1,941
Employee benefit expense		5,182	4,729	4,939	4,535
Income tax expense		72,405	31,242	72,236	31,242
		<u>418,477</u>	<u>191,433</u>	<u>409,903</u>	<u>201,240</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		259,707	(126,744)	261,196	(126,102)
Other receivables		(53,751)	(85,416)	(2,157)	(84,669)
Retention receivable under construction contract		41,128	(23,544)	41,128	(23,544)
Unbilled construction in progress		228,136	5,486	228,136	5,486
Inventories		305	23,341	305	23,341
Advance payments to subcontractors		34,851	(90,841)	34,851	(90,841)
Other non-current assets		112	(611)	112	(13)
Trade accounts payable		41,296	36,281	39,422	40,561
Advance received under construction contracts		88,818	45,259	88,818	45,259
Undue value added tax		(31,831)	9,906	(31,831)	9,906
Retention payable from subcontractors		7,533	9,742	7,533	9,742
Other payables		(120,733)	(18,344)	(121,677)	(24,713)
Other current liabilities		(19)	(88)	(19)	(88)
Cash generated from (used in) operating activities		<u>914,029</u>	<u>(24,140)</u>	<u>955,720</u>	<u>(14,435)</u>
Withholding tax paid		<u>(63,376)</u>	<u>(52,996)</u>	<u>(63,031)</u>	<u>(52,619)</u>
Net cash from (used in) operating activities		<u>850,653</u>	<u>(77,136)</u>	<u>892,689</u>	<u>(67,054)</u>

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

Syntec Construction Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month period ended 31 March		For the three-month period ended 31 March	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	2,233	6,372	3,339	7,908
Purchase of current investments	(811,766)	(166,963)	(811,766)	(166,962)
Proceeds from current investments	-	287,436	-	287,436
Payment of investments in subsidiaries	-	-	(30,000)	-
Prepaid investments in subsidiaries	-	-	-	(20,800)
Pledged deposit at bank	14,600	(32,560)	14,600	(32,560)
Purchase of property, plant and equipment	(46,001)	(98,663)	(44,846)	(68,378)
Purchase of intangible assets	(442)	(192)	(442)	(192)
Sales of equipment	1,471	3,895	1,471	3,895
Net cash from (used in) investing activities	(839,905)	(675)	(867,644)	10,347
<i>Cash flows from financing activities</i>				
Interest paid	(8,268)	(9,431)	(5,833)	(9,431)
Bank overdrafts	(2,533)	-	-	-
Payment of creditor under rehabilitation plan	-	(4,363)	-	(4,363)
Proceeds from short-term loan	25,000	-	-	-
Proceeds from long-term loans	-	12,814	-	-
Payment of long-term loans	(3,900)	-	-	-
Finance lease payment	(5,624)	(8,107)	(5,624)	(8,107)
Proceeds from from non-controlling interests	400	19,200	-	-
Net cash from (used in) financing activities	5,075	10,113	(11,457)	(21,901)
Net increase (decrease) in cash and cash equivalents	15,823	(67,698)	13,588	(78,608)
Cash and cash equivalents at 1 January	644,324	388,336	615,412	365,563
Cash and cash equivalents at 31 March	660,147	320,638	629,000	286,955

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

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Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements were authorized for issue by the Board of Directors on 16 May 2016.

1 General information

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

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

The Company’s major shareholders who held more than 5% of total paid-up share capital as at 31 March 2016.

	<i>(%) of total paid-up share capital</i>
Phahusuth Group and Taneehiranrat Group	24.92
Thai NVDR Company Limited	7.68

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

Details of the Company’s subsidiaries were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2016	31 December 2015
<i>Direct subsidiaries</i>				
1) SCR Asset Management Co., Ltd.	Real estate development for rental (Commercial operations on 1 April 2015)	Thailand	52.00	52.00
2) Syntec Assets Management Co., Ltd.	Management business for hotel, service apartment and other properties (Not commercial operations yet and registered to cease to do business on 28 December 2015 but in the process of dissolution)	Thailand	54.97	54.97
3) Natural Ville Service Apartment and Management Co., Ltd.	Management personnel for hotel, service apartment and other properties	Thailand	99.97	99.97

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2016	31 December 2015
4) CSM Capital Partners Co., Ltd.	Service apartment or real estate development for rental (Not commercial operations yet)	Thailand	60.00	59.98

2 Basis of preparation of interim financial statement

2.1 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) 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 31 December 2015. 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 31 December 2015.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statement for the year ended 31 December 2015, except the Group / Company has adopted all new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation and financial performance or position of the Group / Company.

2.2 Functional and presentation currency

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

2.3 Use of estimates and judgments

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

In preparing these interim financial statements, the significant judgments made by management in applying the Group's / the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

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Information about areas of estimation of uncertainty and significant assumptions in applying accounting policies that have the most significant effect on the amount recognised in the interim financial statements is included in the following notes :-

Notes 11, 12 and 13	Allowance for impairment of investments
Note 19	Income tax for the current period and deferred tax
Note 24	Discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate.
Notes 25	Estimated construction project costs, provision for losses on construction projects and estimated loss under joint venture agreement
Note 31	Contingent liabilities and litigation

2.4 The consolidated and separate financial statements for the three-month periods ended 31 March 2016 and 2015 included the investments and share of loss of investments in an associate, which had been accounted for by equity method amounted to Baht 0.011 million and Baht 0.006 million, respectively, in the consolidated financial statements, based on financial statements of such associate, which had been reviewed by the other auditor. In addition, the Company had no obligation under the guarantee for such associate and an allowance for impairment of investments in the abovementioned associate was set up as at 31 March 2016 and 31 December 2015 in the amount of Baht 10 million and Baht 10 million, respectively, in the separate financial statements. Please also see note 12 to the financial statements. However, the values of the investments in the associates were not significant.

2.5 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group / Company.

3 Significant accounting policies

The Group / Company have significant accounting policies and methods of computation applied in these interim financial statements for the three-month period ended 31 March 2016, are consistent with those applied in the financial statements for the year ended 31 December 2015.

4 Seasonal operations

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

5 Related parties

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

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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, 52% shareholding and some common directors
2. Syntec Asset Management Co., Ltd.	Thailand	Subsidiary, 54.97% shareholding and some common directors
3. Natural Ville Service Apartment and Management Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding and some common directors
4. CSM Capital Partners Co., Ltd.	Thailand	Subsidiary, 60.00% shareholding and some common directors
Joint Ventures		
1. SVK Joint venture	Thailand	Joint venture, 51% portion of joint which ceased its operations
Associates		
1. Natural Hotel Sukhumvit Co., Ltd.	Thailand	Associate, 25% shareholding
Related companies		
1. Bangkok Expressway and Metro Plc.	Thailand	Related company, 0.49% shareholding
2. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venturer 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
5. N&J Assets Management Co., Ltd.	Thailand	Related company
6. Narai Phand Co., Ltd.	Thailand	Related company
7. C.N.C. Building Co., Ltd.	Thailand	Related company
8. N&J Hospitality Co., Ltd.	Thailand	Related company
9. Pink Café Co., Ltd.	Thailand	Related company
10. Safe Series Co., ltd.	Thailand	Related company
11. Wrightman Corporation Co., Ltd.	Thailand	Related company, joint shareholder with the Company and subsidiary directors related to the shareholder and same management who manage the Company's branch.
12.Mankongsangtong Holding Co.,Ltd.	Thailand	Related company
13. UOB Apartment Property Fund I	Thailand	Related company, some common independent director with Natural Park Pcl. as unitholder of the Fund but not dealing with the Fund

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Related persons		
1. 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
Interest income	4.75% and MLR – 2.375 per annum
Cost of construction	Market price
Service apartment management expense	Contract price
Service expense	Contract price
Administrative expenses	Market price
Rental expenses	Contract price near the normal market rate
Directors benefit expenses represent meeting allowance and director bonus	Approval from the Company's directors and shareholders
Directors and management benefit expenses represent salary and bonus	Approval from the Company's directors and shareholders

Significant transactions for the three-month periods ended 31 March 2016 and 2015 with related parties were summarized as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Revenue				
Subsidiaries				
Revenue for service and others	-	-	300	1,577
Interest income	-	-	948	2,319
Expenses				
Subsidiaries				
Service apartment management	-	-	8,833	6,094
Related companies				
Cost of construction	22,957	19,666	22,957	19,666
Space rental and services	411	435	411	435
Land rental expense	-	300	-	300
Other service expense	4,980	3,885	4,980	3,885

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	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Key management personal				
Management benefit expense				
Short-term benefits	5,928	4,868	5,928	4,868
Post-employment benefits	532	722	532	722
Total key management personnel compensation	<u>6,460</u>	<u>5,590</u>	<u>6,460</u>	<u>5,590</u>

Balance as at 31 March 2016 and 31 December 2015 with related parties were as follows:

Other receivables - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
<i>Other receivables and advances</i>				
Joint ventures				
SVK Joint Venture	11,158	11,158	11,158	11,158
Syntec – Mivan Joint Venture	200	-	200	-
Subsidiaries				
SCR Asset Management Co.,Ltd.	-	-	4,025	3,115
Syntec Assets Management Co., Ltd.	-	-	8	8
Natural Will Service Apartment and Management Co., Ltd.	-	-	23,637	21,405
CSM Capital Partners Co., Ltd	-	-	6	6
Related persons				
Key management personnel	<u>20</u>	<u>20</u>	<u>-</u>	<u>-</u>
Total	11,378	11,178	39,034	35,692
Less allowance for doubtful accounts	<u>(11,358)</u>	<u>(11,158)</u>	<u>(11,366)</u>	<u>(11,158)</u>
Net	<u>20</u>	<u>20</u>	<u>27,668</u>	<u>24,534</u>
Related persons				
Key management personnel Advance to project managers	<u>4,278</u>	<u>4,465</u>	<u>4,278</u>	<u>4,465</u>

As at 31 March 2016 and 31 December 2015, advance to project managers in the amount of Baht 4.28 million and Baht 4.46 million, respectively, represented the petty cash for construction projects in the amount of Baht 50,000 to Baht 100,000 per a project.

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Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
CSM Capital Partners Co., Ltd	-	-	30,000	-
Net	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>

As at 31 March 2016, the Company had short-term loans to a subsidiary (“CSM Capital Partners Co., Ltd.”) of Baht 30 million, representing the loans to support the transaction in project “Eight Thonglor Residence” of a subsidiary, requiring payable on demand and interest charged at MLR - 2.375 per annum.

Movements of Short-term loans to related parties for the three-month periods ended 31 March 2016 were as follows:

	Separate financial statements (in thousand Baht)
At 1 January	-
Increase during the period	30,000
At 31 March	<u>30,000</u>

Investments in subsidiaries and associates were described in notes 11 and 12 to financial statements

Other long-term investments

	Consolidated and separate financial statements			
	31 March 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Available – for –sale investment</i>				
Other related company				
Bangkok Expressway and Metro Plc.	221,748	417,201	221,748	393,282
Add valuation adjustment	195,453	-	171,534	-
Net	<u>417,201</u>	<u>417,201</u>	<u>393,282</u>	<u>393,282</u>

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Long-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
SCR Asset Management Co., Ltd.	-	-	85,000	85,000
Other related company				
Gentech Engineering Co., Ltd.	4,956	4,956	4,956	4,956
Total	4,956	4,956	89,956	89,956
<i>Less</i> Allowance for doubtful accounts	(4,956)	(4,956)	(4,956)	(4,956)
Long-term loans-Net	-	-	85,000	85,000
<i>Less</i> current portion of long- term loans	-	-	(85,000)	-
Net	-	-	-	85,000

As at 31 March 2016 and 31 December 2015, the Company had long-term loans to a subsidiary (“SCR Asset Management Co., Ltd.”) of Baht 85 million, represented long-term loans under 2 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at 4.75% and MLR-2.375 per annum

Movements of long-term loans to related parties for the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	4,956	4,956	89,956	89,956
No movement for the period	-	-	-	-
At 31 March	4,956	4,956	89,956	89,956

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other related parties				
Safe Series Co., ltd	6,773	6,234	6,773	6,234
Total	6,773	6,234	6,773	6,234

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Other payable – related parties

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Natural Ville Service Apartment and Management Co., Ltd	-	-	17,736	17,582
Wrightman Corporation Co., Ltd	1,480	319	1,480	319
Total	1,480	319	19,216	17,901

Short-term loans to related parties

Other related company

Mankongsangtong Holding Co.,Ltd.	12,500	-	-	-
Related persons				
Mr.Jiramote Phahusutr	5,000	-	-	-
Mrs.Chanida Asdathorn	3,750	-	-	-
Mr.Sorasit Wannaprasert	1,250	-	-	-
Mr.Jerasak Wannaprasert	1,250	-	-	-
Mr.Natthakorn Wannaprasert	1,250	-	-	-
Total	25,000	-	-	-

As at 31 March 2016, the subsidiary (“CSM Capital Partners Co., Ltd.”) had short – term loans from related parties in the amount of Baht 25 million, representing the loans from a management and shareholders to support the transaction in project “Eight Thonglor Residence” of subsidiary, requiring payable on demand and interest charged at MLR-2.375 per annum.

Movements of Short-term loans to related parties for the three–month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase during the period	25,000	-	-	-
At 31 March	25,000	-	-	-

Details of provisions were described in note 25 to the financial statements.

The commitments with related parties

The Ordinary General Meeting of Shareholders held on 29 April 2015 resolved the approval of directors’ remunerations for the year 2015, which represented the meeting allowance of Baht 11,000 per time per head, and the annual audit committee directors’ remuneration of Baht 220,000 per head.

Please also see note 32 to the financial statements.

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Significant agreements with related parties

Syntec – Mivan Joint Venture

Syntec Construction Public Company Limited and Mivan (Thailand) Co., Ltd. entered into the initial joint venture agreement on 18 November 2005 to prepare the documents for bidding the Eua-Arthorn Housing Project of National Housing Authority. The proportionate ventures were as follows:-

Syntec Construction Public Company Limited	65 %
Mivan (Thailand) Co., Ltd. (“Related company”)	35 %

Syntec – Mivan Joint Venture had already finished its own construction and 3 projects amounted to 8,582 units were inspected by National Housing Authority. The retention for dilapidation of those projects was due in March 2012. As of 16 May 2016, the Company has been in the process of requesting the amount of retention from National Housing Authority and please see note 31 to the financial statements.

The above mentioned related company was insolvent and was sued by other creditors to be bankrupt. On 14 August 2015, the Central Bankruptcy Court ordered the related company to be under an absolute receivership.

Subsequently, on 19 October 2015, the Central Bankruptcy Court adjudged Mivan (Thailand) Co., Ltd. to be a bankrupt.

Subsidiaries

On 7 October 2014, the Company had entered into the loan agreement with a subsidiary (“SCR Asset Management Co., Ltd.”) in the amount not exceeding Baht 65 million, interest monthly charged at 4.75% per annum, requiring repayable principal on demand. The principal and interest will be repayable within 2 years from the agreement date.

On 25 November 2014, the Company had entered into the loan agreement with a subsidiary (“SCR Asset Management Co., Ltd.”) in the amount not exceeding Baht 135 million, interest monthly charged at MRL-2.375 per annum, from the agreement date requiring repayable principal on demand. The principal and interest will be repayable within 2 years.

On 18 October 2013, the Company had entered into a service agreement with Natural Ville Service Apartment and Management Co., Ltd. (“the subsidiary”) to provide the properties management including to manage building and land with furnishings, systems and facilities of the Natural Ville Project such as to service to tenants or customer and personnel management. The agreement has been effective from 25 October 2013 onward, requiring a monthly management service fee of Baht 2,000,000 (management service fee is included salaries and other administration expenses) and a disbursements to be approved by the Company.

On 1 April 2014, the Company had entered into a service agreement with SCR Asset Management Co., Ltd (“the subsidiary”). The agreement has been effective from 1 April 2014 to 31 March 2015, requiring a monthly service fee of Baht 200,000. On 30 March 2015, the Company entered into a service agreement to be effective from April 2015 to March 2016, requiring a monthly service fee of Baht 100,000.

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Related companies

On 1 August 2015, the Company had entered into the draft of operation and management agreement with a related company (Wrightman corporation Company) for a period from 1 August 2015 to 31 October 2020 in order to manage the apartment service business, prepare the financial documents, budget and prepare annual marketing plan of branch of the Company with the basic fee rate 2% of total revenue and incentive fee 3-5% of gross operating profit.

On 1 August 2015, the SCR Asset Management Co., Ltd. (“the subsidiary”) had entered into a draft of service agreement with a related company (Wrightman corporation company) for a period from 1 August 2015 to 1 July 2016 as a representative of a subsidiary in managing apartment service business preparing financial report and annual budget. Management fee was calculated from all expenses of the subsidiary based on the number of rooms and hotel employee expense.

On 3 November 2014, the Company had entered into a office space rental agreement with a related company (“N & J Asset Management Co., Ltd.”) for use as offices, meeting rooms, and seminars rooms for a period of 3 years from 1 November 2014 to 31 October 2017, at monthly rental of Baht 120,759 with renewal option when the end of the lease agreement.

The Company entered into a land rental agreement with a related company for use as temporary shelter for workers. The rental period covered six months from June 2013 to December 2013 with a monthly rental rate Baht 100,000 and renewal option when the end of the lease agreement.

6 Current Investments

	Consolidated and separate financial statements			
	31 March 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Current investments				
Bills of exchange	676,004	676,004	324,238	324,238
Mutual fund – debt securities	1,043,762	1,058,492	586,762	593,713
Total	1,719,766	1,734,496	911,000	917,951

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated and separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Bills of exchange		
At 1 January	324,238	549,999
Purchases during the period	351,766	126,803
Sales during the period	-	(212,023)
At 31 March	676,004	464,779

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	Consolidated and separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Open fund – debt securities		
At 1 January	593,713	176,338
Purchases during the period	460,000	40,159
Sales during the period	-	(40,413)
Valuation adjustment	4,779	1,383
At 31 March	<u>1,058,492</u>	<u>177,467</u>
Debt securities held to maturity		
At 1 January	-	35,000
Decrease during the period	-	(35,000)
At 31 March	<u>-</u>	<u>-</u>

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Trade accounts receivable - other parties	810,343	1,070,050	806,793	1,067,989
Less allowance for doubtful accounts	<u>(59,990)</u>	<u>(68,515)</u>	<u>(59,990)</u>	<u>(68,515)</u>
Net	<u>750,353</u>	<u>1,001,535</u>	<u>746,803</u>	<u>999,474</u>
<i>For the three-month period ended 31 March</i>				
Doubtful debts expense	42	29	42	29
Reversal of allowance for doubtful accounts	<u>(8,567)</u>	<u>(3,989)</u>	<u>(8,567)</u>	<u>(3,989)</u>
Total	<u>(8,525)</u>	<u>(3,960)</u>	<u>(8,525)</u>	<u>(3,960)</u>

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Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within credit terms	513,593	665,517	512,741	664,859
Still installment	10,917	16,060	10,917	16,060
Overdue:				
- Less than 3 months	106,456	64,758	103,758	63,355
- Over 3 months to 6 months	818	7,866	818	7,866
- Over 6 months to 12 months	82,745	132,336	82,745	132,336
- Over 12 months	95,814	183,513	95,814	183,513
	<u>285,833</u>	<u>388,473</u>	<u>283,135</u>	<u>387,070</u>
Total	<u>810,343</u>	<u>1,070,050</u>	<u>806,793</u>	<u>1,067,989</u>

The normal credit terms granted by the Group range from 30 days to 45 days.

8 Other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other receivables	64,316	15,229	39,356	37,057
Accrued income	3,293	4,469	3,774	8,394
Prepaid expenses	20,927	16,431	19,260	15,921
Advance	17,024	17,284	16,687	16,942
Prepaid value added tax	5,132	4,843	24	21
Total	<u>110,692</u>	<u>58,256</u>	<u>79,101</u>	<u>78,335</u>
Less allowance for doubtful accounts	<u>(17,299)</u>	<u>(17,099)</u>	<u>(17,307)</u>	<u>(17,099)</u>
Net	<u>93,393</u>	<u>41,157</u>	<u>61,794</u>	<u>61,236</u>
Related parties	11,378	11,178	39,034	35,692
Related persons				
Key management personnel	4,278	4,465	4,278	4,465
Other parties	95,036	42,613	35,789	38,178
	<u>110,692</u>	<u>58,256</u>	<u>79,101</u>	<u>78,335</u>
Less allowance for doubtful accounts	<u>(17,299)</u>	<u>(17,099)</u>	<u>(17,307)</u>	<u>(17,099)</u>
Net	<u>93,393</u>	<u>41,157</u>	<u>61,794</u>	<u>61,236</u>
<i>For the three-month period ended</i>				
<i>31 March</i>				
Doubtful debts expense	<u>200</u>	<u>665</u>	<u>200</u>	<u>665</u>
Total	<u>200</u>	<u>665</u>	<u>200</u>	<u>665</u>

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9 Retentions receivables under construction contracts

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other parties	480,036	521,165	480,036	521,165
Less allowance for doubtful accounts	(7,543)	(12,922)	(7,543)	(12,922)
Net	472,493	508,243	472,493	508,243
<i>For the three-month period ended 31 March</i>				
Reversal of allowance for doubtful accounts	(5,379)	(617)	(5,379)	(617)

Aging analyses for retentions receivable under construction contracts were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within credit terms	397,420	404,380	397,420	404,380
Still installment	1,857	2,732	1,857	2,732
Overdue:				
- Less than 1 year	35,015	14,524	35,015	14,524
- Over 2 year to 3 year	40,643	40,643	40,643	40,643
- Over 3 year	5,101	58,886	5,101	58,886
	80,759	114,053	80,759	114,053
Total	480,036	521,165	480,036	521,165

The normal period of retentions under construction granted by the Company ranges from 1 – 2 years.

10 Unbilled construction in progress

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other parties	287,496	515,631	287,496	515,631
Less allowance for doubtful accounts	(33,187)	(39,251)	(33,187)	(39,251)
Net	254,309	476,380	254,309	476,380
<i>For the three month periods ended 31 March</i>				
Reversal of allowance for doubtful accounts	(6,064)	(279)	(6,064)	(279)

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	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Construction project contracts amount	<u>26,654</u>	<u>26,199</u>	<u>26,654</u>	<u>26,199</u>
Contract revenue recognized as revenue since commencing date to present	19,142	18,624	19,142	18,624
<i>Less</i> progress billings (as invoices)	<u>(18,884)</u>	<u>(18,138)</u>	<u>(18,884)</u>	<u>(18,138)</u>
Unbilled construction in progress	258	486	258	486
Unbilled construction in progress (before 2000)	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>
Unbilled construction in progress at the end of period	287	515	287	515
<i>Less</i> allowance for doubtful accounts	<u>(33)</u>	<u>(39)</u>	<u>(33)</u>	<u>(39)</u>
Net	<u>254</u>	<u>476</u>	<u>254</u>	<u>476</u>
Excess of progress billing over work in progress	<u>(652)</u>	<u>(563)</u>	<u>(652)</u>	<u>(563)</u>
Net	<u>(398)</u>	<u>(87)</u>	<u>(398)</u>	<u>(87)</u>

11 Investments in subsidiaries

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	211,149	127,349
Prepaid investments in subsidiaries	-	20,800
Total	<u>211,149</u>	<u>148,149</u>
<i>Less</i> allowance for devaluation of investment	<u>(549)</u>	-
At 31 March	<u>210,600</u>	<u>148,149</u>
<i>For the three month periods ended 31 March</i>		
Impairment losses	<u>549</u>	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

Investments in subsidiary as at 31 March 2016 and 31 December 2015 were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend received	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	(%)		(in million Baht)				(in thousand Baht)					
Direct subsidiaries												
Investments :												
SCR Asset Management Co., Ltd.	52.00	52.00	400	400	208,000	208,000	-	-	208,000	208,000	-	-
Syntec Asset Management Co., Ltd.	54.97	54.97	1	1	549	549	(549)	-	-	549	-	-
Natural Ville Service apartment and Management Co., Ltd	99.97	99.97	2	2	2,000	2,000	-	-	2,000	2,000	-	-
CSM Capital Partners Co., Ltd.	60.00	59.98	1	0.6	600	600	-	-	600	600	-	-
Total					211,149	211,149	(549)	-	210,600	211,149	-	-

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

12 Investments in associates

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	29,618	29,659	9,375	38,677
Share of loss of investments from equity method	(11)	(6)	-	-
	<u>29,607</u>	<u>29,653</u>	<u>9,375</u>	<u>38,677</u>
Less allowance for valuation of investments	<u>(29,302)</u>	<u>(29,302)</u>	<u>(9,375)</u>	<u>(38,677)</u>
At 31 March	<u>305</u>	<u>351</u>	<u>-</u>	<u>-</u>

13 Other long-term investments

	Consolidated and separate financial statements			
	Cost		Fair Value	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
General investments	3,000	3,000	-	-
Available-for-sale investments	<u>221,748</u>	<u>221,748</u>	<u>417,201</u>	<u>393,282</u>
Total	<u>224,748</u>	<u>224,748</u>	<u>417,201</u>	<u>393,282</u>

Movements of other long-term investments during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated and separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
General investments		
At 1 January	-	55,789
Valuation adjustment	-	(55,789)
At 31 March	<u>-</u>	<u>-</u>
Available-for-sale investments		
At 1 January	393,282	221,748
Valuation adjustment	23,919	114,329
At 31 March	<u>417,201</u>	<u>336,077</u>
Unrealized gain (loss) from changes in fair value of investment for the period presented in equity	<u>19,136</u>	<u>(15,731)</u>

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

14 Long-term loans

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	4,956	4,956	89,956	89,956
Other parties	-	3,000	-	3,000
	<u>4,956</u>	<u>7,956</u>	<u>89,956</u>	<u>92,956</u>
Less allowance for doubtful accounts	<u>(4,956)</u>	<u>(7,956)</u>	<u>(4,956)</u>	<u>(7,956)</u>
	-	-	85,000	85,000
Less Current Portion long-term loans	<u>-</u>	<u>-</u>	<u>(85,000)</u>	<u>-</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
<i>For the three month periods ended 31 March</i>				
Bad debts	3,000	-	3,000	-
Reversal of allowance for doubtful accounts	<u>(3,000)</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Long-term loans for the three-month periods ended 31 March 2016 and 2015, was no movement during in the period.

15 Investment properties

Acquisitions, disposals and transfers of investment properties during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net book value at 1 January	100,509	100,820	100,509	100,820
Depreciation for the period	<u>(26)</u>	<u>(185)</u>	<u>(26)</u>	<u>(185)</u>
Net book value at 31 March	<u>100,483</u>	<u>100,635</u>	<u>100,483</u>	<u>100,635</u>

On 31 March 2016, the investment properties represented land 6 title deeds, cost value of Baht 99.64 million were mortgaged with a domestic commercial bank in the amount of Baht 700 million.

16 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2016 and 2015 were as follows:

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net book value at 1 January	1,549,948	1,522,605	919,472	930,170
Acquisition and transfer in - at cost	46,001	98,663	44,846	68,378
Disposal and transfer out				
- net book value	(26)	(16,546)	(18)	(16,546)
Depreciation for the period	(50,521)	(41,728)	(45,241)	(41,684)
Net book value at 31 March	1,545,402	1,562,994	919,059	940,318

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Interest capitalized for the three-month periods ended 31 March	-	2,302	-	-
Accumulated interest capitalized	-	8,540	-	-
Capitalization rate (% per annum)	-	4.75,MLR-1.5	-	-

As at 31 March 2016, land, buildings and building improvement in the amount of Baht 45 million including indemnity from fire 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 31 March 2016, land and future structures of a subsidiary (“SCR Asset Management Co.,Ltd.”) with book value in the amount of Baht 180 million, were mortgaged as collateral for contingent liabilities from borrowings from the domestic commercial banks.

17 Leasehold right

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net book value at 1 January	350,373	370,558	350,373	370,558
Amortization for the period	(5,032)	(4,977)	(5,032)	(4,977)
Net book value at 31 March	345,341	365,581	345,341	365,581

18 Intangible assets

Acquisitions, disposals and transfers of intangible assets during the three-month periods ended 31 March 2016 and 2015 were as follows:

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Net book value at 1 January	4,812	910	4,805	910
Acquisition and transfer in - at cost	442	192	442	192
Amortisation charge for the period	(454)	(197)	(454)	(197)
Net book value at 31 March	4,800	905	4,793	905

19 Deferred income tax

Movements of deferred tax assets and liabilities during the three-month periods ended 31 March 2016 and 2015 were as follows:

For the three-month periods ended 31 March 2016

	Consolidated and separate financial statements			
	At 1 January 2016	(Charged)/credited to		At 31 March 2016
		Profit (loss)	Other comprehensive income (loss)	
	<i>(in million Baht)</i>			
Deferred tax liabilities				
Property, plant and equipment	7	(1)	-	6
Financial lease liabilities	1	(1)	-	-
Gains on fair value of available-for-sale investments	34	-	6	40
Total	42	(2)	6	46
Net	(42)	2	(6)	(46)

For the three-month period ended 31 March 2015

	Consolidated and separate financial statements			
	At 1 January 2015	(Charged)/credited to		At 31 March 2015
		Profit (loss)	Other comprehensive income (loss)	
	<i>(in million Baht)</i>			
Deferred tax assets				
Trade accounts receivable	16	-	-	16
Loss carry forward	2	(2)	-	-
Total	18	(2)	-	16
Deferred tax liabilities				
Property, plant and equipment	6	(3)	-	3
Financial lease liabilities	1	-	-	1
Gains on fair value of available-for-sale investments	27	-	(4)	23
Total	34	(3)	(4)	27
Net	(16)	1	4	(11)

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Deductible temporary differences	81	70	81	70
Tax losses	7	7	-	-
Total	88	77	81	70

The tax losses expire in 2016 to 2020. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group / Company can utilize the benefits therefrom.

The interim income tax is calculated on profit before tax for the period multiplied by the estimated average tax rate.

Income tax expenses for the three-month periods ended 31 March 2016 and 2015 were summarized as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Current income tax expense for the period				
The interim income tax expenses	74	32	74	32
Deferred tax expense (income)				
Deferred tax expense (income) concern deductible temporary difference with initial recognized and reversed	(2)	(1)	(2)	(1)
Income tax expense (income) represented in statements of comprehensive income	72	31	72	31

20 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Bank overdrafts	-	2,533	-	-
Short-term loans from financial institutions	160,000	160,000	160,000	160,000
Total	160,000	162,533	160,000	160,000

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Movements of short-term loans from financial institutions during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	160,000	160,000	160,000	160,000
No change during the period	-	-	-	-
At 31 March	160,000	160,000	160,000	160,000

As at 31 March 2016, the Company had short-term loans from financial institutions in the amount of Baht 160 million in the consolidated and separate financial statements, represented bills of exchange, due on 29 August 2016 with interest rate charged at 3.60% per annum.

21 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	6,773	6,234	6,773	6,234
Others parties	373,702	332,944	371,604	332,720
Total	380,475	339,178	378,377	338,954

22 Other payables

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	1,480	319	19,216	17,901
Others parties	628,828	750,752	608,757	731,859
Total	630,308	751,071	627,973	749,760
<i>Other parties</i>				
Other payables	21,288	17,272	6,381	6,520
Accrued value added tax	31,962	13,019	30,970	12,302
Accrued withholding tax	6,989	7,557	6,785	7,285
Other accrued expenses	568,589	712,904	564,621	705,752
Total	628,828	750,752	608,757	731,859

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

23 Long-term loans

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Long-term loans from financial Institutions	201,882	205,782	-	-
Unsubordinated and unsecured debentures No. 1/2013	350,000	350,000	350,000	350,000
Total	551,882	555,782	350,000	350,000
Less current portion of long-term loans	(367,700)	(365,600)	(350,000)	(350,000)
Net	184,182	190,182	-	-

Movements of long-term loans during the three-month periods ended 31 March 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	555,782	702,286	350,000	525,000
Addition	-	12,814	-	-
Deduction	(3,900)	-	-	-
At 31 March	551,882	715,100	350,000	525,000

24 Employee benefit obligations

Movement in the present value of the defined benefit obligations :

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>For the three-month period ended 31 March</i>				
Defined benefit obligations at 1 January	117,071	99,045	115,292	98,041
Current service costs and interest	5,182	4,729	4,939	4,535
Defined benefit obligations at 31 March	122,253	103,774	120,231	102,576

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>For the three-month period ended 31 March</i>				
Current service costs	4,250	3,901	4,007	3,717
Interest on obligations	932	828	932	818
Total	5,182	4,729	4,939	4,535

The above expense is recognised in profit or loss included in the following line items:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>For the three-month period ended 31 March</i>				
Cost of construction	3,974	3,323	3,974	3,323
Administrative expenses	1,208	1,406	965	1,212
Total	5,182	4,729	4,939	4,535

Principal actuarial assumptions at the reporting date

	<i>(%)</i>
Discount rate	3.65 - 3.75
Salary increase rate	4.00 – 8.00
Staff turnover rate	0 – 21.00
Mortality rate (Thai Mortality Table 2008)	TMO 2008
Disability rate	5% of mortality rate

25 Provisions

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Provision for litigation	45,848	45,848	45,848	45,848
Provision for losses on construction project	104,301	30,801	104,301	30,801
Total	150,149	76,649	150,149	76,649
Current	104,301	30,801	104,301	30,801
Non-current	45,848	45,848	45,848	45,848
Total	150,149	76,649	150,149	76,649

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Movements for the three-month periods as at 31 March 2016 and 2015 were as follow:

	Consolidated and Separate financial statements							
	Provision losses on construction project		Estimated loss under joint venture agreement		Provision for litigation		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>							
At 1 January	30,801	66,518	-	66,465	45,848	45,848	76,649	178,831
Provision made	73,500	577	-	1,941	-	-	73,500	2,518
At 31 March	104,301	67,095	-	68,406	45,848	45,848	150,149	181,349

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

26 Share capital

	<i>Par value (Baht)</i>	31 March 2016		31 December 2015	
		Number	Value	Number	Value
		<i>(in million shares / in million Baht)</i>			
<i>Authorized share capital</i>					
At the beginning of period					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At the end of period					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
<i>Issued and paid up share capital</i>					
At the beginning of period					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At the end of period					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>

27 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

28 Segment information

The Group has three important reportable segments as follows:

- Segment 1 : Construction business
- Segment 2 : Real estate development for apartment service
- Segment 3 : Operate the management business for hotel, service apartment and other properties.

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Information about reportable segments:

	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>							
For the three-month period ended 31 March								
External revenue	1,778	1,843	50	32	9	6	1,837	1,881
Inter – segment revenue	(1)	(4)	-	-	(9)	(6)	(10)	(10)
Total segment revenue	1,777	1,839	50	32	-	-	1,827	1,871
Segment profit (loss) before income tax	302	132	10	(6)	(9)	-	303	126
Segment assets as at 31 March/ 31 December	5,902	5,636	1,150	1,077	10	9	7,062	6,722
Segment liabilities as at 31 March/ 31 December	2,940	2,874	257	234	3	2	3,200	3,110

Reconciliation of reportable segment profit or loss and assets

For the three-month period ended 31 March

2016 2015
(in million Baht)

Profit or loss

Total profit for reportable segments
Elimination of inter-segment profits
Profit before income tax

304 127
(1) (1)
303 **126**

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in million Baht)</i>			
Assets				
Total assets for reportable segments	5,517	5,172	5,561	5,242
Investments in subsidiaries	-	-	211	211
Property, plant and equipment	1,545	1,550	919	919
Total assets	7,062	6,722	6,691	6,372

29 Earnings per share

The calculation of basic earnings per share for the three-month periods ended 31 March 2016 and 2015 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:

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousands Baht / thousands shares)</i>			
Profit for the period attributable to equityholders of the Company(basic)	230,620	98,627	230,506	106,797
Number of ordinary shares outstanding	1,600,000	1,600,000	1,600,000	1,600,000
Basic earnings per share (Baht)	0.14	0.06	0.14	0.07

30 Commitments with non-related parties

As at 31 March 2016, the Group/Company had commitments as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
<i>Capital commitments</i>		
<i>Not provide for</i>		
Condominium	3	3
Camp and other structures	4	4
Cost of construction building for lease	640	-
<i>Other commitments</i>		
Subcontractor agreements	1,506	1,506
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	2,167	1,696
Total	4,320	3,209

As at 31 March 2016, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 4,475 million.

As at 31 March 2016, the subsidiary (SCR Assets Management Co., Ltd.) had commitment under the technical consulting agreement and the service apartment management with two other companies, requiring consulting fee and service including conditions according to the agreements.

31 Contingent liabilities

As at 31 March 2016, contingent liabilities were as follows:

- The Company had contingent liabilities due to be sued by other person regarding the wrongful act and claimed a compensation of construction with the sued amount of Baht 13 million. Such case has been in the process of consideration by the Court, which has not been finalized.

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

Litigations

- On 11 February 2011, the black case no. 270/2554, the Company, as the plaintiff, sued Kempin Siam Company Limited (“the Employer”) regarding false of construction agreement in the amount of Baht 301 million. Subsequently, on 30 September 2011, the Employer sued the Company as the black case no. 1146/2554 regarding false of construction agreement and claim compensation in the amount of Baht 2,864 million. The Court appointed to conciliate but did not agree, so the Court appointed to take evidences from the defendant on 9 December 2015 and 26 January 2016 and the Court ordered to combine the case for consideration and make an appointment to take evidences on 4 May 2016. On 25 March 2016, the defendant agreed to make the payment to the Company in the amount of Baht 200 million as compensation for damages in the amount of Baht 58.51 million which was recorded in statement of comprehensive income for the three-month period ended 31 March 2016. The Company withdrew a plaint which resulted to finish the consideration.
- On 28 June 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. The Court made an appointment for agreement on 20 August 2012. Subsequently, the Court ordered dispose this case and on 7 September 2012, as black case no. 2206/2555, the Company sued National Housing Authority to the Ferderal Administrative Court. The sued amount was Baht 874 million. As of 16 May 2016, the case has been in the process of the Court’s consideration, the result has not been finalized.
- SVK joint venture (“Joint venture”), sued to claim loss from other public company regarding false of agreement in the amount of Baht 12.13 million while Joint venture was sued by that public company to claim a compensation in the amount of Baht 31.80 million. Subsequently, on 13 February 2013, the Court of First Instance adjudged the Joint venture to settle to this public company. Subsequently, on 11 April 2013, the Company appealed to the Court and the Appeal Court adjudged the Company and ventures to settle to public company amount of Baht 31.80 million with interest rate 7.5% per annum from 14 October 2010 onwards.

Subsequently, on 19 September 2014, the Company filed a petition to the Supreme Court. As of 16 May 2016, the case has been in the process of the Court’s consideration, the result has not been finalized. However, as at 31 March 2016, the Company already recorded the provision on the above lawsuits amounting to Baht 31.80 million.

- The Company had sued by other person regarding the wrongful act and claimed a compensation of construction with the sued amount of Baht 46.39 million. Subsequently, on 28 December 2012, the Court of First Instance adjudged the Company to settle to the other person in the amount of Baht 13.10 million. Subsequently, on 26 August 2013, the Company appealed to the Court and the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 14.05 million with interest rate 7% per annum from 1 February 2011 onwards.

Subsequently, on 15 May 2014, the Company filed a petition to the Supreme Court. As of 16 May 2016, the case has been in the process of the Court’s Consideration, the result has not been finalized. However, as at 31 March 2016, the Company already recorded the provision on the above lawsuits amounting to Baht 14.05 million.

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period ended 31 March 2016 (Unaudited)

32 Events after the reporting period

The Company

The Board of Directors Meeting held on 22 April 2016 resolved to increase the register share capital of subsidiary (“CSM Capital Partners Co., Ltd.”) based on shareholding in the amount of Baht 599.40 million.

The Ordinary General Meeting of Shareholders held on 29 April 2016 resolved the following matters:

- Approval of allocation of net profit for the year 2015 in 5% to legal reserve in the amount of Baht 32.99 million.
- Approval of dividends from the Company’s result of operations for the period from 1 January 2015 to 31 December 2015 at the rate of Baht 0.11 per share totaling Baht 176 million. The Board of Directors Meeting resolved to pay an interim dividend from of operating results of the Company for the period from 1 January 2015 to 30 June 2015 at the rate of Baht 0.03 per share totaling Baht 48 million remained Baht 128 million, requiring making the payment on 27 May 2016.
- approval of directors’ remunerations for the year 2016 represented the meeting allowance of Baht 14,000 per time per head, and the annual audit committee directors’ remunerations of Baht 250,000 per head.

The subsidiary

The Extraordinary General Meeting of shareholders of subsidiary (“CSM Capital Partners Co., Ltd.”) held on 23 April 2016 resolved to increase the register share capital from Baht 1 million to Baht 1,000 million to support the acquisition of asset in Eight Thonglor Residence project.

On 7 April 2016, the subsidiary (“CSM Capital Partners Co., Ltd.”) had credit facilities obtaining from financial institutions totaling Baht 1,550 million.

On 27 April 2016, the subsidiary (“CSM Capital Partners Co., Ltd.”) had registered to receive the transfer of ownership of Eight Thonglor Residence project from UOB freehold Eight Thonglor Property Fund totaling Baht 2,495 million, and the subsidiary registered to mortgage condominium unit in the project to use as collateral for credit facilities with a commercial bank in accordance with the mortgage agreement dated 27 April 2016 in the credit line amounting to Baht 1,550 million.