

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

Interim financial statements
for the three-month and six-month periods ended
30 June 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 30 June 2016, the related consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-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
15 August 2016

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2016

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		334,108	644,324	280,021	615,412
Current investments	6	1,459,588	917,951	1,409,569	917,951
Trade accounts receivable	7	692,314	1,001,535	684,112	999,474
Other receivables	5, 8	57,057	41,157	65,938	61,236
Retention receivable under construction					
contracts	9	497,815	508,243	497,815	508,243
Unbilled construction in progress	10	304,128	476,380	304,128	476,380
Current portion of Long-term loans	5, 14	-	-	85,000	-
Inventories		148,559	138,775	148,559	138,775
Advance payments to subcontractors		27,381	96,017	27,381	96,017
Total current assets		3,520,950	3,824,382	3,502,523	3,813,488
Non-current assets					
Investment in subsidiaries	11	-	-	810,000	211,149
Investments in associates	12	294	316	-	-
Other long-term investments	5, 13	514,924	393,282	514,924	393,282
Long-term loans	5, 14	-	-	-	85,000
Investment properties	15	100,456	100,509	100,456	100,509
Property, plant and equipment	16	4,009,251	1,549,948	906,098	919,472
Leasehold right	17	340,308	350,373	340,308	350,373
Intangible assets	16,18	12,703	4,812	5,063	4,805
Withholding tax		213,372	209,206	209,238	206,093
Pledged deposit at bank		185,142	237,106	165,141	237,106
Other non-current assets		44,148	51,900	43,495	51,260
Total non-current assets		5,420,598	2,897,452	3,094,723	2,559,049
Total Assets		8,941,548	6,721,834	6,597,246	6,372,537

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2016

Liabilities and equity	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	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	160,385	162,533	160,000	160,000
Trade accounts payable	21	475,131	339,178	469,767	338,954
Other payables	22	701,150	751,071	673,834	749,760
Current portion of creditors under					
rehabilitation plan		26,295	26,704	26,295	26,704
Current portion of Long-term loans	23	86,800	365,600	-	350,000
Current portion of financial lease liabilities		28,561	33,908	28,561	33,908
Advances received from customers					
under construction contracts	10	665,393	562,893	665,393	562,893
Retention payables from subcontractors		304,694	304,080	304,694	304,080
Undue value added tax		66,641	98,791	66,641	98,791
Short-term provisions	25	107,748	30,801	107,748	30,801
Other current liabilities		25,771	8,589	10,303	8,589
Total current liabilities		2,648,569	2,684,148	2,513,236	2,664,480
<i>Non-current liabilities</i>					
Long-term loans	23	1,659,242	190,182	-	-
Financial lease liabilities		16,657	29,839	16,657	29,839
Deferred tax liabilities	19	47,915	42,473	47,915	42,473
Employee benefit obligations	24	127,435	117,071	125,170	115,292
Long-term provisions	25	14,048	45,848	14,048	45,848
Deposit from customers		20,852	-	-	-
Total non-current liabilities		1,886,149	425,413	203,790	233,452
Total liabilities		4,534,718	3,109,561	2,717,026	2,897,932

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2016

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital	26				
Authorized share capital		1,600,000	1,600,000	1,600,000	1,600,000
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	135,553	113,739	135,553	113,739
Unappropriated		1,865,926	1,585,556	1,910,102	1,623,615
Other components of equity	5, 13				
Change in fair value of available-for-sale investments		234,541	137,227	234,541	137,227
Total equity attributable to owners of the Company		3,836,044	3,436,546	3,880,220	3,474,605
Non-controlling interests		570,786	175,727	-	-
Total equity		4,406,830	3,612,273	3,880,220	3,474,605
Total liabilities and equity		8,941,548	6,721,834	6,597,246	6,372,537

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 30 June		Three-month period ended 30 June	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Revenues					
Revenue from construction		1,752,553	1,599,921	1,752,553	1,599,922
Revenue from rendering of service		82,296	34,263	26,954	26,589
Interest income		2,368	2,521	3,327	4,658
Reversal of allowance for devaluation investments		-	52,788	-	52,788
Reversal of allowance for doubtful accounts	7, 9, 10	11,094	26,283	11,094	26,283
Reversal of estimated loss under joint venture agreements		-	82	-	82
Other income		35,908	5,027	27,910	4,579
Total revenues		1,884,219	1,720,885	1,821,838	1,714,901
Expenses					
Cost of construction		1,442,162	1,392,740	1,442,162	1,392,740
Cost of rendering of service		59,525	23,316	18,887	20,245
Selling expenses		2,860	539	105	60
Administrative expenses		126,629	88,313	109,565	78,582
Other expenses		17,437	72,479	17,436	72,479
Finance costs		18,146	10,366	5,377	10,366
Total expenses		1,666,759	1,587,753	1,593,532	1,574,472
Share of loss of investments in associate	12	(11)	(7)	-	-
Profit before income tax expense		217,449	133,125	228,306	140,429
Income tax expense	19	22,544	28,546	22,544	28,546
Profit for the period		194,905	104,579	205,762	111,883
Other comprehensive income					
Items that will be reclassified to profit or loss:-					
Profit (loss) in fair value of available-for-sale, net tax	13	97,722	10,725	97,722	10,725
Income tax on other components income		(19,544)	(2,145)	(19,544)	(2,145)
Other comprehensive profit for the period, net of income tax		78,178	8,580	78,178	8,580
Total comprehensive income for the period		273,083	113,159	283,940	120,463

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 30 June		Three-month period ended 30 June	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Profit (loss) attributable to :-					
Owners of the Company		199,531	105,156	205,762	111,883
Non - controlling interests		(4,626)	(577)	-	-
Profit for the period		<u>194,905</u>	<u>104,579</u>	<u>205,762</u>	<u>111,883</u>
Total comprehensive income (loss) attributable to :-					
Owners of the Company		277,709	113,736	283,940	120,463
Non - controlling interests		(4,626)	(577)	-	-
Total comprehensive income for the period		<u>273,083</u>	<u>113,159</u>	<u>283,940</u>	<u>120,463</u>
Earning per share					
Basic (in Baht)	29	<u>0.12</u>	<u>0.07</u>	<u>0.13</u>	<u>0.07</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)

		Consolidated		Separate	
		financial statements		financial statements	
		Six-month period		Six-month period	
		ended 30 June		ended 30 June	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Revenues					
Revenue from construction		3,428,005	3,425,124	3,428,005	3,425,124
Revenue from rendering of service		128,595	66,368	56,325	56,551
Interest income		4,610	7,571	6,675	12,028
Compensation for damages	32	58,510	-	58,510	-
Reversal of allowance for devaluation investments		-	52,788	-	52,788
Reversal of allowance for doubtful accounts	7, 9, 10	31,104	31,168	31,104	31,168
Reversal of estimated loss under joint venture agreements		-	82	-	82
Other income		59,974	8,374	51,359	9,407
Total revenues		3,710,798	3,591,475	3,631,978	3,587,148
Expenses					
Cost of construction		2,823,628	2,988,296	2,823,628	2,988,296
Cost of rendering of service		86,816	45,528	40,820	41,364
Selling expenses		3,135	1,221	215	126
Administrative expenses		231,617	183,008	205,573	164,278
Other expenses		17,637	93,754	18,194	93,754
Finance costs		27,784	20,862	12,500	20,862
Total expenses		3,190,617	3,332,669	3,100,930	3,308,680
Share of loss of investments in associate	12	(22)	(13)	-	-
Profit before income tax expense		520,159	258,793	531,048	278,468
Income tax expense	19	94,949	59,788	94,780	59,788
Profit for the period		425,210	199,005	436,268	218,680
Other comprehensive income (loss)					
Items that will be reclassified to profit or loss:-					
Profit (loss) in fair value of available-for-sale, net tax	13	121,642	(8,939)	121,642	(8,939)
Income tax on other components income		(24,328)	1,788	(24,328)	1,788
Other comprehensive income (loss) for the period, net of income tax		97,314	(7,151)	97,314	(7,151)
Total comprehensive income for the period		522,524	191,854	533,582	211,529

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	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Profit (loss) attributable to :-					
Owners of the Company		430,151	203,783	436,268	218,680
Non - controlling interests		(4,941)	(4,778)	-	-
Profit for the period		<u>425,210</u>	<u>199,005</u>	<u>436,268</u>	<u>218,680</u>
Total comprehensive income (loss) attributable to :-					
Owners of the Company		527,465	196,632	533,582	211,529
Non - controlling interests		(4,941)	(4,778)	-	-
Total comprehensive income for the period		<u>522,524</u>	<u>191,854</u>	<u>533,582</u>	<u>211,529</u>
Earning per share					
Basic (in Baht)	29	<u>0.27</u>	<u>0.13</u>	<u>0.27</u>	<u>0.14</u>

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)

	<i>Note</i>	Consolidated financial statements							Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	
				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments			
<i>(in thousand Baht)</i>									
For the six-month period ended 30 June 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 :-									
Contributions by and distribution to owners of the company									
Dividends to owner of the company	30	-	-	-	(80,000)	-	(80,000)	-	(80,000)
Total contributions by and distributions to owners of the Company		-	-	-	(80,000)	-	(80,000)	-	(80,000)
Changes in ownership interest in subsidiary									
Acquisition for non - controlling interests without a chang in control		-	-	-	-	-	-	76,800	76,800
Total changes in ownership interest in subsidiary		-	-	-	-	-	-	76,800	76,800
Total Transection with owner, recorded directly in equity		-	-	-	(80,000)	-	(80,000)	76,800	(3,200)
Comprehensive income (loss) for the period									
Profit		-	-	-	203,783	-	203,783	(4,778)	199,005
Comprehensive loss for the period		-	-	-	-	(7,151)	(7,151)	-	(7,151)
Total comprehensive income (loss) for the period		-	-	-	203,783	(7,151)	196,632	(4,778)	191,854
Transfer to legal reserve		-	-	10,934	(10,934)	-	-	-	-
Balance as at 30 June 2015		1,600,000	24	91,683	1,219,178	100,044	3,010,929	183,592	3,194,521

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	<u>Retained earnings</u>		<u>Other components of equity</u>	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 six-month period ended 30 June 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 :-									
Transaction with owner, recorded directly in equity :-									
Contributions by and distribution to owners of the company									
Dividends to owner of the company	30	-	-	-	(127,967)	-	(127,967)	-	(127,967)
Total contributions by and distributions to owners of the Company		-	-	-	(127,967)	-	(127,967)	-	(127,967)
Changes in ownership interest in subsidiary :									
Acquisition for non - controlling interests without a chang in control		-	-	-	-	-	-	400,000	400,000
Total changes in ownership interest in subsidiary		-	-	-	-	-	-	400,000	400,000
Total transection with owner, recorded directly in equity		-	-	-	(127,967)	-	(127,967)	400,000	272,033
Comprehensive income (loss) for the period									
Profit		-	-	-	430,151	-	430,151	(4,941)	425,210
Comprehensive income		-	-	-	-	97,314	97,314	-	97,314
Total comprehensive income (loss) for the period		-	-	-	430,151	97,314	527,465	(4,941)	522,524
Transfer to legal reserve		-	-	21,814	(21,814)	-	-	-	-
Balance as at 30 June 2016		1,600,000	24	135,553	1,865,926	234,541	3,836,044	570,786	4,406,830

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)

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Premium on ordinary shares	<u>Retained earnings</u>		Other components of equity	
				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments	
<i>(in thousand Baht)</i>							
For the six-month period ended 30 June 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 :-							
Contributions by and distribution to owners of the company							
Dividends to owner of the company	30	-	-	-	(80,000)	-	(80,000)
Total contributions by and distributions to owners of the Company		-	-	-	(80,000)	-	(80,000)
Total Transaction with owner, recorded directly in equity		-	-	-	(80,000)	-	(80,000)
Comprehensive income (loss) for the period							
Profit		-	-	-	218,680	-	218,680
Comprehensive income (loss)		-	-	-	-	(7,151)	(7,151)
Total comprehensive income (loss) for the period		-	-	-	218,680	(7,151)	211,529
Transfer to legal reserve		-	-	10,934	(10,934)	-	-
Balance as at 30 June 2015		1,600,000	24	91,683	1,252,533	100,044	3,044,284

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)

	<i>Note</i>	Separate financial statements					Total equity
		Issued and paid-up share capital	Premium on ordinary shares	<i>Retained earnings</i>		Other components of equity	
				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments	
<i>(in thousand Baht)</i>							
For the six-month period ended 30 June 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 :-							
Contributions by and distribution to owners of the company							
Dividends to owner of the company	30	-	-	-	(127,967)	-	(127,967)
Total contributions by and distributions to owners of the Company		-	-	-	(127,967)	-	(127,967)
Total Transaction with owner, recorded directly in equity		-	-	-	(127,967)	-	(127,967)
Comprehensive income (loss) for the period							
Profit		-	-	-	436,268	-	436,268
Comprehensive income		-	-	-	-	97,314	97,314
Total comprehensive income for the period		-	-	-	436,268	97,314	533,582
Transfer to legal reserve		-	-	21,814	(21,814)	-	-
Balance as at 30 June 2016		1,600,000	24	135,553	1,910,102	234,541	3,880,220

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	425,210	199,005	436,268	218,680
<i>Adjustments for</i>				
Reversal of allowance for doubtful accounts	(31,104)	(31,168)	(31,104)	(31,168)
Reversal of allowance for devaluation	-	(52,788)	-	(52,788)
Doubtful accounts	12,232	4,236	12,239	4,236
Bad debt	5,405	26,356	5,405	26,356
Depreciation and amortization	129,436	98,040	102,498	93,857
Interest income	(4,610)	(7,571)	(6,675)	(12,028)
Interest expense	27,784	20,862	12,500	20,862
(Gain) loss on disposal and written off of equipment	(1,549)	10,520	(1,555)	10,520
Unrealized gains from changes in fair value of available-for-sale investments	(7,623)	(3,608)	(7,604)	(3,608)
Unrealized gain (loss) on exchange rate	(409)	316	(409)	316
Loss on write-off other investments	-	52,788	-	52,788
Loss on devaluation of investment in subsidiary	-	-	549	-
Share of loss of investment in associate	22	13	-	-
Provision for losses on constructions project (reversal)	76,948	(14,641)	76,948	(14,641)
Reversal of estimated loss under joint venture agreements	-	(82)	-	(82)
Employee benefit expense	10,364	9,458	9,878	9,070
Income tax expense	94,949	59,788	94,780	59,788
	<u>737,055</u>	<u>371,524</u>	<u>703,718</u>	<u>382,158</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	316,367	(33,306)	322,509	(32,034)
Other receivables	(21,260)	(19,224)	(10,098)	(18,409)
Retention receivable under construction contract	13,296	(74,576)	13,296	(74,576)
Unbilled construction in progress	178,201	35,874	178,201	35,874
Inventories	(9,784)	68,736	(9,784)	68,736
Advance payments to subcontractors	68,636	(184,984)	68,636	(184,984)
Other non-current assets	7,753	6,073	7,766	6,445
Trade accounts payable	135,952	(153,739)	130,812	(140,760)
Advance received under construction contracts	102,500	67,525	102,500	67,525
Undue value added tax	(32,149)	2,414	(32,149)	2,414
Deposit receipt from customers	36,321	-	-	-
Retention payable from subcontractors	614	22,172	614	22,172
Other payables	(48,072)	18,676	(74,106)	15,275
Other current liabilities	1,713	186	1,713	186
Payment of provision for litigation	(31,800)	-	(31,800)	-
Cash generated from operating activities	<u>1,455,343</u>	<u>127,351</u>	<u>1,371,828</u>	<u>150,022</u>
Withholding tax paid	<u>(118,002)</u>	<u>(105,223)</u>	<u>(116,813)</u>	<u>(104,621)</u>
Net cash from operating activities	<u>1,337,341</u>	<u>22,128</u>	<u>1,255,015</u>	<u>45,401</u>

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	4,675	10,332	6,768	14,787
Purchase of current investments	(1,552,989)	(513,652)	(1,502,989)	(513,652)
Proceeds from current investments	1,018,974	637,325	1,018,974	637,325
Repayment of long-term from related parties	-	-	-	65,000
Payment of investments in subsidiaries	-	-	(599,400)	(83,200)
Payment of short-term loans from related parties	-	-	(30,000)	-
Proceeds from short-term loans from related parties	-	-	30,000	-
Pledged deposit at bank	51,963	(33,415)	71,965	(33,415)
Purchase of property, plant and equipment	(2,577,267)	(152,933)	(78,114)	(108,224)
Purchase of intangible assets	(9,299)	(199)	(1,198)	(192)
Sales of equipment	1,604	6,185	1,604	6,185
Net cash used in investing activities	(3,062,339)	(46,357)	(1,082,390)	(15,386)
<i>Cash flows from financing activities</i>				
Interest paid	(26,834)	(20,948)	(11,520)	(20,948)
Dividends paid	(127,967)	(79,981)	(127,967)	(79,981)
Bank overdrafts	(2,148)	-	-	-
Payment of creditor under rehabilitation plan	-	(4,363)	-	(4,363)
Proceeds from short-term loan	25,000	-	-	-
Payment of short-term loan	(25,000)	-	-	-
Proceeds from long-term loans	1,550,000	28,495	-	-
Payment of long-term loans	(9,740)	-	-	-
Payment of redemption of debentures	(350,000)	-	(350,000)	-
Finance lease payment	(18,529)	(20,769)	(18,529)	(20,769)
Proceeds from from non-controlling interests	400,000	76,800	-	-
Net cash from (used in) financing activities	1,414,782	(20,766)	(508,016)	(126,061)
Net decrease in cash and cash equivalents	(310,216)	(44,995)	(335,391)	(96,046)
Cash and cash equivalents at 1 January	644,324	388,335	615,412	365,562
Cash and cash equivalents at 30 June	334,108	343,340	280,021	269,516

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of interim financial statements
3	Significant accounting policies
4	Seasonal operations
5	Related parties
6	Current investments
7	Trade accounts receivable
8	Other receivables
9	Retention receivable under construction contracts
10	Unbilled construction in progress
11	Investments in subsidiaries
12	Investment in associate
13	Other long-term investments
14	Long-term loans
15	Investment properties
16	Property, plant and equipment
17	Leasehold right
18	Intangible assets
19	Deferred tax
20	Bank overdrafts and short-term loans from financial institution
21	Trade accounts payable
22	Other payables
23	Long - term loans
24	Employee benefit obligations
25	Provisions
26	Share capital
27	Legal reserve
28	Segment information
29	Earnings per share
30	Dividends
31	Commitments with non-related parties
32	Contingent liabilities
33	Events after the reporting period

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 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 15 August 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 30 June 2016.

	<i>(%) of total paid-up share capital</i>
Phahusuth Group and Taneehiranrat Group	25.13
Thai NVDR Company Limited	6.82

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 (%)	
			30 June 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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
				30 June 2016	31 December 2015
3)	Natural Ville Service Apartment and Management Co., Ltd.	Management personnel for hotel, service apartment and other properties	Thailand	99.97	99.97
4)	CSM Capital Partners Co., Ltd.	Service apartment or real estate development for rental	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.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

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.

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 32	Contingent liabilities and litigation

- 2.4** The consolidated and separate financial statements for the three-month and six-month periods ended 30 June 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 0.01 million and Baht 0.01 million, and Baht 0.02 million, and Baht 0.01 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 30 June 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 and six-month periods ended 30 June 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.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

5 Related parties

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

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Subsidiaries		
1. SCR Asset Management Co., Ltd.	Thailand	Subsidiary, 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, joint shareholder with the company.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
13. Thonglor Management Co.,Ltd.	Thailand	Related company, joint shareholder with the company's directors.
14. 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
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 and six-month periods ended 30 June 2016 and 2015 with related parties were summarized as follows:

	Consolidated financial statements		Separate financial statements	
	For three-month 2016	2015	For three-month 2016	2015
<i>(in thousand Baht)</i>				
Revenue				
Subsidiaries				
Revenue from rendering of services and others	-	-	300	300
Interest income	-	-	1,144	2,142
Related companies				
Rental and service	289	-	289	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	For three-month		For three-month	
	2016	2015	2016	2015
Expenses				
Subsidiaries				
Management fee	-	-	5,449	6,521
Related companies				
Cost of construction	26,015	13,600	26,015	13,600
Management fee	2,141	-	-	-
Retail space rental and services	411	113	411	113
Land rental expense	-	300	-	300
Other service expense	7,133	3,250	7,133	3,250
Key management personal				
Management benefit expense				
Short-term benefits	6,884	5,528	6,884	5,528
Post-employment benefits	531	721	531	721
Total key management personnel compensation	<u>7,415</u>	<u>6,249</u>	<u>7,415</u>	<u>6,249</u>
(in thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	For six-month		For six-month	
	2016	2015	2016	2015
Revenue				
Subsidiaries				
Revenue from rendering of services and others	-	-	600	1,877
Interest income	-	-	2,092	4,461
Related companies				
Rental and service	289	-	289	-
Expenses				
Subsidiaries				
Management fee	-	-	14,282	12,615
Related companies				
Cost of construction	48,972	33,266	48,972	33,266
Management fee	2,141	-	-	-
Retail space rental and services	822	548	822	548
Land rental expense	-	600	-	600
Other service expense	7,683	7,135	12,113	7,135
Key management personal				
Management benefit expense				
Short-term benefits	12,812	10,396	12,812	10,396
Post-employment benefits	1,063	1,443	1,063	1,443
Total key management personnel compensation	<u>13,875</u>	<u>11,839</u>	<u>13,875</u>	<u>11,839</u>

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Balance as at 30 June 2016 and 31 December 2015 with related parties were as follows:

Other receivables - related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
<i>Other receivables and advances</i>				
Joint ventures				
SVK Joint Venture	11,164	11,158	11,164	11,158
Syntec – Mivan Joint Venture	2,490	-	2,490	-
Subsidiaries				
SCR Asset Management Co.,Ltd.	-	-	4,320	3,115
Syntec Assets Management Co., Ltd.	-	-	8	8
Natural Ville Service Apartment and Management Co., Ltd.	-	-	26,048	21,405
CSM Capital Partners Co., Ltd	-	-	6	6
Related persons				
Key management personnel	20	20	-	-
Total	13,674	11,178	44,036	35,692
Less allowance for doubtful accounts	(13,654)	(11,158)	(13,662)	(11,158)
Net	20	20	30,374	24,534
Related persons				
Key management personnel Advance to project managers	4,495	4,465	4,495	4,465

As at 30 June 2016 and 31 December 2015, advance to project managers in the amount of Baht 4.49 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.

Movements of Short-term loans to related parties for the six-month periods ended 30 June 2016 were as follows:

	Separate financial statements <i>(in thousand Baht)</i>
At 1 January	-
Increase during the period	30,000
Decrease during the period	(30,000)
At 30 June	-

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Other long-term investments

	Consolidated and separate financial statements			
	30 June 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	514,924	221,748	393,282
Add valuation adjustment	293,176	-	171,534	-
Net	514,924	514,924	393,282	393,282

Long-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 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
Less Allowance for doubtful accounts	(4,956)	(4,956)	(4,956)	(4,956)
Long-term loans-Net	-	-	85,000	85,000
Less current portion of long- term loans	-	-	(85,000)	-
Net	-	-	-	85,000

As at 30 June 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 six-month periods ended 30 June 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	204,956
Decrease during the period	-	-	-	(65,000)
At 30 June	4,956	4,956	89,956	139,956

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other related parties				
Safe Series Co., ltd	7,661	6,234	7,661	6,234
Total	7,661	6,234	7,661	6,234

Other payable – related parties

Subsidiaries

Natural Ville Service Apartment and Management Co., Ltd	-	-	15,710	17,582
SCR Asset Management Co.,Ltd	-	-	27	-
Other related parties				
Thonglor Management Co.,Ltd.	1,525	-	-	-
Wrightman Corporation Co., Ltd	2,620	319	2,620	319
Total	4,145	319	18,357	17,901

Movements of Short-term loans from related parties for the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase during the period	25,000	-	-	-
Decrease during the period	(25,000)	-	-	-
At 30 June	-	-	-	-

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 2016 resolved the approval of directors' remunerations for the year 2016, which 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 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.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

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 15 August 2016, the Company has been in the process of requesting the amount of retention from National Housing Authority and please see note 32 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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

into a service agreement to be effective from April 2015 to March 2016, requiring a monthly service fee of Baht 100,000.

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 financial statements			
	30 June 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Current investments				
Bills of exchange	350,674	350,674	324,238	324,238
Mutual fund – debt securities	1,101,291	1,108,914	586,762	593,713
Total	1,451,965	1,459,588	911,000	917,951
	Separate financial statements			
	30 June 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Current investments				
Bills of exchange	350,674	350,674	324,238	324,238
Mutual fund – debt securities	1,051,292	1,058,895	586,762	593,713
Total	1,401,966	1,409,569	911,000	917,951

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Bills of exchange				
At 1 January	324,238	549,999	324,238	549,999
Purchases during the period	652,989	232,356	652,989	232,356
Sales during the period	(626,553)	(501,029)	(626,553)	(501,029)
At 30 June	350,674	281,326	350,674	281,326
Open fund – debt securities				
At 1 January	593,712	176,338	593,712	176,338
Purchases during the period	900,000	281,296	850,000	281,296
Sales during the period	(392,421)	(101,296)	(392,421)	(101,296)
Valuation adjustment	7,623	3,608	7,604	3,608
At 30 June	1,108,914	359,946	1,058,895	359,946
Debt securities held to maturity				
At 1 January	-	35,000	-	35,000
Decrease during the period	-	(35,000)	-	(35,000)
At 30 June	-	-	-	-

7 Trade accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Trade accounts receivable - other parties	748,277	1,070,050	740,075	1,067,989
Less allowance for doubtful accounts	(55,963)	(68,515)	(55,963)	(68,515)
Net	692,314	1,001,535	684,112	999,474
Reversal of allowance for doubtful accounts				
For the three-month period ended 30 June	(11,094)	(16,216)	(11,094)	(16,216)
For the six-month period ended 30 June	(19,661)	(20,205)	(19,661)	(20,205)

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Bad debts				
For the three-month period ended 30 June	5,405	10,199	5,405	10,199
For the six-month period ended 30 June	5,405	12,574	5,405	12,574
Doubtful debts expense				
For the three-month period ended 30 June	7,067	-	7,067	-
For the six-month period ended 30 June	7,109	-	7,109	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within credit terms	572,211	665,517	567,731	664,859
Still installment	70,268	16,060	70,268	16,060
Overdue:				
- Less than 3 months	6,234	64,758	2,580	63,355
- Over 3 months to 6 months	2,032	7,866	1,964	7,866
- Over 6 months to 12 months	1,718	132,336	1,718	132,336
- Over 12 months	95,814	183,513	95,814	183,513
	<u>105,798</u>	<u>388,473</u>	<u>102,076</u>	<u>387,070</u>
Total	<u>748,277</u>	<u>1,070,050</u>	<u>740,075</u>	<u>1,067,989</u>

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

8 Other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other receivables	18,551	15,229	42,478	37,057
Accrued income	9,292	4,469	5,266	8,394
Prepaid expenses	22,591	16,431	18,597	15,921
Advance	19,544	17,284	19,078	16,942
Prepaid value added tax	6,675	4,843	122	21
Total	76,653	58,256	85,541	78,335
<i>Less</i> allowance for doubtful accounts	(19,596)	(17,099)	(19,603)	(17,099)
Net	57,057	41,157	65,938	61,236
Related parties	13,674	11,178	44,036	35,692
Related persons				
Key management personnel	4,495	4,465	4,495	4,465
Other parties	58,484	42,613	37,010	38,178
	76,653	58,256	85,541	78,335
<i>Less</i> allowance for doubtful accounts	(19,596)	(17,099)	(19,603)	(17,099)
Net	57,057	41,157	65,938	61,236
Doubtful debts expense				
For the three-month period ended 30 June	2,297	3,571	2,304	3,571
For the six-month period ended 30 June	2,497	4,236	2,504	4,236

9 Retentions receivables under construction contracts

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other parties	507,869	521,165	507,869	521,165
<i>Less</i> allowance for doubtful accounts	(10,054)	(12,922)	(10,054)	(12,922)
Net	497,815	508,243	497,815	508,243

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Reversal of allowance for doubtful accounts				
For the three-month period ended 30 June	-	(10,067)	-	(10,067)
For the six-month period ended 30 June	(5,378)	(10,684)	(5,378)	(10,684)
Bad debts				
For the three-month period ended 30 June	-	10,067	-	10,067
For the six-month period ended 30 June	-	13,782	-	13,782
Doubtful debts expense				
For the three-month period ended 30 June	2,510	-	2,510	-
For the six-month period ended 30 June	2,510	-	2,510	-

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

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within credit terms	402,008	404,380	402,008	404,380
Still installment	25,103	2,732	25,103	2,732
Overdue:				
- Less than 1 year	34,546	14,524	34,546	14,524
- Over 1 year to 2 year	469	-	469	-
- Over 2 year to 3 year	40,643	40,643	40,643	40,643
- Over 3 year	5,100	58,886	5,100	58,886
	<u>80,758</u>	<u>114,053</u>	<u>80,758</u>	<u>114,053</u>
Total	<u>507,869</u>	<u>521,165</u>	<u>507,869</u>	<u>521,165</u>

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

10 Unbilled construction in progress

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other parties	337,430	515,631	337,430	515,631
Less allowance for doubtful accounts	(33,302)	(39,251)	(33,302)	(39,251)
Net	304,128	476,380	304,128	476,380
<i>For the six-month period ended 30 June</i>				
Doubtful debts expense	(116)	-	(116)	-
Reversal of allowance for doubtful accounts	(6,065)	(279)	(6,065)	(279)
	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Construction project contracts amount	25,966	26,199	25,966	26,199
Contract revenue recognized as revenue since commencing date to present	17,362	18,624	17,362	18,624
Less progress billings (as invoices)	(17,054)	(18,138)	(17,054)	(18,138)
Unbilled construction in progress	308	486	308	486
Unbilled construction in progress (before 2000)	29	29	29	29
Unbilled construction in progress at the end of period	337	515	337	515
Less allowance for doubtful accounts	(33)	(39)	(33)	(39)
Net	304	476	304	476
Excess of progress billing over work in progress	(665)	(563)	(665)	(563)
Net	(361)	(87)	(361)	(87)

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

11 Investments in subsidiaries

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	211,149	127,349
Acquisition investments in subsidiaries	599,400	83,200
Total	<u>810,549</u>	<u>210,549</u>
Less allowance for devaluation of investment	(549)	-
At 30 June	<u>810,000</u>	<u>210,549</u>
<i>For the six-month period ended 30 June</i>		
Impairment losses	<u>549</u>	<u>-</u>

The Extraordinary General Meeting of Shareholders of a subsidiary (CSM Capital Partners Co.,Ltd) held on 23 April 2016 resolved to increase the registered share capital from Baht 1 million to Baht 1,000 million for support the acquisition of the assets in Eight Thonglor Residences Project. The Company also registered the increase of share capital with the Ministry of Commerce on 10 May 2016.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Investments in subsidiary as at 30 June 2016 and 31 December 2015 were as follows:

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend received	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(%)		(in million Baht)				(in thousand Baht)					
<i>Direct subsidiaries</i>												
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	1,000	0.6	600,000	600	-	-	600,000	600	-	-
Total					810,549	211,149	(549)	-	810,000	211,149	-	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

12 Investments in associates

Movements during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	316	357	9,375	9,375
Share of loss of investments from equity method	(22)	(13)	-	-
	<u>294</u>	<u>344</u>	<u>9,375</u>	<u>9,375</u>
Less allowance for valuation of investments	-	-	(9,375)	(9,375)
At 30 June	<u>294</u>	<u>344</u>	<u>-</u>	<u>-</u>

13 Other long-term investments

	Consolidated and separate financial statements			
	Cost		Fair Value	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
General investments	-	3,000	-	-
Available-for-sale investments	<u>221,748</u>	<u>221,748</u>	<u>514,924</u>	<u>393,282</u>
Total	<u>221,748</u>	<u>224,748</u>	<u>514,924</u>	<u>393,282</u>

For the six-month period ended 30 June 2015, the Company approved to reverse allowance for devaluation of investments and write-off general investments in the same amount of Baht 52.79 million. (S.S. Bangkok Development Co., Ltd. and Salintara Co., Ltd.)

Movements of other long-term investments during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated and separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
General investments		
At 1 January	-	55,788
Decrease during the period	-	(52,788)
Valuation adjustment	-	(3,000)
At 30 June	<u>-</u>	<u>-</u>
Available-for-sale investments		
At 1 January	393,282	221,748
Valuation adjustment	<u>121,642</u>	<u>125,055</u>
At 30 June	<u>514,924</u>	<u>346,803</u>
Unrealized gain (loss) from changes in fair value of investment for the period presented in equity	<u>97,314</u>	<u>(7,151)</u>

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

14 Long-term loans

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 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></u>	<u><u>-</u></u>	<u><u>85,000</u></u>
<i>For the six-month period ended 30 June</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>	<u><u>-</u></u>	<u><u>-</u></u>

Long-term loans to other parties for the six-month periods ended 30 June 2016 and 2015, was no movement during in the period.

15 Investment properties

Acquisitions, disposals and transfers of investment properties during the six-month periods ended 30 June 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>(53)</u>	<u>(258)</u>	<u>(53)</u>	<u>(258)</u>
Net book value at 30 June	<u><u>100,456</u></u>	<u><u>100,562</u></u>	<u><u>100,456</u></u>	<u><u>100,562</u></u>

As at 30 June 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.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

16 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated		Separate	
	financial statements		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	2,577,267	152,934	78,114	108,231
Disposal and transfer out				
- net book value	(54)	(16,706)	(48)	(16,706)
Depreciation for the period	(117,910)	(87,419)	(91,440)	(83,236)
Net book value at 30 June	4,009,251	1,571,414	906,098	938,459

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

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Interest capitalized for the six-month periods ended 30 June	-	4,751	-	-
Accumulated interest capitalized	-	10,879	-	-
Capitalization rate (% per annum)	-	4.75 & MLR-1.5	-	-

On 23 April 2016, the Extraordinary General Meeting of Shareholders of a subsidiary (“CSM Capital Partners Co.,Ltd”) resolved the subsidiary entered into a purchase agreement on Eight Thonglor Residences Project with UOB Freehold Eight Thonglor Property Fund of 137 units totaling Baht 2,495 million.

On 29 February 2016, the subsidiary (“CSM Capital Partners Co.,Ltd”) (“Buyer”) entered into an agreement to purchase the residence of 137 units of Eight Thonglor Residences Project, equipment and utility system located at 88 Sukhumvit Road, Soi Sukhumvit 55 (Thonglor), Klongton Nua, Wattana, Bangkok with a Property Fund (“seller”) in the price of Baht 2,495 million. The subsidiary made the payment of Baht 50 million to the seller on the agreement date as a deposit on compliance with the agreement and the remaining will be settled on the transfer of ownership date at the Land office.

Subsequently on 27 April 2016, the subsidiary registered the transfer of ownership of these residences from the seller and made the remaining payment.

Residence in Eight Thonglor Project was assessed by the independent appraisal based on market price in the amount of Baht 2,487 million as the appraisal report dated 20 June 2016.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated financial statements
	The amount paid for purchase of assets (including the cost of acquisition) <i>(Million Baht)</i>
Land	1,126
Building	997
Infrastructure	332
Furniture	32
Intangible asset	8
Total	2,495

Intangible asset amounted to Baht 8 million representing a list of customers and existing business derived from the seller, is amortized on the future economic benefit expected to be obtained for a period of 3 years.

As at 30 June 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 30 June 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.

As at 30 June 2016, the residences in Eight Thonglor Project of the subsidiary (CSM Capital Partners Co.,Ltd) with cost value in the amount of Baht 2,495 million, were mortgaged as collateral for contingent liabilities on borrowings from the domestic commercial bank in the credit line amounting to Baht 1,550 million.

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	370,557	350,373	370,557
Amortization for the period	(10,065)	(10,009)	(10,065)	(10,009)
Net book value at 30 June	340,308	360,548	340,308	360,548

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

18 Intangible assets

Acquisitions, disposals and transfers of intangible assets during the six-month periods ended 30 June 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	4,812	910	4,805	910
Acquisition and transfer in - at cost	9,299	199	1,198	192
Amortisation charge for the period	(1,408)	(354)	(940)	(354)
Net book value at 30 June	12,703	755	5,063	748

Please see in note 11 to financial statements.

19 Deferred income tax

Movements of deferred tax assets and liabilities during the six-month periods ended 30 June 2016 and 2015 were as follows:

For the six-month periods ended 30 June 2016

	Consolidated and separate financial statements			
	At 1 January 2016	(Charged)/credited to		At 30 June 2016
		Profit (loss)	Other comprehensive income (loss)	
		<i>(in million Baht)</i>		
<i>Deferred tax Assets</i>				
Account receivable	-	15	-	15
Property, plant and equipment	-	1	-	1
Total	-	16	-	16
<i>Deferred tax liabilities</i>				
Property, plant and equipment	7	(2)	-	5
Financial lease liabilities	1	(1)	-	-
Gains on fair value of available-for-sale investments	34	-	25	59
Total	42	(3)	25	64
Net	(42)	19	(25)	(48)

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

For the six-month periods ended 30 June 2015

	Consolidated and separate financial statements			
	At 1 January 2015	<u>(Charged)/credited to</u>		At 30 June 2015
		Profit (loss)	Other comprehensive income (loss)	
		<i>(in million Baht)</i>		
<i>Deferred tax assets</i>				
Trade accounts receivable	16	(1)	-	15
Loss carry forward	2	(2)	-	-
Total	18	(3)	-	15
<i>Deferred tax liabilities</i>				
Property, plant and equipment	6	(1)	-	5
Financial lease liabilities	1	-	-	1
Gains on value measurement of available-for-sale investments	27	-	(2)	25
Total	34	(1)	(2)	31
Net	(16)	(2)	2	(16)

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	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Deductible temporary differences	63	70	62	70
Tax losses	7	7	-	-
Total	70	77	62	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 and six-month periods ended 30 June 2016 and 2015 were summarized as follows:

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	For three-month		For three-month	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Current income tax expense for the period				
The interim income tax expenses	40	26	40	26
Deferred tax expense (income)				
Deferred tax expense (income) concern deductible temporary difference with initial recognized and reversed	(17)	3	(17)	3
Income tax expense represented in statements of comprehensive income	23	29	23	29

	Consolidated financial statements		Separate financial statements	
	For Six-month		For Six-month	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Current income tax expense for the period				
The interim income tax expenses	114	58	114	58
Deferred tax expense (income)				
Deferred tax expense (income) concern deductible temporary difference with initial recognized and reversed	(19)	2	(19)	2
Income tax expense represented in statements of comprehensive income	95	60	95	60

20 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Bank overdrafts	385	2,533	-	-
Short-term loans from financial institutions	160,000	160,000	160,000	160,000
Total	160,385	162,533	160,000	160,000

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Movements of short-term loans from financial institutions during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	162,533	160,000	160,000	160,000
Decrease during the period	(2,148)	-	-	-
At 30 June	160,385	160,000	160,000	160,000

As at 30 June 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	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	7,661	6,234	7,661	6,234
Others parties	467,470	332,944	462,106	332,720
Total	475,131	339,178	469,767	338,954

22 Other payables

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties	4,145	319	18,357	17,901
Others parties	697,005	750,752	655,477	731,859
Total	701,150	751,071	673,834	749,760
<i>Other parties</i>				
Other payables	35,370	17,272	5,937	6,520
Accrued value added tax	8,313	13,019	4,199	12,302
Accrued withholding tax	7,714	7,557	7,404	7,285
Other accrued expenses	645,608	712,904	637,937	705,752
Total	697,005	750,752	655,477	731,859

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

23 Long-term loans

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Long-term loans from financial Institutions	1,746,042	205,782	-	-
Unsubordinated and unsecured debentures No. 1/2013	-	350,000	-	350,000
Total	1,746,042	555,782	-	350,000
Less current portion of long-term loans	(86,800)	(365,600)	-	(350,000)
Net	1,659,242	190,182	-	-

Movements of long-term loans during the six-month periods ended 30 June 2016 and 2015 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	555,782	702,286	350,000	525,000
Addition	1,550,000	28,496	-	-
Deduction	(359,740)	-	(350,000)	-
At 30 June	1,746,042	730,782	-	525,000

On 7 April 2016, a subsidiary (“CSM Capital Partners Co.,Ltd.”) had entered into the loan agreement with a 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.

24 Employee benefit obligations

Movement in the present value of the defined benefit obligations :

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>For the six-month period ended 30 June</i>				
Defined benefit obligations at 1 January	117,071	99,045	115,292	98,041
Current service costs and interest	10,364	9,458	9,878	9,070
Defined benefit obligations at 30 June	127,435	108,503	125,170	107,111

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 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 30 June</i>				
Current service costs	4,250	3,910	4,008	3,717
Interest on obligations	932	818	931	818
Total	5,182	4,728	4,939	4,535

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>For the six-month period ended 30 June</i>				
Current service costs	8,500	7,821	8,015	7,433
Interest on obligations	1,864	1,637	1,863	1,637
Total	10,364	9,458	9,878	9,070

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 30 June</i>				
Cost of construction	3,973	3,323	3,973	3,323
Administrative expenses	1,209	1,405	966	1,212
Total	5,182	4,728	4,939	4,535

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>For the six-month period ended 30 June</i>				
Cost of construction	7,947	6,646	7,947	6,646
Administrative expenses	2,417	2,812	1,931	2,424
Total	10,364	9,458	9,878	9,070

Principal actuarial assumptions at the reporting date

	(%)
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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Movements for the six-month periods as at 30 June 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	30,800	66,518	-	66,465	45,848	45,847	76,648	178,830
Provision made	76,948	-	-	-	-	-	76,948	-
Reversal	-	(14,641)	-	(81)	-	-	-	(14,722)
Payment of provision	-	-	-	-	(31,800)	-	(31,800)	-
At 30 June	107,748	51,877	-	66,384	14,048	45,847	121,796	164,108

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

26 Share capital

	<i>Par value Per share (Baht)</i>	30 June 2016		31 December 2015	
		Number	Baht	Number	Baht
		<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 and six-month periods ended 30 June 2016 (Unaudited)

Information about reportable segments:

For the three-month period ended 30 June

	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>							
External revenue	1,793	1,685	89	37	9	8	1,891	1,730
Inter – segment revenue	(2)	(2)	-	-	(5)	(8)	(7)	(10)
Total segment revenue	1,791	1,683	89	37	4	-	1,884	1,720
Segment profit (loss) before income tax	227	141	(5)	8	(5)	(16)	217	133

For the six-month period ended 30 June

External revenue	3,571	3,528	139	69	18	14	3,728	3,611
Inter – segment revenue	(3)	(6)	-	-	(14)	(14)	(17)	(20)
Total segment revenue	3,568	3,522	139	69	4	-	3,711	3,591
Segment profit (loss) before income tax	529	273	5	2	(14)	(16)	520	259
Segment assets as at 30 June/ 31 December	5,237	5,636	3,689	1,077	16	9	8,942	6,722
Segment liabilities as at 30 June/ 31 December	2,692	2,874	1,839	234	4	2	4,535	3,110

Reconciliation of reportable segment profit or loss and assets

	For the three-month		For the six-month	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Profit or loss				
Total profit for reportable segments	217	138	520	265
Elimination of inter-segment profits	-	(5)	-	(6)
Profit before income tax	217	133	520	259

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in million Baht)</i>			
Assets				
Total assets for reportable segments	4,933	5,172	4,881	5,242
Investments in subsidiaries	-	-	810	211
Property, plant and equipment	4,009	1,550	906	919
Total assets	8,942	6,722	6,597	6,372

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

29 Earnings per share

The calculation of basic earnings per share for the three month and six-month periods ended 30 June 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:

	Consolidated financial statements			
	For three-month period		For six-month period	
	2016	2015	2016	2015
	<i>(in thousands Baht / thousands shares)</i>			
Profit for the period attributable to equityholders of the Company (basic)	199,531	105,156	430,151	203,783
Number of ordinary shares outstanding	1,600,000	1,600,000	1,600,000	1,600,000
Basic earnings per share (in Baht)	0.12	0.07	0.27	0.13

	Separate financial statements			
	For three-month period		For six-month period	
	2016	2015	2016	2015
	<i>(in thousands Baht / thousands shares)</i>			
Profit for the period attributable to equityholders of the Company (basic)	205,762	111,883	436,268	218,680
Number of ordinary shares outstanding	1,600,000	1,600,000	1,600,000	1,600,000
Basic earnings per share (in Baht)	0.13	0.07	0.27	0.14

30 Dividends

The Ordinary General Meeting of Shareholders held on 29 April 2016 resolved 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

The Ordinary General Meeting of Shareholders held on 29 April 2015 resolved approval to dividends from profit for the period from 1 January 2014 to 31 December 2014 and retain earning at the rate of Baht 0.07 per share amounting to Baht 112 million, The Board of Director's Meeting resolved to pay an interim dividend from of operation results of the company for the period from 1 January 2014 to 30 June 2014 at the rate of Baht 0.02 per share totaling Baht 32 million remained Baht 80 million, requiring making the payment on 27 May 2015.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

31 Commitments with non-related parties

As at 30 June 2016, the Group/Company had commitments as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
Capital commitments		
<i>Not provide for</i>		
Condominium	4	4
Camp and other structures	2	2
Cost of building construction project	616	-
Cost of renovation on Eight Thonglor Residences Project	100	-
Other commitments		
Subcontractor agreements	1,503	1,503
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	3,907	1,891
Total	6,132	3,400

As at 30 June 2016, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 4,263.52 million.

As at 30 June 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.

32 Contingent liabilities

As at 30 June 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.

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

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

comprehensive income for the six-month period ended 30 June 2016. The Company withdrew a claim which resulted in the settlement.

- 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 Federal Administrative Court. The sued amount was Baht 874 million. As of 15 August 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 a compensation from other public company regarding false of agreement in the amount of Baht 12.13 million while the Company and ventures 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 Company and venturer make the payment to this public company. Subsequently, on 11 April 2013, the Company appealed and the Appeal Court adjudged the Company and venturer make the payment to the public company amounting Baht 31.80 million with interest rate of 7.5% per annum from 14 October 2010 onwards.

Subsequently, on 19 September 2014, the Company filed a petition to the Supreme Court. and on 24 May 2016, the Supreme Court confirmed the judgment to the Company settled the compensation in principal of Baht 31,800,000 with interest of Baht 13,538,958.90 totalling Baht 45,338,958.90 in stead of SVK Joint venture, the first defendant, the second defendant and the third defendant under the contract. On 16 June 2016, the Company made the payment to Thai Airways International Public Company Limited and received the three bank guarantee letters and fixed deposit security of bank of Ayudhya Pcl. to be returned. In addition, SVK Joint Venture informed that such compensation in part of the second and third defendants would be provided by the Company.

- 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 15 August 2016, the case has been in the process of the Court's Consideration, the result has not been finalized. However, as at 30 June 2016, the Company already recorded the provision on the above lawsuits amounting to Baht 14.05 million.

33 Events after the reporting period

The Board of Directors of the Company held on 15 August 2016, resolved approved an interim dividend from of operating results of the Company for the period from 1 January 2016 to 30 June 2016 at the rate of Baht 0.04 per share totalling Baht 64 million and will be paid to shareholders on 12 September 2016.