

**WE BUILD
WHAT YOU
DREAM**

ANNUAL REPORT 2015





Contents

Corporate Information	1
Financial Information	3
Message from the Board of Directors	6
Report of the Audit Committee	7
Board of Directors	10
Organization Structure	19
History Major Changes and Development	20
Policy and Business Overview	32
Summary of Business Characteristics	35
Risk Factors	46
Shareholders	53
Dividend Policy	55
Management Structure	56
Good Corporate Governance	61
Corporate Social Responsibility	69
Internal Control and Risk Management	70
Related Transactions	74
Management Discussion and Analysis	81
Report of the Company Board of Directors' Responsibility on the Financial Report	91
Independent Auditor's Report	92
Financial Statements	94
Note to the Financial Statements	104

Remarks:-

“ In this regards, investors may obtain further information from the Disclosure report concerning additional information (Form 56-1) at www.sec.or.th / www.set.or.th or www.synteccon.com ”

Corporate Information

General Information

Name	Syntec Construction Public Company Limited
Business Type	Construction Contracts and Civil Engineering Works
Headquarter Address	555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klong Ton Nua Sub-district, Wattana District, Bangkok 10110 Thailand
Company Registration No.	Registered as Juristic Person as Limited Public Company Act On October 14, 1992 (B.E. 2535), Registration No. 0107535000184 (Previously BorMorJor.51)
Telephone	(02) 381-6333
Facsimile	(02) 711-4596
Homepage	www.synteccon.com
Investor Relation	(02) 711-7423 หรือ (02) 381-6333 ต่อ 5941 E-mail : compliance@synteccon.com
Registered Capital	1,600,000,000 Baht
Common Stock	1,600,000,000 Shares
Par Value	1.00 Baht per share
Auditor	Mr. Manit Warakitjaporn C.P.A. (Thailand) Registration No. 7326 Miss Maliwan Phahuwattanakorn C.P.A. (Thailand) Registration No. 4701 NPS Siam Audit Limited 555/5-6, SSP Tower, 5 th Floor, Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klong Ton Nua Sub-district, Wattana District, Bangkok 10110 Thailand Tel. (02) 711-5300 Fax. (02) 711-5866 E-mail : info@npssiam.co.th
Share Registrar	Thailand Securities Depository Company Limited 62 Ratchadaphisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Tel. (02) 229-2800 Fax. (02) 359-1259

More than 10% of Share held by Juristic Persons

Company Name & Address	Business Type	No. of Entire Shares	No. of Shares Held by the Company	Paid-up Share Capital	Shares' Equity (%)	Type of Share
1. SCR Asset Management Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongtoey-Nua Sub-district, Wattana District, Bangkok 10110	Development of Real Estate for Rent	2,400,000	1,248,000	1,248,000	52.00	Ordinary
2. Natural Hotel Sukhumvit Co., Ltd. 555/5 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Operation and Management for the Business of Hotel & Service Apartment and other properties	1,500,000	375,000	375,000	25.00	Ordinary
3. Syntec Asset Management Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110 ** registered for dissolution on December 28, 2015 (B.E. 2558)**	Operation and Management for the Business of Hotel & Service Apartment and other properties	10,000	5,497	5,497	54.97	Ordinary
4. Natural Ville Service Apartment and Management Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110	Human Resource operation and management for the Business of Hotel & Service Apartment and other Properties for Rent	20,000	19,997	19,997	99.99	Ordinary
5. CSM Capital Partners Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110 ** Registered for company establishment on October 9, 2015 (B.E. 2558)**	Investment and Development on Real Estates for Rent	10,000	5,998	5,998	59.98	Ordinary
6. Joint Venture of Syntec-Mivan 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua Sub-district, Wattana District, Bangkok 10110 ** Mivan (Thailand) Co., Ltd. was bankrupted on October 19, 2015 (B.E. 2558) **	Construction of residential housing projects to the National Housing Authority	-	-	-	65.00	-

Other Important Information

Other required importation information beneficial for the investors' determination are appeared as the document titled risk factors, the details are appeared as above mentioned.

Financial Information

Unit : Million Baht

<u>Consolidated Financial Statements</u>	2015	2014	2013
Total Assets	6,721.83	6,105.63	5,374.58
Total Liabilities	3,109.56	3,099.76	2,816.11
Total Shareholders' Equity	3,612.27	3,005.87	2,558.46
Revenue from construction	7,051.05	6,888.86	6,176.59
Revenue from Accommodation Service	138.96	104.89	22.76
Total Revenue	7,374.36	7,083.86	6,242.51
Gross Profit	914.01	783.02	497.36
Net Profit (Loss)	627.57	365.50	71.40
Earnings per Share	0.40	0.23	0.04

Unit : Million Baht

<u>Company Financial Statements</u>	2015	2014	2013
Total Assets	6,372.54	5,816.00	5,212.69
Total Liabilities	2,298.93	2,903.25	2,742.82
Total Shareholders' Equity	3,474.61	2,912.75	2,469.86
Revenue from construction	7,051.05	6,888.86	6,176.59
Revenue from Accommodation Service	106.99	104.89	22.76
Total Revenue	7,347.18	7,099.94	6,245.78
Gross Profit	917.61	783.02	495.88
Net Profit (Loss)	659.82	385.00	74.57
Earnings per Share	0.41	0.24	0.05

Financial Ratios	Consolidated FS			Company-FS		
	2558	2557	2556	2558	2557	2556
<u>Liquidity Ratio</u>						
Current Ratio (times)	1.42	1.48	1.50	1.43	1.48	1.52
Quick Ratio (times)	0.96	0.86	0.78	0.95	0.86	0.77
Account Receivable Turnover (times)	7.28	8.64	9.30	7.26	8.64	9.30
Average Collection Period (Days)	50	42	40	50	42	39
Inventory Turnover (times)	39.06	42.40	45.36	38.90	42.51	45.44
Average Inventory Days (Days)	9	9	8	9	9	8
Account Payment Turnover (times)	14.92	14.05	14.13	15.11	14.33	15.05
Average Payment Period (Days)	24	26	26	24	25	24
Cash Cycle (Days)	35	25	22	36	25	23
<u>Profitability Ratio</u>						
Gross Profit Margin (%)	13.19%	11.55%	8.14%	13.14%	11.38%	8.05%
Operating Profit Margin (%)	8.99%	6.19%	1.02%	9.48%	6.47%	1.07%
Net Profit Margin (%)	8.51%	5.16%	1.14%	8.98%	5.42%	1.19%
Return on Equity (%)	19.83%	13.63%	3.09%	20.66%	14.31%	3.23%
<u>Efficiency Ratio</u>						
Return on Assets (%)	9.78%	6.37%	1.46%	10.83%	6.98%	1.57%
Return on Fixed Assets (%)	54.49%	41.37%	20.02%	92.11%	61.22%	24.60%
Total Assets Turnover (times)	1.15	1.23	1.28	1.21	1.29	1.32
<u>Leverage Ratio</u>						
Debt Ratio (times)	0.46	0.51	0.52	0.45	0.50	0.53
Debt to Equity (times)	0.86	1.03	1.10	0.83	1.00	1.11
Interest coverage ratio (times)	22.24	18.04	20.53	25.41	18.22	20.55

The Calculation Formula of Financial Ratios

Liquidity Ratio

Current Assets

Current Liabilities

Quick Ratio (Times)

Cash + Current Investment + Net Receivables

Total Current Liabilities

Account Receivable Turnover (times)

Net Sales

Average Gross Account Receivables

Average Collection Period (Days)

365

Account Receivable Turnover (times)

Inventory Turnover (times)

Cost of Sales + Selling Expenses

Average Inventory

Average Inventory Days (days)

365

Inventory Turnover (times)

Account Payment Turnover (times)

Cost of Sales + Selling Expenses

Average Accounts Payable

Average Payment Period (days)

365

Account Payment Turnover (times)

Cash Cycle (days)

Collection Period + Average Inventory Day – Average Payment Period

Message from Chairman of the Board

The year of 2015 was another significant year of the Company, the Company has obviously announced its intention upon “Growing Together” requiring the transparent operation with good governance as well as social and environmental responsibilities, and the “Code of Conduct” improved to be more vibrant along with the solemn operation had afforded the outstanding and satisfied business performance to all stakeholders.

In previous year, the Company was preparing and arranging the Company Information Form to contribute in the project of “Private Sector Collective Action Coalition Against Corruption Council (CAC)” and expects to establish the Corporate Governance Committee (CG Committee) in this near future in order to enable all departments or parties to obviously implement with concreteness and continuous improvement and development.

Additionally, the contracts of 16 construction projects in total with the value of 9,230 million baht and the construction area of 680,338 square meters had been signed in 2015 due to the incessant trustfulness occurred from the accumulation of the Company’s fame.

However, the Company’s performance is endlessly growing with the Company’s experiences for a long time although there was a political conflict or declined economy, the Company is able to operate the business with smoothness and deliver a lot of completed projects to customers at the end of 2015. Furthermore, the Company still has 36 on-process construction projects with the total construction area of 1,438,189 square meters and total project value of 22,508 million baht having 9,697 million baht of value balance.

Last but not least, on behalf of the Board of Directors, Executives and Employees, I would like to express sincere appreciations to all shareholders, clients, business alliances as well as all stakeholders to always support our Company to steadily flourish with the smooth achievement of objectives, we would like to commit that “we will grow together” with never-ending sustainability.



Mr. Somchai Sirilertpanich
Managing Director

Report of the Audit Committee

The Company's Audit Committee is appointed by the Board of Directors and consists of 3 independent directors who are acknowledged as experts from several fields such as law, accounting, finance etc. and sufficiently qualified to perform the function of reviewing the reliability of financial report in accordance with the regulations of Securities and Exchange Commission and Stock Exchange of Thailand. Members of the Audit Committee are as follows:

- | | |
|-------------------------------|---------------------------------|
| 1. Mr. Chaiwat Atsawintarakul | Chairman of the Audit Committee |
| 2. Miss. Benjawan Sinkunakorn | Member of the Audit Committee |
| 3. Dr. Arichai Ractham | Member of the Audit Committee |

In 2015, the Audit Committee had regularly arranged 5 meetings in total to consider and review important issues in accordance to the Charter of the Audit Committee, the minutes of the meetings and recommendations were proposed to the Board of Directors to approve the process as deem proper by the Board of Directors, followings are the summary of duty performance :

Review of Financial Statements

The review was made on the Company's financial statements both of Quarterly Financial Statements and 2015 Annual Financial Statements of the Company and its subsidiaries, accuracy and completeness of financial report and requirement of other relevant laws, adequacy of information disclosure according to General Accepted Accounting Principles, internal control in relation to financial statement preparation, as well as consideration on observation from audit and review of the auditor's financial statement in order to propose to the Board of Directors for consideration. The Audit Committee also attended the meeting with the auditor in determined duration.

Connected Transactions or Transactions that may have conflict of interest

The connected transactions or transactions that may have conflict of interest were reviewed to be line with the notifications of Securities and Exchange Commission and Stock Exchange of Thailand as well as the guideline of relevant law provisions. Such transactions were in line with the general commerce condition without cause of benefit transfer and with fairness and rationality. In addition, the information was disclosed accurately and sufficiently, in line with Good Corporate Governance Principle, and useful for the Company and shareholders.

Internal Control System and Internal Audit

The Company is reviewed to have adequate internal control system through the consideration from reporting, follow-up and suggestion according to the report of internal audit result as well as consideration on annual plan of internal audit section so as to ensure that the Company's internal control system was proper and sufficient to business operation. In addition, adequacy of internal control system was evaluated for consideration by the Board of Directors.

Certified Auditor

The auditor was considered for selection by considering from the auditor's performance in function during previous period and the auditor's independence and remuneration with skill, knowledge, capability and experience of auditing. The suggestion was given in appointing the auditor and annual auditor remuneration was defined to the Board of Directors.

The Audit Committee considered and nominated to appoint the Company's auditor and considered on proposing proper remuneration to be proposed to the Board of Directors in order to propose to the shareholders for consideration on appointment of NPS Siam Audit Company Limited as the Company's auditor for 2015.

Good Corporate Governance

The review and proposal were made about Good Corporate Governance Policy to be consistent with the requirement based on the notifications of Securities and Exchange Commission and Stock Exchange of Thailand such as rights of shareholders, equitable treatment to shareholders, role of stakeholder, information disclosure and transparency, and responsibility of the Board, etc. Moreover, it was also consistent with the Company's business operation and reinforced to adequately practice in keeping with such principle.

Compliance with Relevant Regulations

The Company's function was reviewed to accurately execute the activities according to relevant laws such as Securities and Exchange Act, Public Limited Companies Act, and other laws relevant to the Company's business operations so as to ensure that the Company was informed and complied according to different criteria adequately.

Audit Committee had the opinion that financial report audited by Certified Public Accountant presented the reliable and material information with information disclosure that was sufficient and in line with General Accepted Accounting Principles. The information disclosure of connected transactions or transactions that may have conflict of interest adequately complied with Stock Exchange and Securities

Law and other laws relevant to the Company's business. Moreover, the internal audit system was accurately and properly executed and consistent with business operation's environment under promotion on execution according to Good Corporate Governance Principle.



(Mr. Chaiwat Atsawintarakul)

Chairman of the Audit Committee

Board of Director



Mr. Somchai Sirilertpanich

Acting Chairman, Vice Chairman, Director of Nomination and Remuneration Committee, Chairman of the Managing Committee, Managing Director and the Authorized Signatory.



Mr. Chaiwat Atsawintarakul

Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee



Miss Benjawan Sinkuknakorn
Independent Director, Director of the Audit Committee,
Director of the Nomination and Remuneration Committee



Dr. Arichai Ractham
Independent Director, Director of the Audit Committee,
Director of the Nomination and Remuneration Committee,
Chairman of the Risk Management Committee



Mr. Tavee Kullertprasert

Director



Mr. Jiramote Phahusutr

Director, Vice Managing Director and the
Authorized Signatory



Miss Yuvadee Nipattamanon

Director, Director of the Risk Management Committee,
the Director of Account Department and the Authorized
Signatory



Mrs. Angsana Munkongcharoen

Director, Director of the Nomination and Remuneration
Committee, Company Secretary, the Director of Human
Resources and Administration Department and the Authorized
Signatory

Name / Position	Education	5-Year- Backtracked Job Experience		
		Term	Position	Company Name
Mr. Somchai Sirilertpanich - Chairman (Acting) - Vice Chairman of the Board - Director of Nomination and Remuneration Committee - Chairman of the Management Committee - Managing Director - The authorized signatory	- MBA of Operation Management University of Scranton, Pennsylvania, USA * Training of IOD - DAP No. 1/2003	2015 – Present 2013 – Present 2013 – Present 2012 – Present 2004 – Present 2000 – Present 2001 - 2011	- Director - Director - Director - Director - Director, Managing Director - Director - Director	- CSM Capital Partners Co., Ltd. - Syntec Asset Management Co.,Ltd. - Natural Ville Service Apartment and Management Co., Ltd. - SCR Asset Management Co., Ltd. - Syntec Construction PCL. - Siam Syntec Planner Co., Ltd. - Naraiphand Co.,Ltd. -
Mr. Chaiwat Atsawintarakul - Independent Director - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee	- Master of Education (Curriculum and Teaching Methodology), Beijing Languages and Cultural University - Master of Science in Business Administration, Thammasat University - Barrister-at-Law, The Barrister Association * IOD-DAP No. 24/2004 , DCP No. 81/2006 and ACP No. 12/2006	2005 – Present 2005 – Present 2004 - Present 2004 – Present 2005 – Present 2004 – Present 2003 – Present 2002 – Present 1997 – Present 1989 – Present 2000 – 2015	- Chairman of the Audit Committee - Director of the Audit Committee - Chairman of the Audit Committee - Chairman of the Audit Committee - Director - Director - Director - Director - Director - Director	- Natural Park PLC. - Eastern Printing PLC. - Syntec Construction PCL. - Krungthai Car Rent & Lease PCL. - Boathouse Hua Hin Co., Ltd. - Andaman Long Beach Resort Co., Ltd. - Chiangmai Hot Spring Co., Ltd. - Resort Holding Co., Ltd. - Prospect Consulting Co., Ltd. - MJL Inter Trade Co., Ltd. - Bright Lilly Co., Ltd.

Name / Position	Education	5-Year- Backtracked Job Experience		
		Period	Position	Company Name
Miss Benjawan Sinkuknakorn -Independent Director -Director of the Audit Committee -Director of the Nomination and Remuneration Committee	- Literature Chinese Language (Economics and Trade), Beijing Language and Culture University - MBA, BBA, LL.B., Thammasat University - Barrister-at-Law, The Barrister Association - DAP No. 24/2004, DCP No. 79/ 2006 and ACP No. 12/2006	2015 – Present	- Director	- Wealth Magik Mutual Fund Brokerage Co., Ltd.
		2009 – Present	- Independent Director and Director of the Audit Committee	- Multibax PCL.
		2004 – Present	- Independent Director and Director of the Audit Committee	- Syntec Construction PCL.
		1997 – Present	- Managing Director	- Prospect Consulting Co., Ltd.
Mrs. Angsana Munkongcharoen -Director - Director of the Nomination and Remuneration Committee - the Authorized Signatory - Company Secretary - The Director of Human Resources and Administration Department	- The Oxford and County Secretarial College * Training of IOD DAP No.2/2003	2013 – Present	- Director	- Natural Ville Service Apartment and Management Co.,Ltd.
		2005 – Present	- Director	- Natural Hotel Sukhumvit Co., Ltd.
		2004 – Present	- Director	- Syntec Construction PCL.
		2013 – 2014	- Director	- Syntec Asset Management Co., Ltd.
		2005 – 2011	- Director	- Naraiphand Co., Ltd.

Name / Position	Education	5-Year- Backtracked Job Experience		
		Term	Position	Company Name
Dr. Arichai Ractham - Independent Director - Director of the Audit Committee - Director of the Nomination and Remuneration Committee - Chairman of the Risk Management Committee	- PH.D in Financial Economics – Peter Drucker Graduate School of Management, Claremont Graduate School, CA-USA. - Master of finance and Economics, Claremont Graduate School, CA-USA. - Master of Science in International Finance, University of Idaho, USA * Training of IOD in DAP No., 35/2004 , DCP No. 61/2005 and ACP No. 15/2006	2010 – Present	- Independent Director and Director of the Audit Committee	- M-LINK Asia Corporation PCL.
		2007 – Present	- Independent Director and Director of the Audit Committee	- Syntec Construction PCL.
		2010 – Present	- Risk Management Advisor	- Crown Seal PCL
		1998 – Present	- Lecturer International Finance for continuing education center	- Kasetsart University, Chulalongkorn University, College of Management Mahidol University (CMMU)
		2549 – 2555	- Risk Management Advisor	- Office of FDA Food and Drug Administration, Ministry of Health
Miss Yuvadee Nipattamanon -Director -Director of the Risk Management Committee - The Authorized Signatory - The Director of Account Department	- Master of Accountancy (Accounting), Siam University - Bachelor of Accountancy (Accounting), Ramkhamhaeng University - Training of IOD- DAP No. 105/2013	2013 – Present	- Director	- Syntec Asset Management Co.,Ltd.
		2013 – Present	- Director	- Natural Ville Service Apartment and Management Co., Ltd.
		2012 – Present	- Director	- Syntec Construction PCL.
		1998 - 2012	-Financial Director	- Mitr Phol Group Co.,Ltd. (China Branch)

Name / Position	Education	5-Year- Backtracked Job Experience		
		Term	Position	Company Name
Mr. Tawee Kullertprasert - Director	- Master Degree of Financial, Golden Gate University	2015 – Present	- Director	- ACME 1975 Co., Ltd.
	- Bachelor of Laws (LL.B), 1 st class honors, Chulalongkorn University	2014 - Present	- Director	- Dark Horse Development Co., Ltd.
	- Bachelor Degree of Financial, Thai Chamber of Commerce University	2012 – Present	- Director	- Knight Club Capital Asset Management Co., Ltd.
	- Certificate of TLCA Executive Development Program, No.4, Thai Listed Companies Association	2008 – Present	- Director	- Steel Plus Fabrication Co., Ltd.
	- Certificate of Senior Executive Program, No.20, Sasin Graduate Institute of Business Administration of Chulalongkorn University	2008 – Present	- Director	- Steeler Steel Works Co., Ltd.
	*Training of IOD-DAP No. 35/2005, DCP No.79/2006 and ACP No. 12/2006	2007 – Present	- Director	- Practicum Engineering Co., Ltd.
	* Training of TLCA Leadership Development Program (LDP) No. 3/2558	2004 – Present	- Director	- Syntec Construction PCL.
		2000 – Present	- Director	- Siam Syntec Planner Co., Ltd.
		2009 – 2011	- Executive Director	- Office of Small and Medium Enterprises Promotion (OSMEP)

Name / Position	Education	5-Year- Backtracked Job Experience		
		Term	Position	Company Name
Mr. Jiramote Phahusutr - Director - The Authorized Signatory - Vice Managing Director	- Bachelor and Master Degree, Imperial College of Science, Technology and Medicine , London, UK - High School Education, Sherborne School for boys, Sherborne, UK * Training of IOD - DAP No. 105/2013	2015 – Present	- Director	- CSM Capital Partners Co., Ltd.
		2013 – Present	- Director	- Syntec Construction PCL. - SCR
		2013 – Present	- Director	Asset Management Co., Ltd. - Syntec
		2013 – Present	- Director	Asset Management Co., Ltd. - Natural
		2013 – Present	- Director	Ville Service Apartment and
				Management Co., Ltd.
		2013 – Present	- - Director	- N & J Building Co., Ltd.
		2013 – Present	- - Director	- N & J Asset Management Co., Ltd.
		2008 - 2009	- Financial Analyst in Investment and Development Team	- Pacific Star International (Thailand) Bangkok

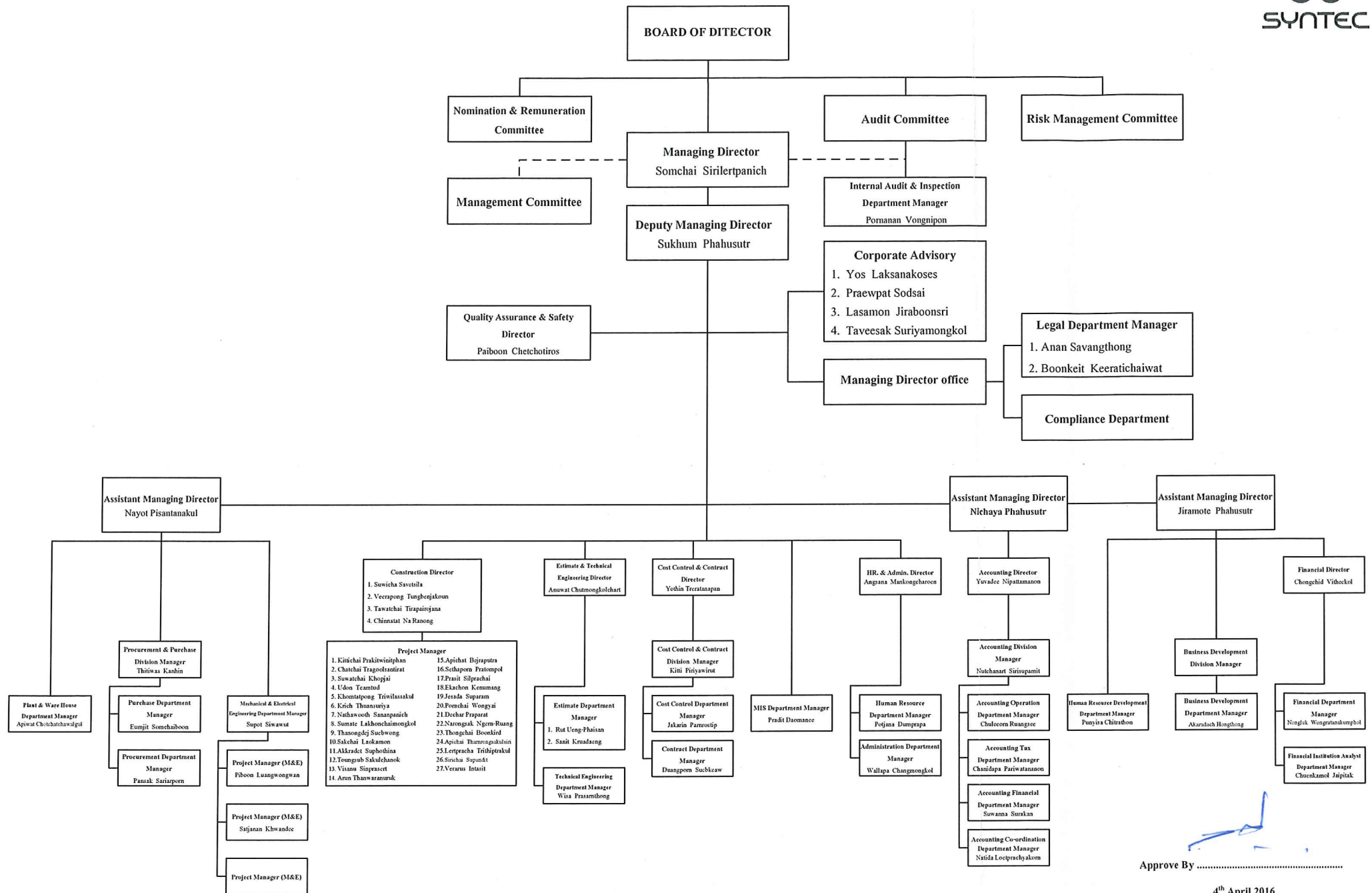
Remarks:- * The training of Thai Institute of Directors (IOD)

* DAP = Director Accreditation Program

* DCP = Director Certification Program

* ACP = Audit Committee Program

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED



Approve By

4th April 2016

History, Major Changes and Development

History

Syntec Construction Public Company, Limited. (“Company”) (formerly “Siam Syntec Construction Public Company Limited”) had incorporated to be a juristic person under Thailand’s law on 22nd December, 1988 and became a Public company on 14th October, 1992, later on 12 February, 1993, it was registered in Stock Exchange of Thailand. The Company’s head office is located at 555/711, Soi Sukhumvit 63 (Ekamai), Klong Tan Nua Sub-district, Wattana District, Bangkok having its principle business in construction services. Offering the service for both government and private bureaus. The service ranges from foundation establishment to completion of construction in a manner of One-Stop Shopping. The modern process or procedure of construction and many technologies are applied here along with the development of knowledge to enhance the potentiality of company’s staffs. Besides, these can also raise the maximum value to stakeholders, for example, shareholders, customers and staffs.

Business Goals

The Company is determined to develop its business to grow up firmly and consistently. It has therefore set out the scope and direction toward such achievement by determining vision, mission and shared values as a guideline for management and operation heading to the standards of ISO9001:2008, personnel capacity building, cooperation with trading partners and promotion of corporate governance, in order to establish maximum value for the shareholders and benefit for all stakeholders.

Vision

“We shall be the leader in construction of high rise building of quality and safety domestically and internationally.”

Mission

“We shall be the leader in adopting suitable technology in order to set standard of quality and always keep our promise and act morally and honestly.”

1. Constantly create construction quality and standard

Modern technology is applied to business in such a manner that can quickly meet the customer’s requirement ranging from piling works, structural works, architectural works and system works as well as construction of a building from the start until the end by adopting management principles under the standard of ISO9001:2008 and good practice in workmanship for construction works. These will result in continual development of management system and efficiently respond to the customer’s expectations e.g. quality improvement, reduction of cost and time needed for correction, management of scraps percentage at the production line to be within acceptable limit expected during bidding for construction contract, maintenance of proper budget control and performing contractual works to be finished within the schedule etc.

2. Maintain safety and accountability for relevant persons

The Company realizes working safety of all personnel and considers it as a significant mission to efficiently manage safety in construction works with accountability to the environment and society including stakeholders in the area in which the Company has performed its operation. It is the Company's policy to make it clear for the project manager to be responsible for implementing such safety at work policy and to closely work with working safety team. Meeting will be held regularly after safety check by working safety team in each department on monthly basis. This will reflect the Company's emphasis and help encouraging all personnel to pay attention to working safety matters as well as conservation of environment and society.

3. Enhance the personnel's ability and competition

Since personnel is the very important resource, the company had concentrated on developing the personnel's ability for getting know-how, competency and work skill in every levels. The company conducted the training courses for the personnel according to work types by the outsourced expert or the experienced internal person. The company also organized the courses for management skill development, building teamwork, living together, learning in the specific career and supported all employees to learn the information technology in order to increase the efficiency of the employees' and management's activity so that they could apply the significant information for making effective solutions as well as enhanced the personnel to realize self-development for preparing themselves for competition in the higher level.

4. Management under the Good Governance

The Company recognizes the advantage and significance of management under the principle of good corporate governance and has hence implemented such principle by adopting it in the Company's policy since the late 2004 and has also modified it continually. In the year 2007, the Company has applied good corporate governance as deemed proper to each of business categories by announcing "Policy on Good Corporate Governance (1st Revised Version dated 21 December 2007)" and it was revised as the 2nd version dated 10 March 2015.

However, the Company assigned all Directors to participate in setting the Vision and Mission regularly at least every 5 years and the latest revision was fulfilled in the Board Meeting No. 2/2558 on 2 March, 2015.

Strategies

The strategies to be implemented in order to ensure that the established mission is in accordance with the objectives are as follows:

1. To realize management of quality and safety, application of state-of-the-art technology, good customer service, social accountability and on time delivery to maintain the Company's reputation and customer's trust in the next services and in telling other customers.

2. To engage in business in the format that can best and completely respond to the needs of the customers. Services to be provided are ranging from work designs to the construction of buildings to completion and provision of One Stop Service.

3. To suitably manage project cost to be in accordance with construction cost and economic fluctuation to allow customers to be able to compete in their business.

4. Promotion and imparting of knowledge on good corporate governance in accordance with business ethics to ensure the directors, executives, members of the staff have understanding together with the application of business ethics as the fundamental of work performance.

Policy Sustainability

The Company has performed the business according to the strategy of sustainable growth with the essence created from the business performance, personnel and corporate culture. Additionally, the Company has the commitment to create the growth and sustainable development to the society and environment including all stakeholders. The company intends to further establish the Committee in charge the sustainable development in the future, Managing Director will be the Chairman with all executives and relevant division heads as Directors of this Committee. This Committee will take responsibility in analysis of overview, strategy and direction of sustainable growth to set the goal of the Company in the same direction reflecting the sustainable business operation and practicing in reality. All business units are independent in internal management within the frameworks settled by the Committee.

The Mission and Strategy in compliance with all stakeholders such as the commitment to constantly create construction quality and standard, the maintenance of safety and accountability for relevant persons, the enhancement of the personnel's ability and competition as well as management under the good governance as "the Code of Business Conduct" of the Company publicized to all executives and staffs to implement as the basic of operation such as report that might be the conflict of interest, the utility of internal information, securities trading, the responsibility towards the Company and Company's assets (the protection of assets, the preparation of informative documents, the utility of information technology, gifts or benefits, offering or acceptance of bribe and rewards, political rights and external activities, comments and providing news and information to external people, employees' behaviors and the manners to other employees, regulations towards stakeholders, monitoring to practice, inquiry and receipt of complaints, etc.

Shared Values

The shared values of personnel are the unity represented by "working in team with love and solidarity (SYNTEC family), morality and good spirit in environmental conservation."

Corporate Culture

The Company has built and forcefully complied with corporate culture for long time like tower construction. The quiddity has been based on strong and secure grounding of foundation. The corporate culture has been such like that when it has been performed and transmitted from a generation to another generation, it can be formed and merged the organization into unanimity to mutually overcome the obstacles for benefit of maximum work efficiency creation under following commitment.

1. We will help each other in working.
2. We will share resources to each other.
3. We will mutually develop the organization.
4. We will open reveal our feelings to discuss among us.

5. We will utilize resources at maximum worthiness.

Major Changes and Development

Period	Description
December 1998	Siam Syntech Construction Public Company, Limited (“the Company”) incorporated with registered capital of 1 million baht to run construction business joining with 3 Singaporean Construction groups.
October 1992	The Company became a Public Company Limited with a purpose of offering share trading to the public and registering in the Stock Exchange of Thailand changing title from “Siam Syntech Construction Company, Limited” to “Siam Syntech Construction Public Company, Limited”.
July 1993	The Company was registered in the Stock Exchange of Thailand
August 1996	The Company was awarded “International Construction Award”
August 1997	The Company was the first construction company to be certified ISO 9002 Version 1994.
August 2000	The Company entered into a debt-restructuring scheme due to employment of floating exchange rate.
March 2001	The Central Bankruptcy Court granted an approval for the resolution of the creditor meeting with the 80% of the vote on the debt settlement plan.
June 2001	1. The registered capital was reduced by 397.06 million baht to 3.97 million baht according to the debt settlement plan. 2. The registered capital was increased from 3.97 million baht to 400 million baht according to the debt settlement plan.
April 2003	The Central Bankruptcy Court granted the cancellation of rehabilitation order due to the Company’s achievement in practicing the debt settlement plan.
September 2003	The Company was certified with ISO 9001 Version 2000.
December 2003	1. The registered capital was increased from 400 million baht to 1,600 million baht 2. The Company’s accounting period was changed from formerly 1 st July- 30 th June of the following year to 1 st January-31 st December. The new accounting period was first applied on 1 st July to 31 st December 2003.
May 2004	The Company’s shareholder meeting agreed to change the Company’s title from “Siam Syntec Construction Public Company, Limited” to “Syntec Construction Public Company, Limited”.
May 2004	The Company registered the new title, “Syntec Construction Public Company, Limited” according to the certification letter and business registration issued by Department of Business Development, Ministry of Commerce on 21 st May 2004.

August 2004	The Stock Exchange of Thailand granted an approval for removing the Company's trading from Rehabilitation Company section (REHABCO) to Property and Construction group since 10 th September 2004 because the financial status and performance of the Company has fulfilled the regulation.
September 2004	The Company's stock has been traded in Property and Construction group, Real Estate Development section.
April 2007	The shareholders have all concluded to nominate DIA Audit Bureau / DIA Audit Co, Ltd. to be the auditor of the company in the year 2005.
April 2007	The shareholders have all concluded to nominate DIA Audit Bureau / DIA Audit Co, Ltd. to be the auditor of the company in the year 2006 again.
April 2007	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2007 again.
November 2007	The Board of Directors has approved to setting up a joint venture "Syntec Construction PCL (L.L.C.)" in Dubai, United Arab Emirates which the registered capital is 36,700,000.00 AED. (UAE DIRHAM). SYNTEC hold 46% equivalent to 16,882,000.00 AED for the benefit to increase the capability in undertaking overseas construction works.
April 2008	<ol style="list-style-type: none"> 1. The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2008 for one more term. 2. Syntec Social Responsibility Project No.1, to construction the kindergarten school, canteen, teachers' house living and toilet together with the providing of stationery and sporty equipment for the Baan Koke Salang Border Police School, Surin Province. Currently, these school have student in amount 141 persons.
July 2008	The outcome of "Quality assessment project for shareholders' general meeting for the year 2008" carried out by the SEC, showed that the Company was assessed to be "Excellent" by getting 101.25 points (from the total of 110) where there had 486 listed companies assessed by this project. The average of assessed companies was 82 while the companies in the group of SET 50 earned the average of 97.
November 2008	The Board of Director reached the solution to sell shares in Natural Hotel Siam Co., Ltd. (N-Siam), the associated company, to the original shareholder in such company, Al Manar Limited and/or other third person designated by Al Manar Limited at its par value for the amount of 384,998,500 baht.
December 2008	<ol style="list-style-type: none"> 1. Assessment of "Good Corporate Governance for Listed Company for the Year 2008" held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as "Excellent" by getting 82 points (from the total of 100). The average of all listed companies was 75 and 84 for those companies in the SET 50, respectively. 2. Rights and equally treatment to the shareholders for 1 months to propose AGM 2009

agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.

January 2009	Syntec Construction PCL (L.L.C.) (the joint company) called up the share capital of 10,000,000.00 AED. (UAE DIRHAM) or 27.25% of the registered capital in the firstly. SYNTEC had payment by the portion in amount of 4,600,000 AED equivalent to 43.83MB. March
March 2009	TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “stable” outlook to Syntec Construction PLC.
April 2009	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2009 for one more term.
May 2009	Syntec Social Responsibility Project No.2, to construction the school building, canteen, teachers’ house living and toilet together with the providing of stationery and sporty equipment for the Baan Pang Kham Noi School, Maehongson Education Service Area Office1, Maehongson Province. Currently, these school have student in amount 56 persons.
August 2009	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2009” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 98.50 points (from the total of 100) where there had 497 listed companies assessed by this project. The average of assessed companies was 82.97 points.
September 2009	The Company was certified with ISO 9001 Version 2008.
October 2009	The Board of Director reached the solution to dissolve Syntec Construction PCL (L.L.C.) By the reason of Syntec Construction PCL (L.L.C.)’ performance is under the target due to the global crisis and these crisis expect to prolong. Syntec obtained the returned investment in the amount of 22.58 MB. December
December 2009	1. Rights and equally treatment to the shareholders for 1 months to propose AGM 2010 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail. 2. Syntec Social Responsibility Project No.3, to construction and renovation the school building and providing of stationery and sporty equipment for the Baan Yang Thoeng School, Baan Kar Chub School, and Baan Phai Lom School, Ubonratchathanee Province.
February 2010	TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “stable” outlook to Syntec Construction PLC.
April 2010	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2010 for one more term.

September 2010	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2010” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 97.38 points (from the total of 100) where there had 479 listed companies assessed by this project. The average of assessed companies was 86.11 points.
December 2010	<p>1. Assessment of “Good Corporate Governance for Listed Company for the Year 2010” held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as “Excellent” by getting 84 points (from the total of 100). The average of all listed companies was 80 and 89 for those companies in the SET 50, respectively.</p> <p>2. Syntec Social Responsibility Project No.4, to construction and renovation the school building and providing of stationery and sporty equipment for the Nu-Sae-Pho School at Baan Nu-Pho Branch, Sor-Mae-Gro Branch, and Nu-Sae-Pho School at Thi-Pho-Ji Branch, Tak Province.</p> <p>3. Rights and equally treatment to the shareholders for 1 months to propose AGM 2011 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.</p>
April 2011	<p>1. TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “stable” outlook to Syntec Construction PLC.</p> <p>2. The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2011 for one more term.</p>
August 2011	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2011” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 95.88 points (from the total of 100) where there had 416 listed companies assessed by this project. The average of assessed companies was 88.88 points.
October 2011	Syntec Social Responsibility (special project: 2011 flood crisis in Thailand) provided support to the government, BMA, The Thai Red Cross Society and Armed Force Development Command in the field operation and donation of necessary items e.g. sand bag, flood prevention dike, disaster relief package, instant food and other equipment etc. In addition to support to the public sector, the Company also provided direct assistance to the public e.g. free transport service and waste disposal after flood etc.
December 2011	<p>1. Assessment of “Good Corporate Governance for Listed Company for the Year 2011” held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as “Excellent” by getting 81%. The average of all listed companies was 77% and 88% for those companies in the SET 50, respectively.</p> <p>2. Rights and equally treatment to the shareholders for 1 months to propose AGM 2012 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.</p>

March 2012	The Company's Board's Meeting resolved to set up a subsidiary "SCR Asset Management Co., Ltd." to engage in the investment business of real estate for rent of which its 52% of total shares being equal to 1 million baht will be held by the Company.
April 2012	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2012 for one more term.
May 2012	Syntec Social Responsibility Project No.5, to construction the school building and providing of stationery and sporty equipment for the Nong Kham Wittaya, Roiet Province.
July 2012	TRIS Rating Co., Ltd. has assigned the rating of "BBB-" with "stable" outlook to Syntec Construction PLC.
August 2012	The outcome of "Quality assessment project for shareholders' general meeting for the year 2012" carried out by the SEC, showed that the Company was assessed to be "Excellent" by getting 96.38 points (from the total of 100) where there had 450 listed companies assessed by this project. The average of assessed companies was 89.43 points.
November 2012	Assessment of "Good Corporate Governance for Listed Company for the Year 2012" held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as "Very Good" by getting 82 points (from the total of 100). The average of all listed companies was 77% and 88% for those companies in the SET 50, respectively.
December 2012	Rights and equally treatment to the shareholders for 1 months to propose AGM 2013 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
April 2013	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2013 for one more term.
June 2013	S C R Asset Management Co., Ltd, a subsidiary, increased its authorized capital from 100 million baht to 400 million baht by issuing 3 million ordinary shares, par value 100 baht. The Company's Board's meeting therefore agreed to buy such shares for 1.56 million shares at par value 100 baht each, totaling 156 million baht to maintain its shareholding proportion at 52 percent.
July 2013	The outcome of "Quality assessment project for shareholders' general meeting for the year 2013" carried out by the SEC, showed that the Company was assessed to be "Excellent" by getting 97.00 points (from the total of 100) where there had 475 listed companies assessed by this project. The average of assessed companies was 90.81 points.
October 2013	<ol style="list-style-type: none"> 1. TRIS Rating Co., Ltd. has assigned the rating of "BBB-" with "stable" outlook to Syntec Construction PCL. 2. The Project SYNTEC for community No. 6 provided supports for construction of 1-floor school building with 5 classrooms and also donated education and sporting equipment to Ban

Mae Klong Yai Border Patrol Police School, Um Phang District, Tak Province.

3. The Company's Board's Meeting resolved to set up a subsidiary "Sam HR Co., Ltd." to engage in the business of personnel management for hotel, serviced apartment and other properties of which its 99.97% of total shares being equal to 1 million baht will be held by the Company.

4. The Company's Board's Meeting resolved to set up a subsidiary "Syntec Asset Management Co., Ltd." to engages in the business of management of hotel, serviced apartment and other properties. The Company holds 74.97% of the total share capital being equal to 1 million baht.

November 2013	The Company's Board's Meeting resolved to approve and adopt anti-corruption policy as a part of good governance policy by which the Company will be part of the group refusing to offer bribe under the campaign Private Sector Collective Action Coalition Against Corruption (CAC).
December 2013	<p>1. Assessment of "Good Corporate Governance for Listed Company for the Year 2013" held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as "Very Good" by getting 81 points (from the total of 100). The average of all listed companies was 78% and 88% for those companies in the SET 50, respectively.</p> <p>2. Rights and equally treatment to the shareholders for 1 months to propose AGM 2014 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.</p> <p>3. The Company's Board's Meeting resolved to approve name change of a subsidiary from "Sam HR Co., Ltd." to "Natural Ville Serviced Apartment and Management Co., Ltd." and also approve its increase of capital from 1 million baht to 2 million baht to support the regulation for hiring alien persons.</p> <p>4. The Company's Board's Meeting resolved to reduce investment proportion in a subsidiary "Syntec Asset Management" from 74.97% to 54.97% for business reason.</p>
April 2014	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2014 for one more term.
May 2014	<p>1.The Project SYNTEC for community No. 7 provided supports for construction of 1-floor school building with 2 classrooms and First Aid Room, also donated education and sporting equipment to Ban Pong Sawongkiriwan School, Thaluang District, Lopburi Province.</p> <p>2.The Project SYNTEC for community No.8 provided supports for construction of 1-floor school building with 5 classrooms and First Aid Room, also donated education and sporting equipment to Lampongpetch School, Kokcharoen District, Lopburi Province.</p>

June 2014	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2014” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 96.50 points (from the total of 100) where there had 528 listed companies assessed by this project. The average of assessed companies was 91.17 points.
November 2014	<ol style="list-style-type: none"> 1. TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “stable” outlook to Syntec Construction PCL. 2. The Board of Directors has approved the signing of “Collective Action Coalition” of the private sector in Collective Action Coalition Council for anti-corruption, The alignment operation of the private sector in Thailand corruption. 3. Assessment of “Good Corporate Governance for Listed Company for the Year 2014” held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as “Very Good” by getting 75 points (from the total of 100). The average of all listed companies was 80% and 84% for those companies in the SET 50 December
December 2014	Rights and equally treatment to the shareholders for 2 months to propose AGM 2015 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
April 2015	<ol style="list-style-type: none"> 1. The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2015 for one more term. 2. The Board of Directors resolved to discontinue the investment in Salintara Co., Ltd. on 22 April, 2015.
May 2015	1. The Project SYNTEC for community No.9 provided supports for construction of 1-floor school building with 4 classrooms and 4 toilets, also donated education and sporting equipment to Baan Kampai School, Kumphawapi District, Udon Thani Province.
June 2015	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2015” carried out by Thai Investors Association, showed that the Company was assessed to be “Excellent” by getting 9.50 points (from the total of 100) where there had 575 listed companies assessed by this project. The average of assessed companies was 92.68 points.
August 2015	TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “positive” outlook to Syntec Construction PCL.
October 2015	<ol style="list-style-type: none"> 1. The Company’s Board’s Meeting resolved to set up a subsidiary “CSM Capital Partners Co., Ltd.” to engages in the business of real estate development for rent. The Company holds 59.98 % of the total share capital being equal to 1 million baht. 2. Mivan (Thailand) Co., Ltd. was bankrupted on 19 October, 2015, the Company holds 65% of the total shares in Syntec-Mivan Joint Venture. 3. Assessment of “Good Corporate Governance for Listed Company for the Year 2015” held by the SET, the SEC and Thai Institute of Directors, showed that the Company obtained the

score at 85%. The average of all listed companies was 75% and 84% for those companies in the SET 100 as well as 87% for those companies in the SET 50.

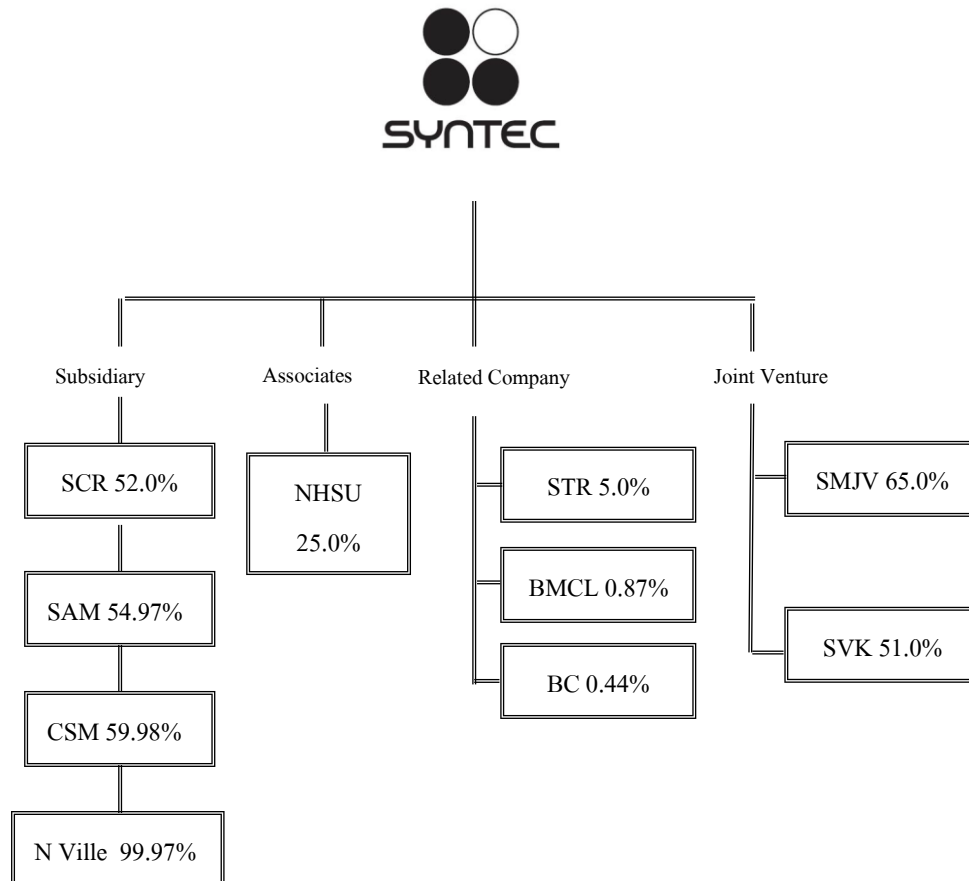
4. Assessment of “The Level of Sustainable Development on Anti-Corruption of listed companies for the year of 2015 ” held by Thaipat Institute under the support from SEC, showed that the Company obtained “Level 3” for the Anti-Corruption Protection and “Level 2” for the Corporate Social Responsibility.

November 2015	Rights and equally treatment to the shareholders for 2.5 months to propose AGM 2016 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
---------------	--

December 2015	Syntec Asset Management Co., Ltd. registered on dissolution dated 28 December, 2015.
---------------	--

Chart of the shareholding structure of the Company

The shareholding structure of Syntec Construction Public Company Limited as of 31 December 2015



Remarks :

1. SCR : SCR Asset Management Co., Ltd.
2. SAM : Syntec Asset Management Co., Ltd. // registered on dissolution dated 28 December, 2015
3. CSM : CSM Capital Partners Co., Ltd. // registered on business establishment dated 9 October, 2015
4. N Ville : Natural Ville Service Apartment and Management Co., Ltd.
5. NHSU : Natural Hotel Sukhumvit Co., Ltd.
6. STR : Salin Tara Co., Ltd. // The Board of Directors resolved to discontinue the investment dated 22 April, 2015
7. BMCL : Bangkok Metro PCL. // it was changed name to BEM dated 4 January, 2016 and reduced the ratio to 0.49
8. BC : Bangkok Club Co., Ltd.
9. SMJV : Syntec – Mivan Joint Venture // Mivan (Thailand) Co., Ltd. was bankrupted as of 19 October, 2015
10. SVK : Siam Syntec – Vijitrphan - Krungthorn

Policy and Business Overview

At present, the company has offered Integrated Approach construction services for both government and private sectors ranging from foundation establishment to completion of construction in a manner of One-Stop Shopping. The company therefore, has developed skill in providing one-stop shopping construction including structural, architectural, landscape architect, electrical and mechanical and building automation works.

Construction hire: In case of the hirer is a government bureau or state enterprise, the company will be hired after the mentioned bureau granting the company the opportunity to bid following the specific pattern and method. The bureau will hold the bid for selection. In the case of the hirer is a private bureau, the bureau will permit the company to bid including the price negotiation. If the consideration is mutually satisfied by both sides and is reasonable, the company will be eventually hired for the construction.

After being hired, the company is generally the main contractor. However, if the project is big and requires the specialization, the company will consider the co-operation as a joint venture with other company or other people possessing the required specialization. Consequently, the company can be transferred the modern technologies in construction along with much knowledge such as the construction management including the increase of staffs' capabilities. These are to ensure the hirer that the construction will be achieved with the specific agreement or contract. Furthermore, the company is likely to have a new co-operator (in trade) who possesses enough potentiality to cooperate in the construction of a big project in the future agreeing with the government policy.

The company does not only conduct the construction by using our own labors but for some parts we also hires the subcontractor having registered with the company and possessing at least the required minimum qualification. As a matter of fact that the company has continuously evaluated the capability of performance, the company can control the construction to meet the restricted agreement or contract.

Business Characteristics of Subsidiary, Associates and Joint Ventures (Presently Operating)

Subsidiary: SCR Asset Management Co., Ltd.

SCR Assets Management Co., Ltd. engages in business of investment in properties for rent and is considered one of the Company's affiliated companies of which its paid-up capital shares are held by the Company for 52% (authorized capital 2,400,000 shares, 240,000,000 baht). The strategy applied for extending the Company's business to other related business (Vertical Integration) in forward expansion in association with core business expansion. Presently, SCR Assets Management Co., Ltd. is now focusing in the business has been operated for service apartment construction equipped with complete facilities for rent of 3 projects including 1) Citadines Grand Central Sriracha which is located at No. 99/9 Thetsaban Road 1, Sri Racha Sub-district, Sri Racha District, Chon Buri Province, starting service opening in Q1 of 2015 with 13 recreation rooms and total area of 9,492 square meters; Project 2, which is also located at Sri Racha District. It will be commence for construction in Q2 of Year 2016 and it will be finished in Q1 of Year 2018 with 188 recreation rooms and total area of 19,422 square meters; and the last Project 3, which is located at Sri Maha Phot District,

Prachin Buri Province, and is the large-scale project dividing into the part of recreation rooms for 2 buildings with 306 rooms, and the shop area for another approximately 2,000 square meters and total area of 20,578 square meters. These projects have been ready to support the economic expansion of the customers in nearby industrial areas of which disbursement power will increase in the future.

Associates: Natural Hotel Sukhumvit Co., Ltd.

Natural Hotel Sukhumvit Co., Ltd. engages in the business of property development. It is considered as the Company's joint venture company of which its 25% of total paid-up capital shares are held by the Company (After the decrease of capital done by the resolution of extraordinary shareholders' meeting No. 2/2008 of this company on 26 June 2008, the authorized capital of 240,000,000 baht, 2,400,000 shares was decreased to 150,000,000 baht, 1,500,000 shares while the par value is still the same at 100 baht/share)

Syntec Asset Management Co., Ltd. And Natural Ville Service Apartment and Management Co., Ltd. (Formerly "Sam HR Co., Ltd.")

Both companies were established according to the resolution reached by the Company's Board of Directors' meeting on 11 October 2013. Syntec Asset Management Co., Ltd. engages in the business of management of hotel, serviced apartment and other properties. The Company holds the shares in this company for 54.97% of paid-up authorized capital (currently at 1,000,000 baht divided into 10,000 shares, par value 10 baht). This company was registered on dissolution on 28 December, 2015.

With respect to Natural Ville Serviced Apartment and Management Co., Ltd. it engages in the business of personnel management for hotel business, serviced apartment and other properties. The Company holds 99.97% of its paid-up authorized capital (currently at 2,000,000 baht divided into 20,000 shares, par value 100 baht). Presently, both companies are managing lease right of Natural Ville Residence

CSM Capital Partners Co., Ltd.

CSM Capital Partners Co., Ltd. engages in business of investment in properties for rent and the Company holds 60% of its paid-up capital shares (currently at 1,000,000 baht divided into 10,000 shares, par value 100 baht). This company was established according to the resolution reached by the Company's Board of Directors' meeting No. 9/2015 on 25 September, 2015 and was registered on business establishment on 9 October, 2015.

Joint Venture: Syntec-Mivan Joint Venture

Syntec-Mivan Joint Venture consists of 2 enterprises, namely, the Company and Mivan (Thailand) Co., Ltd. ("Mivan") with ration of investment at 65% : 35%, respectively. Profit or loss shall be divided with respect to such ratio of investment. The objective for establishment is to provide construction service in the project of Baan Eur Arthorn for the National Housing Authority by entering into construction contract for the amount of 50,000 units.

However, circumstances in the country have an impact on such authority where the Company has request and been granted the amount of unit to only 13,674 units. Nowadays, the project has delivered and it is on warranting project and following the rest debt from National Housing Authority. At the moment, the Company is demanding the National Housing Authority to pay outstanding amount of installment through the suspending case filed at the Central Administrative Court since 7 September 2012 with amount in dispute of 874,250,718 baht.

Future Plan

The Company is still maintaining the strategy of business plan in continually expanding the business of construction, when considering the business performance of the Company and external factors, the Company considers the strategy of Forwarding Vertical Integration which is the alternative to create more profit to the Company and could be performed in parallel with the expansion of main business to be more growing.

However, the Company intends to develop the business of the Company, subsidiaries and joint ventures to be continually stable and developed, then the framework and direction to achieve the success is determined by the Vision, Mission, Strategy and Shared Values as the guideline for management and practice to achieve standardization, furthermore, the Company also emphasizes on the development of internal personnel's potentials, the promotion of trade partners' cooperation together with the practice of good governance to create utmost value to shareholders and to provide benefits to all stakeholders sustainably in the future.

Factors that could cause the project can't be completed as planned

It is well known that the construction business there are factors that pose a potential risk that can't be achieved as scheduled such as the risk of economic from domestic and international, the risk of fluctuations in the prices of construction materials, the risk of labor shortages, the risk from employers/partners, the risk of competition, etc. As detail in Risk Factors above, the company has prepared these factors have occurred.

Summary of Business Characteristics

Product and service characteristics

The Company engages in the business of construction services, focusing on construction works. The Company's clients range from private and public agencies and state-owned enterprise. To secure the works by those public agency and state-owned enterprise clients, the Company will have to join bidding while for private agency, the Company will be invited to offer price and conclude the negotiation upon satisfaction of both parties. In general, the Company is engaged as a Main Contractor except those exceptional large projects requiring extensive field of expertise, the Company may consider setting up a joint venture or consortium to make it more reliable from the client's point of view in terms of contractual performance and construction work quality. The Company has its own workmen and partly contracted out from subcontractor listed by the Company under regular competency assessment.

Revenue Structure

Product Line / Business Circles	2015		2014		2013	
	MB	%	MB	%	MB	%
Revenue from the Construction Contracts						
- Residential	5,728.37	81.24	5,634.63	81.79	5,012.41	81.15
- Office / Commercial Buildings	757.68	10.75	1,081.56	15.70	691.10	11.19
- Institutions	-	-	-	-	113.03	1.83
- Hotels and Resorts	255.51	3.62	-	-	282.08	4.57
- Infrastructure Projects	43.21	0.61	172.67	2.51	76.26	1.23
- Industrial Plants	266.28	3.78	-	-	-	-
- Department Stores/ Supermarkets / Shopping Malls	-	-	-	-	1.71	0.03
Total Revenue from the Construction	7,051.05	100.00	6,888.86	100.00	6,176.59	100.00
Interest Income	11.10		22.71		8.64	
Revenue from Accommodation Service	138.96		104.89		22.76	
Gain on sale of available-for-sale securities	-		34.21		-	
Reversal of allowance for doubtful accounts	12.33		3.46		16.44	
Reversal of creditors under rehabilitation plan	-		-		-	
Gain on disposal of equipment	-		-		10.25	
Reversal of estimated loss under joint venture agreements	66.47		-		-	
Other incomes	94.45		29.73		4.46	
Total Revenues	7,374.36		7,083.86		6,239.14	

Type of the Company's Construction Works can be divided as follows:

1. Infrastructure
2. Institutions
3. Residence
4. Office and Commercial Building
5. Hotel or Resort
6. Department Stores / Supermarkets / Shopping Malls
7. Industrial Plants

The construction works of basic public utility project are the construction works relating to basic public utilities. All construction works are under the responsibility of the government agencies. Realizing the significance of country development, the company focused on carrying out the construction works to meet the objective of each type of work; the construction of man-hole and cable tube, water waste treatment project, reinforced concrete wall acting as barrier against floodwater. The company planned to participate in the auction of basic public utility project by probably considering cooperating with the potential, domestic and international, alliances. This is to support the development of basic structure that the government sector must undertake according to National Economic and Social Development.

The construction works of institution are the construction works relating to building, laying systems. The company's construction works of institution are as follows; school, hospital, embassy, district office, flight control center.

The construction works of residence are the inclusive construction works of buildings starting from foundation, structure, architecture, sanitary work, electric work, communication system, air conditioning, elevator system. The company's works are as follows; residential condominium project, luxury home project, Eua Arthorn Housing Project, etc.

The construction works of office and commercial building are the construction works of every kind of office buildings starting from general building to high-rise building including all system service pursuant to the specified standard. The company's works for office and commercial building are as follows: recreation center building, office building, commercial building, car showroom building, etc.

The construction works of hotel or resort are the inclusive construction works of every category of hotels or resorts including related system works. The company's construction works of hotel or resort are as follows; luxury hotels, resorts, health center, etc.

The construction works of department store, supermarket or shopping mall are the projects that apply technology and construction technique by providing service from construction work until the work is completely done.

The construction works of industrial factory are the construction of every kind of plants including system works required in the industrial plant. The company's construction works of industrial plants are; industrial estate, industrial plants, etc.

Marketing and Competition

Crucial strategies in competition

In order to conduct business to attain sustainable growth and competitiveness, quality, efficiency, innovation and response to customer's needs, services and working procedures are key mechanism to pursue the goal. Therefore the Company is determined to enhance its competitiveness in terms of quality of work in different dimensions e.g. quality management, efficiency development in management, application of new technology to business, improvement of working procedure to get more success as well as building capacity for personnel by continual training, team working, strengthening internal relationship; finally all of which will lead to quality and sustainable growth.

In the past year, the Company managed to audit efficiency of its cost management system to better respond to economic condition and current business operation. The Company has adopted the policy on monitoring costs and tools for monitoring such costs to ensure that they have not exceeded the budget. Also

Also, the Company has a plan to expand its operation to other related businesses by forward expansion in order to increase its revenue channels in other fields by setting up subsidiaries. S C R Asset Management Co., Ltd. is established to run business of new serviced apartment for rent with 3 projects. The first project will have official revenue by Q2 of the year and other 2 projects will start the construction within the year of 2016.

The Company's strategies also cover investment in potential assets located in good location that are ready for use and generating income by setting up another 2 companies; Natural Ville Serviced Apartment and Management Co., Ltd. (formerly known as "Sam HR Co., Ltd.") and Syntec Asset Management Co., Ltd., to manage remaining 18-year lease right of Natural Ville Residence. This serviced apartment was bought for 400 million baht located on prime business area and is also considered as another revenue channel in the long term. Its rooms were decorated to be more luxurious and livable. In 2015, CSM Capital Partners Co., Ltd. was established to support the operation of real estate development for full efficacy of future leasing.

This includes the follow of economic situation, national political status in the matter that may take effect to the construction cost of the company such as oil price situation, cement price, steel price, construction material price, the government policy. This is to enable the company to perform the business consistent to the target and to increase the highest value for the stakeholders such as shareholders, customers, employees and other related person etc.

The significant strategies in competition to enhance the strength, efficiency in making profits, and potentiality in operation are as follows:

1. Providing One-stop Shopping Construction services

At present, the company has offered Integrated Approach construction services from foundation establishment to completion of construction in a manner of One-Stop Shopping. The company therefore, has developed skill in providing one-stop shopping construction including structural, architectural, electrical and mechanical and building automation works. Trying to assist the customers to effectively manage capital and time: In operating the construction, the company inspects, control, and supervise every step of construction to have quality and high security meeting the satisfaction of customers and the specified standard. This impresses the customers, creates the reliability to the min hiring the company in the next time, and attracts them to recommend the company to other customers.

2. Quality, Security and Responsibility

Apart from the operation focusing on quality and high security for relating persons (such as the laborers and passers-by in the construction site), the responsibility of contractor is one of the fundamentally important things. The responsibility is both in the operation of construction and the submission within the due time specified in the contract. The company adjusts the operational process to achieve more success, increases the potentiality of personnel, holds the regular training, and encourages working in team by granting the opportunity for every level of staffs to participate in the operation appropriately.

3. Reputation and Outcomes of the company

The company creates the reputation from many constructions since in the past to assure the customers in hiring the company in the next time and recommending to the others. The company expects to remain the standard in operation and quality to be acceptable from now on. The company will improve knowledge and modern technologies of construction to be in accord with the economic growth of the country. Moreover the company will encourage the personnel to realize the ethics in operating business along with maintaining the honesty, loyalty, and justice by mainly considering the benefits of customers.

4. Business Alliance

Operating business in the future facing with the liberal trade system of the world economic development, the main factors affecting the capital of production and the competitiveness are the capital, specialization, and modern technologies. All these are significant factors to decide the cost of manufacturing and affect the competitiveness. The company realizes the mentioned importance. Apart from the continuous adjustment, learning, and development of the construction process, the company also co-operates with the alliances as the joint venture. The alliances are other companies possessing the specialization required by the project. This grants a good opportunity for the company to be transferred modern technologies and knowledge of the construction which are very useful for the business operation. Eventually, the company may have the business alliances possessing the enough abilities in mutually operating the big project of construction in the future. This is to assure the customers that the construction will be successfully completed following the specified agreement or contract.

5. Abilities of Personnel

Personnel are seen as one of the most crucial resources for the Company's development and growth. The Company has therefore continually emphasized its policy on building capacity of its personnel at different levels through training by external public agency and development of management and administration and team working. Staffs have been promoted to be familiar with information technology to increase their performance as well as the management as key information will be available for making decision before systematically solving any problems. There are also encouraged to work with integrity and fairness and to observe business ethics. The Company provides equality in employment, career security. These are done to increase the staffs' skill and expertise while increasing their loyalty to the Company which will ultimately lead to increased efficiency, productivity and competitiveness of the Company.

Customer's Characteristics

The Company has mainly offered construction services to customers from private sector for office facility, commercial buildings, residences, leisure etc. However, governmental customers have also assigned the Company for construction projects such as Baan Eur Arthorn Project, maintenance workshop at Suvarnabhumi International Project, Bangkok Metropolitan Administration (BMA) District Office buildings and road flood way on the Chao Phraya River and Klong Chan Reinforced Dam Project from Lat Phrao Road to Pradit Manutham Road by Canal System Division, Department of Drainage and Sewerage, Bangkok Metropolitan Administration etc.

List of Projects and the owners of private sector for the year 2015

Unit : Million Baht			
No.	Project Name	Project's Owner	Project Value
1	Supalai City Resort Rayong	Supalai PCL.	210
2	Supalai Loft Chaeng Watthana	Supalai PCL.	216
3	Supalai City Resort Bearing Station (Sukhumvit 105)	Supalai PCL.	133
4	Supalai Elite Phayathai	Supalai PCL.	242
5	Supalai Wellington II	Supalai PCL.	646
6	Chapter One Midtown Ladprao 24	Pruksa Real Estate PCL.	524
7	Chapter One the Campus Ladprao 1	Pruksa Real Estate PCL.	89
8	The Tree Elegance	Pruksa Real Estate Plc.	900
9	Noble Revolve Ratchada (Phase 1-2)	Noble Development PCL.	1,350
10	Shinawatra Tower IV	SC Asset Corporation PCL.	290
11	Life Asoke 3	AP (Phetchaburi) Co., Ltd.	1,798
12	Life Pinklao	AP ME 1 Co., Ltd.	802
13	The Stage Taopoon Interchange	Real Estate Development Co., Ltd.	495
14	Grand Center Point Thong Lor	Pacific Real Estate Co., Ltd.	634
15	The President Sathorn-Ratchaphruek (Phase 3)	Chaiphattana Teedin Co., Ltd.	453
16	Farmhouse Factory, Bangchan Industrial Estate	President Bakery Co., Ltd.	448
Total 16 Projects			9,230

In the last 3 years, the company has had the following proportions of income based on types of customers which are private and public sectors.

Table showing the structure and revenue proportion from the construction for the year 2015

No.	Type	Revenue (Million Baht)	Proportion
1	Residential	5,728.37	81.24
2	Office Building / Commercial Building	757.68	10.75
3	Institution	-	
4	Hotel / Resort	255.51	3.62
5	Industrial Plants	266.28	0.61
6	Department Store / Shopping Mall	-	-
Total Revenue from Projects of Private Sector		7,007.84	99.39
7	Infrastructure Projects	43.21	0.61
Total Revenue from Projects of Public Sector		43.21	0.61
Grand Total Revenue from Construction Projects		7,051.05	100.00

The revenue proportion sort by client type and construction type suggests that revenue from construction by private sector shared the major part at 99.39 % of total revenue in 2015 most of which came from residential unit construction for as high as 5,728.37 million baht or 81.24% of total revenue from construction works while such from office/commercial building was merely at 757.68 million baht or 10.75%. All construction works mentioned above are being under operation the progress of which can be obtained from the Company's website at www.synteccon.com

However, in another point of view, the revenue proportion of public sector project was 0.61%, the Company considered that the construction of the Government is a large project that requires high investments and a low-margin with long period of construction, compared with the Private sector. However, the company remains committed to the auction in the future to reduce the risk of a portion of the private lots. The important projects from public sector in 2015 were the construction of Klong Chan Reinforced Dam Project (BMA is the project owner) from Lat Phrao Road to Pradit Manutham Road with the distance of 8.8 kilometers.

Additionally, the Company still commits to maintain and improve its works of better quality for both private sector projects and governmental projects in order to meet the client's full satisfaction by the construction performance in accordance to objective, punctuality, and standard. The impression on overall performance of the Company is the main reason customers returning to further utilize the service of the Company in the future.

Target Group Customers

The Company's target group includes the project owners both in public and private sector nationwide especially those demonstrating financial stability and sufficient assets. According to Table of project owners or the Company's customers during the past time such as Supalai PCL., Major Development PCL., SC Asset Corporation PCL., Asian Property Development PCL., Bangkok Dusit Medical Services PCL., Pruksa Real Estate PCL., Eastern Star Real Estate PCL., Land & House PCL., C.P. Land Co., Ltd., Major Residence Co., Ltd., Phirat Buri Co., Ltd., Amara Hospitality (Thailand) Co., Ltd., Delvi Place Co., Ltd., TST Development Co., Ltd., Osotsapa Co., Ltd. and L & T Asset Co., Ltd. etc., the Company is committed to maintaining and improving its works of better quality for both private sector projects

and governmental projects in order to meet the client's full satisfaction by the construction performance in accordance to the objective and the impression resulting customers returning to further utilize the service of the Company.

Selling and Distribution Channels

The Company's distribution channels come from selecting projects, following up invitation of bidding for construction of both governmental and private sectors via media. Price estimation division is responsible for bidding process and sometimes consulted by the top management. Moreover, our accomplishment also contributes to recommendation from one customer to another and from other related companies. The company still focuses on maintaining the quality of constructions to reach the standard and agree with the objectives of customer. These include the building of good relationship in giving useful advice which is very important for the decision of customers.

Situation of Competition

The condition of competition in construction industry is closely related to economic status of the country, that is, during a period of increasing economic expansion rate, construction industry will be likely to increase in its growth rate and at the same time, if the country is experiencing economic regression, construction industry will reduce in its growth rate. It is thus able to say that the construction production and industry has linear relationship with certain status of national economic.

Significant economic indicators are as follows:

2015 Gross Domestic Product

GDP Growth (%)										
	2557	2558	2557				2558			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP	0.8	2.8	-0.5	0.8	0.9	2.1	3.0	2.7	2.9	2.8
GDP ปรับฤดูกาล	-	-	-0.6	0.7	0.9	0.9	0.5	0.4	1.0	0.8

Source : Office of the National Economic and Social Development Board, presse release on 15 February 2016

2015 Thai Economy

ด้านการผลิต: ภาคเกษตรขยายตัวในเกณฑ์สูง แต่ภาคเกษตรหดตัวและเป็นปัจจัยถ่วงการขยายตัวทางเศรษฐกิจ

Growth (%)	2557	2558	2557				2558			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ภาคเกษตร	0.7	-4.2	0.9	4.8	0.2	-1.7	-4.6	-4.1	-5.5	-3.4
ภาคนอกเกษตร	0.8	3.6	-0.7	0.4	1.0	2.8	3.9	3.2	3.2	4.2
GDP	0.8	2.8	-0.5	0.8	0.9	2.1	3.0	2.7	2.9	2.8

ด้านการใช้จ่าย: ปริมาณการส่งออกหดตัวและเป็นข้อจำกัดต่อการขยายตัวมากขึ้น แต่อุปสงค์ในประเทศขยายตัวเร่งขึ้นทั้ง การลงทุนภาครัฐ การบริโภคภาคเอกชน การอุปโภคภาครัฐบาล และการลงทุนกลับมาขยายตัว

	2557	2558	2557				2558			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
การบริโภคภาคเอกชน	0.6	2.1	-2.8	1.0	2.3	1.7	2.5	1.7	1.8	2.5
การอุปโภคภาครัฐบาล	2.1	2.2	3.5	1.2	-0.2	4.3	0.7	1.0	2.3	4.8
การลงทุน	-2.4	4.7	-10.5	-4.7	2.7	3.6	10.3	2.6	-2.6	9.4
- ภาคเอกชน	-1.0	-2.0	-9.1	-3.0	3.4	5.4	3.7	-3.1	-10.1	1.9
- ภาครัฐ	-7.3	29.8	-15.6	-10.5	0.3	-3.2	36.6	23.2	21.9	41.4
การส่งออกสินค้าและบริการ	0.2	0.1	0.1	-0.7	-3.2	4.5	1.2	1.5	1.7	-3.5
การนำเข้าสินค้าและบริการ	-5.3	-0.4	-10.5	-9.3	0.1	-0.8	2.3	-0.2	-2.6	-1.3
GDP	0.8	2.8	-0.5	0.8	0.9	2.1	3.0	2.7	2.9	2.8

Source : Office of the National Economic and Social Development Board, presse release on 15 February 2016

- Thai economy favorably expanded when comparing to the same period of previous year and comparing to previous quarter.
- Demand of exports was continually decreased and limited the expansion in compliance with the accelerating contraction of exports of many countries in region, but the domestic demand increased through acceleration and increasing of governmental investment, household sector expenditure and government sector expenditure while the private sector investment was expanded positively with the main factor of domestic demand in driving the economy of Q4/2015.
- The production of non-agricultural sectors were favorably expanded such as the construction sector, hotel and restaurant sector and other sectors, industrial sector was continually expanded but the agricultural sector was affected by the drought and limited the economic growth.
- After adjusting the seasonal performance, Thai economy in Q4 of 2015 was expanded 0.8% from Q3 of 2015, for overall 2015, Thai economy was increased 2.8%.

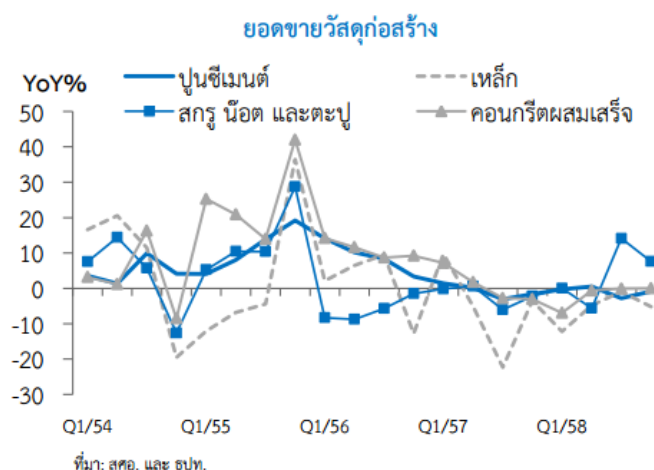
The accelerated expansion of construction in accordance to the higher expansion of governmental construction

	2557	2558	Q1-58	Q2-58	Q3-58	Q4-58
ร้อยละ	-3.7	15.8	19.6	12.5	9.4	23.9

Source : Office of the National Economic and Social Development Board, presse release on 15 February 2016

The construction growth was 23.9% accelerated by the expansion of 9.4% in previous quarter, resulting the growth of the constructions in government sector for was 54.5%. The governmental construction was expanded 66.8% and the

construction of state enterprise was expanded 15.8% while the private sector construction was decreased 1.3% in compliance with the contraction of significant indicators such as licensed construction area, steel product distribution quantity and cement distribution quantity, in addition, the production of construction sector was expanded 15.8% with the growth of governmental and private sector construction for 33.7% and 0.7% respectively.



- The growth of the construction in government sector was 54.5% increasing from 20.3% in Q3/15 in accordance of the acceleration of governmental investment.
- The contraction of construction in private sector was 1.3% in compliance with the reduction of steel and cement distribution quantity.
- The price of construction materials was decreased 6.6% as the 5th quarter in accordance to the reduction of steel price.
- Total construction in the entire year of 2014 increased for 15.8%.

2016 Economic trend

	ข้อมูลจริง		ประมาณการ 2559	
	2557	2558	16 พ.ย. 58	15 ก.พ. 59
การขยายตัวของ GDP (%)	0.8	2.8	3.0 - 4.0	2.8 - 3.8
การบริโภคภาคเอกชน	0.6	2.1	2.6	2.7
การบริโภคภาครัฐ	2.1	2.2	3.2	3.7
การลงทุนภาคเอกชน	-1.0	-2.0	4.7	3.2
การลงทุนภาครัฐ	-7.3	29.8	11.2	11.2
มูลค่าการส่งออก (รูปเงิน USD,%)	-0.3	-5.6	3.0	1.2
เงินเฟ้อ (%)	1.9	-0.9	1.0 - 2.0	(-0.1) - 0.9
ดุลบัญชีเดินสะพัด (%GDP)	3.8	8.9	5.7	8.2

Source : Office of the National Economic and Social Development Board, presse release on 15 February 2016

Macroeconomic Strategy and Planning Office (MSPO) has forecasted Thai economy in 2016 will be expanded for 2.8 – 3.8% with the medium value at 3.3% increasing from the expansion of 2.8% in 2015, the followings are the supporting factors : (1) The acceleration of expenditures and investment from government sector in accordance of budget framework and disbursement ration of 2016 budgetary year as well as the progress of investment project on infrastructure of government sector resulting the increase of the disbursement ration of state enterprise increased.

(2) The momentum from the policy of economic stimulation additionally announced by Government in September 2015 – January 2016.

(3) The tendency of Baht value supporting the value of export in Baht currency more enlarged and resulting income and liquidity of entrepreneurs continually better from the latter half of year 2015.

(4) The oil price expected to be lower than year 2015 will support the purchasing power of people and business sector as well as support the implementation of loose monetary policy continuously.

(5) The tourism sector is continually expanded, the value of product export is expected be expanded for 1.2% while the consumption of household and the overall investment will be expanded 2.7% and 4.0% respectively. The inflation ratio will be generally in the range of (-0.1) -0.9 and the current account will surplus at 8.2% of GDP.

Supporting factors in 2016

1. The acceleration of governmental money

- The governmental money from annual expenditure budget under the deficit framework is increased from 2.5 hundred billion baht in 2015 to be 3.9 hundred billion baht in 2016.
- The progress of the investment project on infrastructure causes the better disbursement of state enterprise's investment budget.
- The disbursement of expenditure out of the budget tends to be continually better from Q4/14.

2. The driving force from the additional measure of economic stimulation

- The measure of economic stimulation from September 2015 – January 2016 with the amount of 4.7 hundred billion baht.
- The disbursement of 2015 for the amount of 1.98 hundred billion baht (credit amount of 1.72 hundred billion baht and budget amount of 2.58 ten billion baht
- The disbursement of 2016 for the amount of 1.8 hundred billion baht, the important tax measure is still resulting until the end of 2016.
- The cost of travelling is still maintained in the low level with the better political situation.

There are totally 18 listed companies in the Stock Exchange of Thailand under the group name of “Construction Contract Service”, the diversity of business operation, the size of registered capital, the ability of acceptance on different types of constructions as mentioned above, however, in order to be the comparison information for companies in the same business group, the important figures in accordance to the financial statements will be shown to compare, all relevant information can be searched on www.set.or.th

The Comparison of Construction Companies from the financial statement as of 31 December, 2015

Company Name	Million Baht						Baht		(<div>%)</div>		times	%
	Total Asset	Total Liability	Total Equity	Paid-up Share Capital	Total Revenue	Net Profit	Earnings per share	ROA	ROE	Net Profit Margin	PE	Dividend
BJCHI	6,857.32	1,232.30	5,625.02	400.00	5,753.91	1,320.18	0.83	21.84	25.76	22.94	7.87	3.67
CK	93,065.90	72,210.23	20,457.29	1,693.90	38,027.75	2,192.64	1.29	4.90	11.08	5.77	17.59	1.90
CNT	4,551.23	2,802.24	1,715.73	1,002.90	7,354.59	23.19	0.02	1.57	1.36	0.32	N/A	1.56
EMC	3,316.36	917.44	2,528.43	8,430.04	897.27	-297.65	-0.07	-7.50	-15.89	-33.17	N/A	N/A
ITD	78,095.14	63,518.63	13,316.81	5,279.84	52,044.96	-361.74	-0.07	2.76	-2.64	-0.70	N/A	N/A
NWR	11,434.84	7,752.11	3,644.07	2,585.48	7,672.81	-173.84	-0.07	0.03	-4.65	-2.27	46.86	N/A
PAE	1,083.03	1,151.30	-134.85	2,770.74	745.94	-182.61	-0.14	-12.07	N/A	-24.48	N/A	N/A
PLE	8,543.98	8,306.45	287.68	1,089.08	6,170.00	-1,868.49	-1.72	-18.42	-149.20	-30.28	N/A	5.66
FREB	5,253.44	3,844.54	1,408.90	308.68	4,211.26	303.07	0.98	8.18	22.45	7.20	14.30	4.88
PYLON	1,163.61	252.57	916.74	374.94	1,236.54	201.91	0.54	19.90	22.56	16.33	20.06	4.39
SEAFCO	1,807.44	814.26	981.02	305.67	1,881.65	153.24	0.50	11.79	16.26	8.14	18.39	2.88
SRICHA	2,183.24	172.10	1,981.91	309.88	1,688.55	339.36	1.10	17.74	15.35	20.10	9.26	16.90
STEC	22,661.35	13,153.20	9,291.76	1,525.11	18,927.11	1,526.52	1.00	7.89	17.30	8.07	29.62	1.60
STPI	12,740.22	2,847.29	9,892.93	406.30	13,562.80	2,594.78	1.60	22.99	28.93	19.13	5.87	4.84
SYNTEC	6,721.83	3,109.56	3,436.55	1,600.00	7,374.36	640.22	0.40	10.71	20.13	8.68	8.03	2.45
TPOLY	5,254.57	2,739.38	1,109.78	566.89	2,327.54	-278.06	-0.52	-1.41	-48.98	-11.95	N/A	N/A
TRC	4,571.87	2,151.22	2,443.84	565.35	3,955.03	305.96	0.07	10.56	15.99	7.74	37.55	0.13
TTCL	25,897.28	19,608.42	5,228.48	560.00	22,019.77	422.55	0.75	4.44	8.02	1.92	27.13	3.85
UNIQ	18,990.49	12,831.10	6,159.28	1,081.02	10,182.84	712.75	0.66	6.84	12.07	7.00	39.03	0.86

Source : The Stock Exchange of Thailand (www.set.or.th)

The level of customer satisfaction

Refer to the report of sustainable development for the year 2015 under the subject of “customers”

Risk Factors

The Company has established the Risk Management Committee from December, 2014 with the objective to support the mission of the Board of the Company to determine the framework of risk management to be suitable for the business of the Company, the determination of risk, advance notice of risk, determination of preventive measure, risk management, the review and creation of risk management tools as well as the governance and follow-up to perform as specified policy.

In the last year of 2015, Thai economy faced many important domestic and international factors which might affect the business operation of the Company, surroundings and important risks as well as the guideline of risk management of the Company as follows:

Risk from labor shortage and workforce quality control in construction

Labor is considered as the important factor for construction business operation, the expansion of economy and construction cause the problem of labor shortage, especially skilled labour with knowledge, expertise, and workmanship. Presently the Company has more than four thousand daily labours for construction, labours of each field will have various levels of knowledge, expertise, and workmanship according to the details of works, labours having skill, knowledge, expertise and workmanship will have high wage. Therefore, recruitment of labour is considered the significant issue as it may affect work quality and acceptance by the owner or employer resulting in more cost for fixing the works that have been already installed saved for other related expenses because construction works have variety of scrupulousness, some works mainly require non-skilled labours such as land digging, sand filling, concrete flooring, steel binding etc. There are other works that require more sophisticated skills, especially architectural works such as tiling works, installation and adjustment of door- and window-frame, flooring works. Skilled labour is considered as significant resource which needs proper recruitment and management.

The Company therefore emphasizes on how to improve quality of life to create organization loyalty. In this regard, the plan for improving skill and competency and quality of life has been implemented and the Company has guideline to reduce the risk of labour shortage as follows:

- 1) Recruitment by testing on mechanical skill in different fields.
- 2) Training and Developing on labour skills by the Department of Skill Development to increase the skill and capability of handicraft for non-skilled labours in fields of wood, brick and mortar, flooring and welding.
- 3) On the job training and training with buddy system during probation period.
- 4) Provide appropriate welfare, support basic living things and living condition including clean and safe accommodation and ability to live normally in current economic condition etc.
- 5) Promote position and wage range annually to be suitable for skill and expertise and capability.
- 6) Bring in legal foreign workers and increase the ratio of outsourcing employment to be sufficient for existing work quantity.
- 7) Create motivation for self-development and provide training continually.

Apart from the skill training by the Department of Skill Development, in 2016, “Syntec Academy” is under construction to be utilized as the training center of labor skills in variety of levels to increase more construction skills for labours to be skilled labours in many fields of the Company further.

Risks related to manpower burden liability

The risk of danger occurred from accidents in the construction works is still the main cause of construction industry in Thailand and the Company, causing high loss of expense to compensate to the employees working in construction companies, a wide range of dangerous accidents is always occurred in the construction of high building such as injury from heavy machine, falling from high place, resulting in dismemberment, disablement, etc. From the survey of the Department of Labour Protection and Welfare, it was found that presently, the loss from accident in construction works is the primary loss occurred in this industry.

The Company has engaged daily-hire workers under the employment contract covering the period of construction contract for a specific project. The availability of daily-hired workers makes it possible for the company to control work quality to be consistent with the Company’s established benchmark as well as properly meeting the work delivery schedule. For some projects, the Company also engaged sub-contractors of good performance track record; the pre-and post-employment assessment of the sub-contractor has been properly conducted, thus, helping reduce the manpower risk to a certain degree in the event of economic slow-down situation. However

The Company has arranged the process to reduce the danger risks in the construction works in order to relieve the intensity of accidents by health and safety management in working, regularly providing knowledge for supervisors and operators, creation of cleanliness and discipline habit, all eliminates risk problems at cause. The Company also plans to manage the clean construction site by clearing all residues from working out of completed working area, arranging placing tidy condition, placing tools and equipment in convenient utility, safety and good hygienic condition for all employees in accordance to the commitment which the Company provided in the manual of safe working.

Risk from non-variety of construction works

The Company’s business always focuses on comprehensive construction services and is specialized in high-rise building in public and private sector ranging from piling to structural works, architectural works, electrical installment, mechanical works, sanitary works and finishing works. As of 31 December 2015, there were 36 projects under operation, total value of 19,485 million baht. The recognition of revenue and 9,787 million baht and 9,698 million baht worth of work remaining, mostly from private sector construction, Residential buildings, office / commercial buildings, etc.

Proportion of revenues classified by the types of customers (Consolidated Financial Statements)

Unit : Million Baht

Type	2015		2014		2013	
	Value	%	Value	%	Value	%
Revenue from government sector						
- Infrastructure projects	43.21	0.61	172.67	2.51	76.26	1.23
- Institutions	-	-	-	-	-	-
Total Revenue	43.21	0.61	172.67	2.51	76.26	1.23

Revenue from private sector						
- Residential	5,728.37	81.24	5,634.63	81.79	5,012.41	81.15
- Office Building / Commercial Building	757.68	10.75	1,081.56	15.70	691.10	11.19
- Institution	-	-	-	-	113.03	1.83
- Hotel and Resort	255.51	3.62	-	-	282.08	4.57
- Industrial Factory	266.28	3.78	-	-	-	-
- Department Store/Supermarket/Shopping Mall	-	-	-	-	1.71	0.03
Total Revenue	7,007.84	99.39	6,716.19	97.49	6,100.33	98.77
Grand Total	7,051.05	100.00	6,888.86	100.00	6,176.59	100.00

During the time of economic slowdown and less investment in real estate sector, competition becomes more intense especially on price war which can adversely affect the Company's performance and operation. It is possible that the Company may not be able to meet the qualifications required for certain large infrastructure project e.g. mass transit project, road construction, express way construction, etc. However, the Company is now preparing itself for seeking for business alliances to join the bidding of such projects initiated by public sector in 2016. The public project secured by the Company in 2015 included Klong Chan Reinforced Dam Project from Lat Phrao Road to Pradit Manutham Road by Canal System Division, Department of Drainage and Sewerage, Bangkok Metropolitan Administration.

Also, the Company has a plan to expand its operation to other related businesses in order to increase its revenue channels in other fields by setting up subsidiaries. SCR Asset Management Co., Ltd. is established to run business of new serviced apartment for rent and performs the management and development in totally 3 projects as follows:

1. The project of Citadines Grand Central Sriracha Serviced Apartment located in the center of Sriracha city, Chon Buri Province has been operated from the beginning of 2015 with the management of Ascott International (Thailand) Co., Ltd. It mostly serves long term rental accommodation for foreigners (Japanese) who are working in industrial estates in Chon Buri and Rayong provinces.
2. The project of Somerset Sriracha Serviced Apartment located not far from the first project is under the process of EIA permission request after completing the design process and is expected to start the construction in the middle of 2016.
3. The project of The Zone Prachinburi Serviced Apartment located in the area of Klong Rang, Sri Maha Phot District, Prachinburi Province near large industrial estates which are 304 I.E and Rojjana Prachinburi I.E. is under the process of designing the project detail and is preparing documents for EIA permission request, it is expected to start the construction by the beginning of 2017.

All three projects have been ready to support the economic expansion of the customers in nearby industrial areas of which disbursement power will increase in the future.

The Company's strategies also cover investment in potential assets located in good location that are ready for use and generating income by setting up another 2 companies; Natural Ville Serviced Apartment and Management Co.,

Ltd. (formerly known as “Sam HR Co., Ltd.”) and Syntec Asset Management Co., Ltd. to manage remaining 20-year lease right of Natural Ville Residence. This serviced apartment was bought for 400 million baht located on prime business area and is considered as another revenue channel.

The Company has been assigned in the level of BBB- for the company rating and the outlook has been changed from “Stable” to be “Positive” by TRIS Rating Co., Ltd. on 27 August 2015, this rating and outlook reflect the continuous better development of the Company’s performance and financial status. Such rating also considers the fluctuated characteristic of construction business, the risk from non-variety of construction works and a few customers as well as the medium level of indebtedness (details as report of sustainability, chapter 5 : Business Alliance).

Risk of delay in construction

Compliance with the provisions of contract is the obligation which the Company emphasizes for trade partner hiring the construction work but presently there are lots of problem in high building construction, especially the construction work in metropolitan area such as Bangkok. Main problems are unclear and incorrect determination of impact in construction and in the environmental impact assessment in nearby surrounding of the project as well as unclear determination of compensation for nearby houses, all causes the contractor unable to regulate measures to suitably support during the construction, resulting problems of working such as limited working hours affecting inability of working in regular hours permitted by law, lesser working hours than expected plan specified in construction contract due to the prohibition of loudness and lighting, etc.

In order to manage the construction work to achieve the contractual obligation, the Company has continuously implemented the quality system of ISO9001:2008 and the Company also utilized innovations to support the reduction of the impact towards nearby surrounding such as planning and arrangement of dust protection system with Mat Sheets covering building during construction (Dust and Falling Protection System by Mat Sheets), water spraying to block up dust in the working area and ready-made walls to replace masonry work are utilized, etc. The reduction of impact towards nearby surrounding will deliver the least or none of effects to the contractual construction which the contractor can complete the work in accordance to the contract well.

Risks of legal dispute from construction work

(details as report of sustainability, chapter 5 : Business Alliance and annual report under the subject of legal disputes)

Risk from entering into a joint venture with strategic alliance

As we realized that the construction business is the high competition business and the severity is more and more increased as a result of price, close relationship with those who have authority in negotiation or special conditions, international contractor. The small or new contractors have less chance to participate and lack of good opportunity in developing competency or knowledge in modern construction technology if there is no cooperation and chance for competition.

The cooperation between commercial alliances is considered as significant and essential for the severe competition; especially for the international contractors. This is because the expertise in specific area and the transfer of modern construction technology will be the most useful if the collaboration between commercial alliances actually occurs.

However to what extent it may be, a joint venture with strategic alliance is fraught with risks which may have arisen from the party to the agreement failing to comply with the agreement or the terms and conditions of a joint venture agreement. As a result, the company may be held liable for the portion risk as the joint venture party. This will have an impact on increased operating cost and reduction in basic operating profit or sustaining loss from the construction project, etc.

Moreover, the company has the policy to invest in the business that provides advantage and relates to the company's business and tends to grow well. The investment proportion and the policy of joint venture management shall depend on the expertise in the business, investment capacity and management authority.

Risk from construction material price

(details as report of sustainability, chapter 5 : Business Alliance)

Risk from change in policy of the financial institutions regarding granting credit facilities

(details as report of sustainability, chapter 5 : Business Alliance)

Risks from more intense competition

Construction industry has always been facing intense competition. The overall figure suggests that construction industry in Thailand has decreased In 2015, the expansion decreased when considering from the real term of Gross Domestic Product (GDP) of production compared to the same period of the year, it was found last quarter that construction section had expansion ratio of 15.8% occurred from the expansion in accordance to the acceleration of governmental construction while the construction of private sector decreased 1.3% in compliance with the contraction of important indicators such as licensed construction area in municipal area, steel product distribution quantity and cement distribution quantity, etc. (source : Office of the National Economic and Social Development Board, 15 February 2016)

As of 31 December 2015, the company had signed projects and projects under construction for 36 projects with total value of 19,485 Million Baht by perceiving income of 9,787 Million Baht and the balance value is 9,698 Million Baht. It is significant to note that the Company comparatively has few projects for government sector in hand (details at "Risk from non-variety of construction works) as in the last 2015, competition for bidding for the government project was very intense and the winning bid prices were significantly lower than reference price and lower than those offered by the Company. Moreover, the government project always involve large infrastructure e.g. railroad construction etc. which requires the bidder with high profile. At the moment, there are only a few contractors holding such qualifications. Therefore, if the Company wishes to join the project, it may have to limit its roles as a sub-contractor and thus accept the risk of less profit. As such, most of the Company's construction works are under the projects by private sector as well as the international project requiring foreigner experts that not many companies have the potential and experiences to do so.

All of these are the factors of such intense competition especially in terms of price even in the private sector's projects. Some projects' bidding price were too low to the extent it might affect the Company's profitability.

During the past year and this 2015, the Company has therefore focused on providing service of quality within scheduled time under the contract and budget, key factors making success in construction business. The Company has closely cooperated with the owners or customers while there is a tendency that the customers will not choose the contractor by only based lowest price as in the past but they will take into account reasonable price with ability to finish the project within specified time and quality of works inducing safety factor which make the Company to be their option. It is significant to note that the new projects as of 31 December 2015 has 16 Projects, Value 9,230 million baht (excluded VAT)

Risk from uncertainty of national economic condition

The overall image of Thai Economy in 2015 showed that there was expansion ratio of GDP (actual value of production) for 2.8% compared to the same period of previous year which was 0.8%, this caused construction sector expanded too. The factors that affected economy were the acceleration of expenditure and investment of government sector, the progress of investment project on infrastructure, additional measure of economic stimulation in September 2015 – January 2016, the depreciation of Baht currency, continual decrease of oil price and the growth of tourism sector, etc. which were in compliance with the Business sentiment index that continually increases also affecting uncertainty of the nation's economy.

The Company views that construction industry has relationship with national economic condition, that is, during the increasing economic growth, construction industry tends to grow and it is also true that when national economy is in recession period, the growth of construction industry will decrease as well.

However, during the past year, the Company is committed to providing services with high standard of quality, effectively controlling budget, coordinating with employer on continual basis. The Company was still able to secure several projects from its customers, noticing from totally 16 projects signed in year 2015 with the total value of 9,230 Million Baht, while totally 16 projects obtained in 2014 with total value of 8,140 Million Baht.

The Company's core business involves construction service for public and private agency ranging from design to construction until ready for delivery to the client. In order to meet the project schedule, the Company needs skillful and experienced staffs and workmen in order complete the project successfully. According to economic growth, construction both in public and private fields expands significantly resulting in more intense competition. This has imposed upon the Company risk of shortage of personnel or experts especially engineer, foreman, architect, safety officer and surveyor that can adversely affect the Company's operation in the future. In order to alleviate such risk, the Company needs to improve its compensation and welfare management system, evaluation system and career path in each field, and to adjust position and compensation that is suitable for skill, knowledge and expertise which is generally considered as fair compensation in the same industry. The Company shall also provide training for improving skill and expertise for employees in different fields to be ready for being promoted to the higher position.

The Company also has its public relations team visited the institutions both university and vocational school to allow newly graduated student to be recruited as engineer, foreman, safety officer, architect and surveyor. They will be

provided with reasonable compensation and welfare according to individual knowledge and competency while header is assigned to give advice and provide on the job training. They will be asked to attend the training in their field to secure qualifications required by the Company. This approach will help the Company to have adequate qualified staffs for the construction works in hand.

Risk from disaster

Natural disasters including earthquake, landslide, storm, fire, thunderstorm, tsunami etc. can lead to damage to life, property and economy as a whole. Form of disaster management, prevention and mitigation will largely depend on the situation at hand as each disaster is considered as factor beyond our control. The Company has already had experiences involving in disaster management, prevention and mitigation since 2011. That incident caused significant damage to economy and property resulting in material impact on economic growth of Thailand. Either domestic or overseas demand as well as most of production sector sustained shrinkage. Industrial plants and logistic systems encountered severe damage and in consequence affecting related production. Household expenditure also decreased significantly reflected through high price stagnation due to impact from flood on many production bases. Investment in private sector was affected due to less confidence from investors as well as those property developers who might have problem to deliver works on time. Distributor of construction material and equipment faced the problems from transport obstruction. The Company took all necessary steps including close cooperation with employer/ customer, suppliers to ensure common understanding and information as well as setting up the plan and approach for dealing with these situations effectively through close monitoring to be able to fix it to satisfaction of all related parties.

Risk on information system security

It can be categorized into 2 types as follows:

1. Risk of damage to the system resulting in interruption of normal operation. Such damage includes, for instance, broken server system, unable to access due to disconnection (with internet service provider) or disasters.

However, the Company has taken preventive measures as follows:

- (1.1) All new servers were supplied and installed from beginning of last December 2015, also maintenance agreement (M.A.) for hardware in Network system were continually concluded as well as the Company also subscribed internet (Lease-line) with the ISP.
 - (1.2) Disaster Recovery (DR) Plan was prepared under which data will be backed up by Media (Tape) and Server and backup system at external hosting server was also developed to ensure non- interruptible 48 hour operation.
2. Risk from damage to information resulted from unauthorized act or access e.g. data hacking and virus etc. In this regard, the unit in charge of system maintenance (MIS) has taken preventive measures including the use of appropriate hardware and software e.g. sufficient firewall and anti-virus programs etc. and developed security system for key applications with user profile verification to prevent unauthorized access to system or data.

Shareholders

- (1) Name list of the first 10 shareholders holding the highest number of shares and Director, Executive and spouses Group as on 30 December 2015 are as follows

No.	List of Shareholders	Number of holding shares	Shareholding ratio (%)
PhahusutrGroup			
1	Miss Nichaya Phahusutr ¹	171,895,260	10.74
2	Mr. Jiramote Phahusutr ²	170,036,060	10.63
18	Miss Anisha Attasakulchai ³	15,252,900	0.95
15	Mr. Sukhum Phahusutr ⁴	16,231,200	1.01
9	Mrs. Phimolwan Taneehiranrat ⁵	37,144,460	2.32
Total		410,559,880	25.66
3	Thai NVDR Co., Ltd.	110,114,300	6.88
4	LITTLEDOWN NOMINEES LIMITED 38	79,564,600	4.97
5	Mr. Preecha Angkhumsub	77,500,000	4.84
6	Mr. Chawalit Phunpermsuwan	77,135,000	4.82
7	Mr. Nattaphat Rungsun	52,000,000	3.25
8	Mrs. Uporn Subandit	49,426,220	3.09
10	RAFFLES NOMINEES (PTE) LIMITED	25,426,200	1.59
Total		471,166,320	29.44
Director, Executive⁶ and Spouses Group			
	Mr. Nayot Pisanthanakun	450,000	0.03
	Mr. Yothin Treerattanaphan	317,300	0.02
	Mr. Phaiboon Chetchotiros	80,000	0.00
Total		847,300	0.05
Other shareholders		717,426,000	44.84
Total Paid-up Capital		1,600,000,000	100.00

Remarks:

¹ Miss Nichaya Phahusutr holds the position of Vice Managing Director and is elder sister of Mr. Jiramote Phahusutr

² Mr. Jiramote Phahusutr holds the position of Vice Managing Director and is authorized as following the certification letter of Ministry of Commerce.

³ Miss Anisha Attasakulchai is the spouse of Mr. Jiramote Phahusutr.

⁴ Mr. Sukhum Phahusutr holds the position of Vice Managing Director and is father of Mr. Jiramote Phahusutr.

⁵ Mrs. Phimolwan Taneehiranrat is elder sister of Mr. Sukhum Phahusutr.

⁶ Executive means the first four executives next to the Managing Director and every person who holds his or her position equal to the fourth one including the positions in financial or accounting functional line which is in the equivalent level.

- (2) The Company none have the major shareholders who through their behavior can significantly influence the policy, management and operation of the Company (Shareholding Agreement).
- (3) The Board of Directors does not hold together more than 25% of the issued shares of the Company. (Mr. Jiramote Phahusutr, Director, holding 170,036,060 shares, or 10.63 %.
- (4) The right to vote of the shareholders presented detailed in the Company's Articles on <http://www.synteccon.com/2005/TH/investor/news> and attachment 7 of the "Notice of the General Meeting of Shareholders for the year 2016"
- (5) Holding of the Company's Shares of the Director and Executive¹ and spouses during the year.

No.	Director, Executive ¹ and Spouses	Securities Holding			
		Brought Forward at the beginning of 2015		Balance at the end of 2015	
		Number of shares	Proportion (%)	Number of shares	Proportion (%)
1	Miss Nichaya Phahusutr	133,735,260	8.36	171,895,260	10.74
2	Mr. Jiramote Phahusutr	130,445,560	8.15	170,036,060	10.63
3	Miss Anisha Attasakulchai	-	-	15,252,900	0.95
4	Mr. Sukhum Phahusutr	4,301,200	0.27	16,231,200	1.01
5	Mr. Nayot Pisanthanakun	-	-	450,000	0.03
6	Mr. Yothin Treerattanaphan	217,300	0.02	317,300	0.02
7	Mr. Phaiboon Chetchotiros	80,000	0.00	80,000	0.00
รวม		135,044,060	16.80	374,262,720	23.39

Remarks :

¹Executive means the first four executives next to the Managing Director and every person who holds his or her position equal to the fourth one including the positions in financial or accounting functional line which is in the equivalent level.

The policy on paying annual dividend

The Company's policy on payment of dividends is that dividends will allocated to the shareholders at the total amount not exceeding 40% of net profits after tax and after legal reserve when the Company has gained adequate profit amount without accumulated loss. Moreover, payment of dividends shall not affect the Company's investment plan, operation requirements and other factors in the future taking into account the best interest of the shareholders and other relevant parties and at the approval from the Board and the shareholders' meeting.

Details of Dividend Payment

Year	2010	2011	2012	2013	2014
Earnings (Loss) per Share	0.13	0.08	(0.09)	0.05	0.24
Dividend (Baht / Shares)	0.03	0.02	-	0.05	0.07
Proportion of Dividend from Net Profits (%)	23	26	-	107	29

Management Structure

The Company's management structure consists of the Board of Directors, the Audit Committee and Nomination and Remuneration Committee having name list, the Management Committee, extent of role and responsibility, selection regulation, meeting sessions, education and training records of each committee as follows:

Board of Directors

The Board of Directors as of 31 December 2015 consisted of

- 4 Executive members
- 1 Non-executive member
- 3 Independent members

Therefore, the Board of Directors consists of 3 Independent members or one-third of the whole committee, which is adequate to balance the power to prevent a person or a group of persons to have influence on the Board's decision making.

Name	Position	Type
Mr. Somchai Sirilertpanich	Vice Chairman / Managing Director / Director of Nomination and Remuneration Committee	Executive member
Mr. Chaiwat Atsawintarangkul	Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	Independent member
Miss Benjawan Sinkuknakorn	Director / Director of the Audit Committee / Director of the Nomination and Remuneration Committee	Independent member
Dr. Arichai Ractham	Director/ Director of the Audit Committee / Director of the Nomination and Remuneration Committee / Chairman of the Risk Management Committee	Independent member
Mr. Tavee Kullertprasert	Director	Non-executive member ⁴
Mrs. Angsana Munkongcharoen	Director / Director of the Nomination and Remuneration Committee, Company Secretary	Executive member

Miss Yuvadee Nipattamanon	Director / Director of the Risk Management Committee	Executive member
Mr. Jiramote Phahusutr	Director	Executive member

Having Mrs. Angsana Munkongcharoen as Secretary of The Board of Directors

Names and number of authorized Managing Directors are Mr. Somchai Sirilertpanich, Mrs. Angsana Munkongcharoen, Miss Yuvadee Nipattamanon and Mr. Jiramote Phahusutr. Two of these four members jointly affix the signatures and corporate seal. (following the certification letter of Ministry of Commerce).

Company Secretary

The Board's annual meeting session 16th held on 23 December 2013 resolved to appoint Mrs. Angsana Munkongcharoen to be the Company Secretary and the function of Company Secretary was presented in 2015 Annual Report as attachment 1

Directors

As of 31 December, 2015, the Company has 15 executives as follows

Name	Position
Mr.Somchai Sirilertpanich	Managing Director
Mr. Sukhum Phahusutr	Deputy Managing Director
Mr. Jiramote Phahusutr	Deputy Managing Director
Miss Nichaya Phahusutr	Deputy Managing Director
Mr. Nayot Pisantanakul	Assistant Managing Director
Mrs. Chongchid Vitheekol	Financial Director
Miss Yuvadee Nipattamanon	Accounting Director
Mrs. Angsana Munkongcharoen	HR. & Admin Director
Mr. Suwicha Savetsila	Construction Director 1
Mr. Veerapong Tungbenjakun	Construction Director 2
Mr. Tawatchai Tirapairojana	Construction Director 3
Mr. Chinnatat Na Ranong	Construction Director 4
Mr. Anuwat Chutmongkolchart	Estimate & Technical Engineer Director
Mr. Yotin Treratanapan	Cost Control and Contract Director
Mr.Paiboon Chetchotiros	Quality Assurance & Safety Director

Remuneration for Directors and Executives

Name of Director	Position	Monetary Remuneration of 2015 (Baht)				
		Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Total
Mr. Somchai Sirilertpanich	Vice Chairman / Managing Director / Director of Nomination and Remuneration Committee	130,000				130,000
Mr. Chaiwat Atsawintarakul	Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	130,000	220,000			350,000
Miss Benjawan Sinkuknakorn	Director / Director of the Audit Committee / Director of the Nomination and Remuneration Committee	130,000	220,000			350,000
Dr. Arichai Ractham	Director/ Director of the Audit Committee / Director of the Nomination and Remuneration Committee / Chairman of the Risk Management Committee	130,000	220,000			350,000
Mr. Tavee Kullertprasert	Director	119,000				119,000
Mrs. Angsana Munkongcharoen	Director / Director of the Nomination and Remuneration Committee, Company Secretary	130,000				130,000
Miss Yuvadee Nipattamanon	Director / Director of the Risk Management Committee	119,000				119,000
Mr. Jiramote Phahusutr	Director	97,000				97,000
Total		985,000	660,000			1,645,000

In 2015, there were totally 8 Directors of the Company who obtained monetary remuneration of Director, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee for totally 1,645,000 Baht.

Additionally, there were totally 15 executives (definition of “Executive” of the Securities and Exchange Commission) obtaining the Company’s remuneration consisting of salary, bonus, welfare, cost of living, social security fund and fee of professional engineer for totally 37,405,730 Baht, the Nomination and Remuneration Committee had considered and proposed such remuneration to the Board of Directors for consideration and approval in accordance to the process. Details referring to the report of sustainable development of 2015 under the topic of “Management”

Number of employees

Numbers of employees in each department of the Company as at 31 December 2015 are as follows

Department	Number of employees*
Executive office	17
Construction 1	206
Construction 2	128
Construction 3	172
Construction 4	175
Estimate & Technical Engineer	26
Cost Control & Contract	18
HR & Admin.	61
Accounting	22
Finance	7
Procurement & Purchase	29
Quality Assurance & Safety	10
Business Development	8
MIS	8
HRD & Training	3
Internal Audit	4
Regulations & Investor Relation	1
Plant & Ware House	48
M & E	11
Total	954

Note : All employees above are full-time and daily labor about 3,893 people.

In 2015, the company has staff of 954 people, the company has paid to employees in the amount of Baht 490,013,771 which yield such salaries, OT, cost of living expenses, special vehicle expense, provident fund, Social Security Funds, fee of professional engineers and bonus, etc.

The Company has funded provident fund for its employees, indicating the Company's fair practice in supervising the Company's employees in long term. The Company has selected saving program as required by the employees and each employee can also select investment plan in provident fund as required and based on the level of each employee's risk.

Details and Information are referred to the report of sustainable development as of 2015 under the subject of “Management”

1.Board of Directors

Structure of the Board of Directors

Extent of Roles and Duty

Responsibility of the Board

Meeting of the Board

Determination of shareholders’ rights in appointing Directors as the Company’s regulation

Selection of Independent Directors and nomination Process

Voting of Directors’ election as the Company’s regulation

Holding Directors in other companies

2. The Board of Executives

Authority and Role of Managing Director

Remuneration of Directors and Executives

Details and Information are referred to the report of sustainable development as of 2015 under the subject of “Employees”

3. Employees

Table showing employees’ information

Table showing number of resigned employees.

Table showing statistic of accidents in projects

Labour Disputes

Policy of Employee Development

Policy of remuneration and welfare for employees.

Welfare by Law

Additional welfare arranged by the Company for employees’ morale and encouragement

Policy of fair practice for labour and respect on human rights

Respect on Human Rights

Children rights and business practice

Health and Safety

Regulation conducted by employees upon the utilization of internal data

Good Corporate Governance

As the SET has encouraged listed companies to implement good corporate governance with an aim that the board of directors and management of those listed companies can develop and improve its good corporate governance practice with efficiency, transparency, accountability and fairness for relevant persons. This will be beneficial to the company itself in increasing its value of sustainable growth and for the benefit of the whole toward competitiveness and growth of Thai investment market. Therefore, the SET has prepared the “Principles of Good Corporate Governance for Listed Company 2006” by referring to standards of good corporate governance initiated by the Organization for Economic Co-Operation and Development (OECD) and World Bank’s recommendations from its participation in the project for Corporate Governance – Report on the Observance of Standards and Codes (CG-ROSC). Further, the SET has also prepared Corporate Governance Self-Assessment issued in August 2007 for the purpose of allowing the listed company to use such as an internal self-assessment tool on whether it has already followed the principles.

The Company has recognized the benefit and significance in following the principles of good corporate governance and hence, managed to follow such principles and self-assessment form. In 2007, the Company reasonably applied the principles of good corporate governance to each kind of the Company’s businesses by announcing the “Policy on Good Corporate Governance (1st Revised Edition dated 21 December 2007)”. At present, the Company has updated the policy to be up to date and consistent with the guideline of governing government agencies by proposing “Policy on Good Corporate Governance (2nd Revised Edition dated 10 March 2015)” to the Board of Directors for consideration and it will be the guideline for the Company to conduct further.

Committee Structure

The Company’s management structure and extent of authority and duty consist of 4 groups of Committees as follows:

1. The Audit Committee

The Audit Committee is appointed by the Board of Directors to support the government of company business, the meeting of the Audit Committee with external auditor, internal audit, management and the Company’s executive in charge of accounting and finance will be regularly implemented to review quarter finance statements, annual finance statement, related transactions and the acquirement and disposal of assets. In addition, the impact, benefits and risks must be considered with appropriateness and accuracy as well as the guideline of regulations is recommended to maintain the utmost benefit of the Company and all stakeholders.

The Audit Committee has 3 independent directors as of 31 December 2015 consisted of

Name of Director	Position	Type
Mr. Chaiwat Atsawintarakul	Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	Independent Director
Miss Benjawan Sinkunakorn	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee	Independent Director
Dr. Arichai Ractham	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee / member of the Risk Management Committee	Independent Director

Having Mr. Pornanan Vongniphon as Secretary of the Audit Committee

None of the 3 members of the Audit Committee shall have any business relationship or to provide professional service to the Company, parent company, affiliated company, joint company or any juristic person which may have conflict of interest in accordance with regulations prescribed by the regulatory authorities e.g. the SEC, the SET and other competent authorities. The member of the Committee shall possess experiences and knowledge in auditing, the information related to the Audit Committee is in Attachment 1 as 2015 Annual Information Form (Form 56-1).

2. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Directors to perform the duty to consider and nominate personnel having knowledge and capability to hold the position of the Company's Director, member of each Committee, top management as well as executive directors upward, as well as to consider and scrutinize the remuneration of Directors, Managing Director and annual bonus.

The Nomination and Remuneration Committee has 5 independent directors as of 31 December 2015 consisted of

Name of Director	Position	Type
Mr. Chaiwat Atsawintarakul	Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	Independent Director
Miss Benjawan Sinkunakorn	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee	Independent Director
Dr. Arichai Ractham	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee / member of the Risk Management Committee	Independent Director
Mr. Somchai Sirilertpanich	Vice Chairman of the Board / Managing Director / member of the Nomination and Remuneration Committee	Executive Director

Mrs. Angsana Munkongcharoen	Director / member of the Nomination and Remuneration Committee/ Company Secretary	Executive Director
-----------------------------	---	--------------------

Having Miss Rattapawee Lapnan as Secretary of the Nomination and Remuneration Committee

All 5 members of the Nomination and Remuneration Committee have no transaction concerning business relation or professional service between independent director and the Company, its subsidiaries and affiliates or any other entity that may have conflict of interest according to the requirements prescribed by regulating body such as the Office of Securities and Exchange Commission, the Stock Exchange of Thailand and other competent authorities. The Nomination and Remuneration Committee consist of 5 members holding qualifications and skills as attachment 1 in the 2015 Annual Information Form. (Form 56-1)

3. The Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors to support the mission of the Board of the Company in determine the framework of risk management appropriate to the business of the Company, to govern and follow the practice as policy to assure the adequacy of risk determination, advance warning and preventive measures, furthermore, this Committee must review and create the tools utilized for risk management supporting the achievement of business target.

The Risk Management Committee has 3 independent directors as of 31 December 2015 consisted of

Name of Director	Position	Type
Dr. Arichai Ractham	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee / member of the Risk Management Committee	Independent Director
Miss Yuvadee Nipattamanon	Director / member of the Risk Management Committee	Independent Director
Mr.Paiboon Chetchotiros	The Director of QA and Safety Department	Executive

Miss Ratthapawee Lapnan has been the Risk Management Committee's Secretary.

Anyhow, all three members of the Risk Management Committee have neither business relationship transaction nor professional service between independent directors and the Company, holding company, subsidiaries, associates or juristic person that may have conflicts of interest according to the requirement of governing government agencies such as the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, and other relevant agencies. All of the three members of the Risk Management Committee are experienced with knowledge in risk management as their qualification shown in Attachment 1 as the 2015 Annual Information Form (Form 56-1).

4. The Management Committee

The meeting of the Management Committee is regulated to monthly implement with the recording of the minutes of meeting by the secretary for every meeting.

The Management Committee has 5 members as of 31 December, 2015 as follows:

Name of Director	Position	Type
Mr. Somchai Sirilertpanich	Vice Chairman of the Board / Managing Director / member of the Nomination and Remuneration Committee	Executive Director
Mrs. Angsana Munkongcharoen	Director / member of the Nomination and Remuneration Committee/ Company Secretary	Executive Director
Mr. Jiramote Phahusutr	Director	Executive Director
Mr. Nayot Pisantanakul	Vice Managing Director	Executive
Mr. Yos Laksanakoses	Company Advisor	Executive

Mr.Paiboon Chetchotiros, has been the Management Committee's Secretary.

Anyhow, all 5 member of the Management Committee have neither business relationship transaction nor professional service between independent directors and the Company, holding company, subsidiaries, associates or juristic person that may have conflicts of interest according to the requirement of governing government agencies such as the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, and other relevant agencies. All three members are experienced with knowledge as their qualification shown in Attachment 1 as the 2015 Annual Information Form (Form 56-1).

Summary of the number of meetings and participations of all directors for the whole year of 2015

Name of Director	The Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Management Committee	The Management Committee
Mr. Somchai Sirilertpanich	12	-	3	-	42
Mr. Chaiwat Atsawintarakul	12	5	3	-	
Miss Benjawan Sinkunakorn	12	5	3	-	
Dr. Arichai Ractham	12	5	3	4	
Mr. Tawee Kullertprasert	11	-	-	-	
Mrs. Angsana Munkongcharoen	12	-	3	-	34

Miss Yuvadee Nipattamanon	11	-	-	4	37
Mr. Jiramote Phahusutr	9	-	-	-	24
Mr.Paiboon Chetchotiros	-	-	-	4	41
Mr. Nayot Pisantanakul	-	-	-	-	21
Mr. Yos Laksanakoses	-	-	-	-	42

The tenure of directors and the management and controlling interest in subsidiaries and related companies (as of 31 December 2015)

List of Directors and Executives	SYNTEC	Subsidiaries				Associates	Other Companies			Joint Venture	
		SCR	SAM	N Ville	CSM	NHSU	STR	BMCL	BC	SMJV	SVK
Mr. Somchai Sirilertpanich	//	//	//	//	//					///	///
Mr. Chaiwat Atsawintarakul	/										
Miss Benjawan Sinkunakorn	/										
Dr. Arichai Ractham	/										
Mr. Tawee Kullertprasert	///										
Mrs. Angsana Munkongcharoen	//			//		///					
Miss Yuvadee Nipattamanon	//		//	//							
Mr. Jiramote Phahusutr	//	//	//	//	//						
Mr. Sukhum Phahusutr	*										
Mr. Nayot Pisantanakul	*										
Mrs. Chongchid Vitheekol	*										
Mr. Suwicha Savetsila	*										
Mr. Veerapong Tungbenjakun	*										
Mr. Tawatchai Tirapairojana	*										
Mr. Chinnatat Na Ranong	*										
Mr. Anuwat Chutmongkolchart	*										
Mr. Yotin Treratanapan	*										
Mr.Paiboon Chetchotiros	*										

Remarks 1: / = Independent Director // = Executive Director /// = Director * = Executive

Remarks 2:

1. SCR : SCR Asset Management Co., Ltd.
2. SAM : Syntec Asset Management Co., Ltd.
3. N Ville : Natural Ville Service Apartment and Management Co., Ltd.
4. CSM : CSM Capital Partners Co., Ltd.
5. NHSU : Natural Hotel Sukhumvit Co., Ltd.
6. STR : Salin Tara Co., Ltd.
7. BMCL : Bangkok Metro PCL.
8. BC : Bangkok Club Co., Ltd.

9. SMJV : Syntec – Mivan Joint Venture
10. SVK : Siam Syntec – Vijitrphan - Krungthon

Supervision of subsidiaries and affiliates

Policy on supervising subsidiaries, affiliates and joint ventures

Supervision policy over the Company's subsidiaries, affiliates and joint ventures is implemented by nominating its representative(s) in the management. Such representative(s) will be guided by policy framework suggesting the matters requiring consideration and approval from the Company's Board of Directors as follows:

1. Approval on annual budget
 2. Executing related transaction and/or transaction relating to the acquisition or disposal of such company's assets according to the criteria prescribed by the announcement of the Capital Market Supervisory Board and/or of the Stock Exchange of Thailand (as the case may be).
 3. Borrowing and/or lending fund, credit provision, guarantee or any transaction binding that company under more significant financial burden or financial support in other form to other person and not in the normal course of business of that company.
 4. Transferring or waiving any benefit or rights upon any person causing damage to financial status or operation of that company.
 5. Selling or transferring the whole or substantial part of the company's business to other person.
 6. Acquiring or receiving transfer of business of other company 7
 7. Making, amending or terminating contract regarding leasing out the whole or substantial part of that company, assigning other person to manage that company's business or merging and acquisition with an aim to share profit and loss with other person
 8. Allocation of annual or interim dividend
- Any transaction the value of which exceeds 3% of total assets in the Company's consolidated financial statements.

In the past, nomination and election of directors in those subsidiaries and affiliates was conducted by their management. Since 2007, the Company has adopted regulations on nomination and election of directors which requires approval from the Company's Board of Director and person appointed as a director in such subsidiaries and affiliates has duty to perform his/her service for the best benefit of that company (not of the Company). A person so appointed shall seek for approval from the Company's Board of Director before voting on any matter of the same significance as such requiring approval from the Board if it will be done by the Company itself. Number of representatives in those subsidiaries or affiliates is proportionate to shareholding proportion of the Company.

Person(s) appointed by the Company shall be responsible for issuing rules concerning related transaction, acquisition or disposal of assets or any other significant transaction to ensure that they are correct, complete, well disclosed and in harmony with the Company's requirements. Such rules also include preparation and maintenance of books and records to be accessible by the Company for the purpose of preparation of consolidated financial statements.

Auditor Fee

Audit Fee

The Auditors for 2015 namely, Miss. Maliwan Pahuwattanakorn CPA Registration No. 4701 of Mr. Manit Warakitjaporn, No.7326 of NPS Siam Audit Co., Ltd. to be the Company's Auditors. The proposed NPS Siam Audit Co., Ltd. had been approved by The Office of the Securities and Exchange Commission. The amount of compensation for the auditor in 2015 is fixed to be not exceeding 3,100,000 Baht (Three Million One Hundred Thousand Baht Only) and other additional expenses (if any) to be totally not exceeding 3,250,000 Baht (Three Million Two Hundred Fifty Thousand Baht Only). Anyhow, the auditor anyhow has no relationship or may cause conflict of interests with the Company.

Moreover, both director and executive of the Company have none of relationships that may cause conflict of interests with such audit firm of which the Company has used its service in the past 2 years.

Other Service Fee

- None-

Reference information is shown in the 2015 Report of Sustainable Development under the topic of Management

1. The Audit Committee

Meeting Attendance of the Audit Committee

Number of Meetings

Structure of the Audit Committee

Role, Duty and Responsibility

2. The Nomination and Remuneration Committee

Meeting Attendance of the Nomination and Remuneration Committee

Element and Qualification

Role, Duty and Responsibility

Policy and Criteria of Nomination and Appointing for Directors (including new directors) and Top Management

Policy and Criteria of Remuneration for Directors and Top Management

Number of Meetings

Report of the Nomination and Remuneration Committee

Disclosure of Information related to the Nomination and Remuneration Committee

Advisor of the Nomination and Remuneration Committee

3. The Risk Management Committee

Meeting Attendance of the Risk Management Committee

Element and Qualification

Role, Duty and Responsibility

Number of Meetings

Report of the Risk Management Committee

4. The Management Committee

Meeting Attendance of the Board of Directors

Extend of Duty and Responsibility of the Board of Directors

5. Rights of Shareholders

Guideline to create shareholder's satisfaction

Equal Treatment of Shareholders

Roles of Stakeholders

6. The Prevention and Anti-Corruption

Policy of Information Disclosure with transparency

Policy of Anti-Corruption

Policy of Whistle Blowing

Corporate Social Responsibility (CSR)

The year of 2014 was the first year that the Securities and Exchange Commission has a policy to support listed companies on Sustainability Development and cooperated with Thaipat Institute on development assessment of Thai listed companies, the Company was assessed as the level 2 of CSR progress indicator which is “Engaged” and obtained the level 1 of Anti-Corruption progress indicator which is “Committed”.

In 2015, the Company obtained the level 3 of Anti-Corruption progress indicator which is “Established”, showing the level of policy which the Company determined to proceed (non-payment for governmental officials, non-relation, non-participation and party opposition) the business risk assessment in order to point out the operation of the Company or subsidiaries having risk that may relate to the corruption, the communication and training for employees to provide knowledge of policy and guideline in anti-corruption as well as the supervision of the Board on proceeding the policy and review on the appropriateness of policy at least ever year.

The Board’s policy is that the Company’s and subsidiaries’ business operation shall be carried out with responsibility to society, environment and stakeholders. It has also included the encouragement on effective resource utilization as required by the Company. This is also included in the Company’s vision, mission and strategies as guideline for directors, executives, staff and related parties. , the Corporate Social Responsibility can be classified into 3 types as follows:

1. CSR-after-process is the activity separated from the core business operation of the Company which the Company intends to develop better condition for nearby communities in the future such as building public toilets, garden, stadium, etc. In last year, the Company had implement Syntec Social Responsibility Project No. 8 to construct one school building consisted of 4 classrooms and 4 toilets and donate stationery and sporty equipment to students at Baan Kam Pai School, Kumpawapi District, Udon Thani Province.

2. CSR-in-process is the CSR under the main process of the business or business operation for profit with responsibility such as protection and elimination of pollution in the construction process in order to not affect community and environment.

3. CSR-as-process is the activity proceeded by the Company with non-profit objective, it is established with the main objective of social benefit such as foundation, public association for charity, the Company is studying and may tend to establish in accordance to further appropriateness in the future.

Details for reference are in the 2015 report of sustainable development under the subject of CSR.

Internal Control and Risk Management

The Board of Directors is responsible for supporting the company to have the appropriately adequate internal control system in business operation. Therefore, it can prevent the possible destructions to the company which are the destruction in operating system, financial system, account operation, asset supervision, information technology system, examining/correcting system of the operation, etc. This control system can make the operational process to be correct, transparent, and can be examined. Besides, the control system follows the policy and regulations of the supervising government agencies.

The Board of Directors has well realized the significance of the Internal Control; therefore, it has designated the Audit Committee to help take charge of the Company's governance and internal control.

The Audit Committee therefore, has duty and responsibility to consider the Internal Control and Internal Audit auditing the Company to have efficient and correct financial report, revise the Company's internal audit division and scope of work and control the Company to comply with the regulation of the related government agencies such as Office of the Securities and Exchange Commission, Stock Exchange of Thailand and Public Limited Company Act, etc.

The Board of Directors and Audit Committee has jointly considered for adequacy of the internal control according to assessment form of internal control adequacy based on 5 parts as follows:

Part 1 : The organization and environment

1. The Organization expresses its adherence upon the value of integrity and ethics.
2. The Board of Directors is independent from management and performs the oversight duty as well as develops the process of internal control.
3. The management arranges the project of report line structure and the determination of commanding authority as well as the appropriate responsibilities in order to enable organization to achieve objective under the oversight of the Board of Directors.
4. The organization commits to motivate, develop and secure skilled and capable personnel.
5. The organization assigns personnel who have duty and responsibility of internal control in order to achieve the objective of organization.

Part 2 : Risk management

6. The organization clearly and adequately determines the objective in order to point out and assess risks relevant to the achievement of organization's objective.

7. The organization points out and analyzes all types of risks which may affect the achievement of objective covering throughout the organization.
8. The organization considers the opportunity which may occur the corruption in the risk assessment which will achieve the organization's objective.
9. The organization can point out and assess the change which may affect internal control system.

Part 3 Control of duty performing by the Management section

10. The organization has the control measure to reduce risks on non-achievement of organization's objective in acceptable level.
11. The organization selects and develops general control activities with technology system to support the achievement of objective.
12. The organization arranges the control activity through policy determining expectation and procedure to enable specified policy to be practical for IT and data communication system.

Part 4 : Information and Communication system

13. The organization has relevant information with quality to support the internal control to be implemented as regulated.
14. The organization communicates information within organization including the objective and responsibility towards internal control required to support the implementation of internal control as planned.
15. The organization communicates external organization on the issues which may affect the internal control.

Part 5 Following up system

16. The organization follows up and assesses the performance of internal control to assure the internal control can continue completely and suitably.
17. The organization assesses and communicates the mistakes of internal control timely towards person in charge including top management and the Board of Directors as deemed proper.

At the Board's meeting Session No. 4 on 7 March 2016 which was also attended by 3 members of the Committee, the Board reviewed internal control system and asked for information from the executives (based on the assessment sheet for adequacy of internal control system of the management and report of the Audit Committee) and viewed that according to the assessment of 5 components of the Company's internal control system, it was adequately and appropriately implemented with sufficient personnel to run the system effectively. This internal control system is also able to monitor the operations by the

subsidiaries in order to protect the Company's and subsidiaries' assets from being abused or used without authority and also to prevent transaction with person or related person who may have conflict of interest. With respect to other aspects of internal control, the Board viewed that such control was sufficient.

The Audit Committee also shared the same view with the Board toward the assessment of internal control. However, the Committee proposed evaluation and training for operating staffs to be familiar with the principles of internal control system.

In addition, the CPAs from NPS Siam Audit Co., Ltd. auditing quarterly and annual financial statements of 2015 also added in their report that they did not find any significant fault from the internal control system.

In addition, at the end of 2014, the Board of Directors resolved to approve on the establishment of Risk Management Committee. The objective is to support the Board of Directors' tasks in performing on defining risk management framework to be proper to the Company's business, governing and following up in keeping with such policy so as to ensure that there are risk identification, prior-warning, determination of sufficient measure for such risk management and prevention, including review and creation of risk management tools that contributes to support and promote the business operation to be in line with setting goal. After establishment, Risk Management Committee has determined that all working groups of the Company shall prepare the risks of working groups (as well as the analysis on the circumstance that is likely to occur and impact that will occur, including corruption risk) and measure on risk level abatement. The follow-up and reporting is specified for quarterly regular acknowledgement whereas Risk Management Committee shall further govern and follow up.

Moreover, in the beginning of 2015, the Company has planned to amend Business Ethics Manual to be modern and up to date from the Promulgation since the end of 2007 onwards and to be consistent with the guideline of governing government agencies by proposing to the Board of Directors for consideration and approval on the revision on 10 March 2015. Training and seminar have been stipulated for its attempt to understand every level of employees, particularly Complaint Receipt Channel for its employees (submitting the complaint issue to the Company's Audit Committee). Announcement has been posted for acknowledgement by different groups of stakeholders such as customer, business partner, trade creditor, etc., on communication channel for complaint receipt. Furthermore, the Company will continuously carry out the participation of aforesaid different groups of stakeholders in anti-corruption.

Head of internal audit section and head of Compliance Unit

(1) Head of internal audit section is the Company's permanent staff

At the meeting of the Audit Committee Session No. 4 on 15 August 2011, Mr. Phonanan Vongniphon was appointed to be the header of internal audit section since 15 August 2011. He has over 10 years of experiences in operation control and internal audit in financial institutions and been trained for several courses in relation to internal audit e.g. certificate of professional internal auditor from The Institute of Internal Auditors of Thailand. He is also familiar with the Company's business activities and operations and thus considered suitable for this position.

However, consideration and approval of appointment, removal or transfer of header of internal audit section shall be approved by the Audit Committee. Qualifications of this position are as shown in the form of 2015 Annual Information Form.

(2) Head of the compliance unit

The Company is now recruiting header of the compliance unit. Which in 2014 was assigned to a senior compliance officer of the rules and regulations to carry out the duties until, the nomination and appointment of the official further. The properties of the incumbent Chief of the rules and regulations contained in 2015 annual information form (Form 56-1).

Related Transactions

Interrelated transactions between the Company with subsidiaries and relevant people in 2015 made by previous management. (Before the entering of debt restructuring plan in year 2000)

Name and Relations	Transactions	Transaction Value of 2015 (million baht)	Necessity of Mutual Operations
Gentech Engineering Co., Ltd. (45% of shareholding)	- Long-Term Loans	-	- They were transactions done by the former executives and the Company has already had allowance for doubtful account for the full amount. Currently, the Central Bankruptcy Court has issued definite receiving order and the Company has submitted a motion for debt payment to the official receiver who is collecting the debtor's assets.

Interrelated transactions between the Company with subsidiaries and relevant people in 2015 made by new management. (Debt restructuring plan management and present management)

Name and Relations	Transactions	Transaction Value of 2015 (million baht)	Necessity of Mutual Operations
Joint Venture JV. - SVK JV. between the Company and Vichitbhan Construction Co., Ltd. and Krungthon Engineering Co., Ltd. (51% of shareholding)	- Other Receivables	11.16	The objective of JV was to construct the project of commercial and postal products for Thai Airway International Plc (owner). Currently, The project had finished and the JV has been on the receiving installed payments.

Name and Relations	Transactions	Transaction Value of 2015 (million baht)	Necessity of Mutual Operations
<u>SCR Asset Management Co., Ltd.</u> Company's major shareholders in SCR Asset Management Co., Ltd. (52.00%)	List of financial assistance	85.00	1. To borrow money in order to pay off bank loans, used to purchase land in the development of Phase 2 of 65 million baht with interest rate of MLR - 2.375 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited (Thailand) offers to its subsidiary) loan period of 2 years and the principal in full amount was paid during 2015.
	Interest Receivable	6.90	2. To borrow money in order to purchase land for real estate development projects, three of 135 million baht with interest rate of MLR - 2.375 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited (Thailand) offers to its subsidiary) loan period of 2 years, the principal in partial amount was paid during 2015.
	Administrative Income of Construction Management	2.54	- The Company employs Syntec Asset Management Co., Ltd. to manage serviced apartment, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.
<u>Syntec Asset Management Co., Ltd.</u> - The Company is major shareholder of Syntec Asset Management Co., Ltd. for 54.97%.	Administrative service fee	2.52	The Company employs Syntec Asset Management Co., Ltd. to manage serviced apartment, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.

Name and Relations	Transactions	Transaction Value of 2015 (million baht)	Necessity of Mutual Operations
<p><u>Natural Ville Service Apartment and Management Co., Ltd.</u></p> <p>- The Company is major shareholder of Natural Ville Service Apartment and Management Co., Ltd. for 99%.</p>	<p>Administrative service fee</p>	<p>28.58</p>	<p>The Company employs Natural Ville Service Apartment and Management Co., Ltd. to manage serviced apartment, such transaction is within the scope of relevant transaction in the type of ordinary business support under the general commercial conditions because the Company compares the rate of administrative service fee with other companies and found its fee is nearly similar to general trade.</p>
<p><u>N & J Asset Management Co., Ltd.</u></p> <p>- Mr.Jiramote Phahusutr is the Director of the Company and the major shareholder of the Company (16.51%) as well as the shareholder of N & J Asset Management Co.,Ltd. (20%)</p> <p>- Miss Nichaya Phahusutr is the major shareholder of the Company and the elder sister of Mrs. Jiramote Phahusutr holding shares of N & J Asset Management Co.,Ltd. (20%)</p> <p>- Mrs. Sawang Munkongcharoen is the mother of Mr. Jiramote Phahusutr and Miss Nichaya Phahusutr and the shareholder of N & J Asset Management Co.,Ltd. (60%)</p>	<p>- List building rental For use as offices</p>	<p>1.89</p>	<p>Contracting company office space at 23 Floor SSP Tower total area 402.53 sq.m., monthly rental fee of 120,759 baht (300 baht / sq.m.) for the period of 3 years, from 1 November 2014 to 31 October 2016 with the aim to be used as office building. The transaction is a connected transaction characteristics type of support normal business, the general trading, conditions due to the cheap rents offices in the general trading, conditions due to the cheap rents offices in the same building and a neighboring building. The average rental price elsewhere at 400 baht /sq.m. which is higher than the average rental price of market.</p>

Name and Relations	Transactions	Transaction Value of 2015 (million baht)	Necessity of Mutual Operations
<p><u>Naraiphand Co., Ltd.</u></p> <p>Mr.Jiramote Phahusutr, the Company's director, is one of the major shareholders of the Company (16.51%) and at the same time of Naraiphand Co., Ltd. (18.06%).</p>	<p>List of transactions:</p> <p>purchasing souvenir, gift, token and New Year basket</p>	<p>6.12</p>	<p>The Company purchased from Naraiphand Co., Ltd. products used as New Year gift and souvenir for other important occasions and festival. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as other customers.</p>
<p><u>C.N.C Building Co., Ltd.</u></p> <p>-Mr. Sukhum Phahusutr, Deputy Managing Director and Mr. Jiramote's father, a director and one of the Company's major shareholders (16.51%), is also a director and major shareholder of C.N.C Building Co., Ltd. (35.45%)</p>	<p>- Land lease for building workman camp</p>	<p>0.80</p>	<p>The Company rents the land, title deed number 523, 23330, plot number 341, 53 located at Soi Keng Chuan, Nang Lin Chi, Thung Mahamek Sub-district, Sathon District, Bangkok. (Rent rate 100,000 baht/month for 1 year (24 December 2013 – 23 December 2014) to build construction workers' camp. Such transaction falls within the scope of related transaction, regular business supporting one with general trade term. The Company compared rent rate with those of surrounding areas and found that the rent rate/ Sqm of land leased by the Company is equal to 174.96 baht while the average of surrounding areas in Soi Keng Chuan is equal to 154.75 baht which is lower than the average rent rate agreed by the Company in the past. The Company has rented that land until August 2015 due to the completion of construction project in that month.</p>

Name and Relations	Transactions	Transaction Value of 2015 (million baht)	Necessity of Mutual Operations
<p><u>N & J Hospitality Co., Ltd.</u> - Mr. Jiramote Phahusutr, the Company's director, is one of the major shareholders group of the Company (16.51%) and at the shareholders of the N & J Hospitality Co.,Ltd. (0.002 %).</p> <p>- Miss Nitchaya Phuhusutr is shareholders of the Company and a sister of Mr.Jiramote Phahusutr is the leading shareholder of the N & J Hospitality Co.,Ltd. (99.99 %).</p> <p>-Mrs. Sawang Munkongcharoen is the mother of Mr.Jiramote Phahusutr is also the shareholder of N & J Hospitality Co.,Ltd (0.002%).</p>	<p>Buying food and beverages to be used for meetings or banquets agenda</p>	<p>5.77</p>	<p>The Company purchased from N & J Hospitality Co.,Ltd. products used food and beverages to be used for meetings or banquets agenda. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as other customers.</p>
<p>Pink Café Co., Ltd. - Mr.Jiramote Phahusutr, the Company's director, is one of the major shareholders group of the Company (16.51%) and at the were the major shareholders of the Pink Café Co.,Ltd. (17.24 %) . Mr. Sukhum Phahusutr in the management of the</p>	<p>- List of transactions: purchasing souvenir, gift, token and New Year basket</p>	<p>0.01</p>	<p>The Company purchased from Pink Cafe Co., Ltd. products used as New Year gift and souvenir for other important occasions and festival. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as other customers</p>

Company as Vice President and the father of Mr.Jiramote Phahusutr is also the largest shareholder of the Pink Café Co., Ltd. (10.34 %). - Miss Nitchaya Phuhusutr is shareholders of the Company and a sister of Mr.Jiramote Phahusutr is the leading shareholder of the Pink Café Co.,Ltd. (34.48 %).			
--	--	--	--

Necessity of Interrelated Transactions

The Company has paid great attention to execute interrelated transactions for the fullest interest of the Company and related persons. The interrelated transactions were according to general commercial principle considered and approved in the same manner as other general customers. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag.

In addition, the interrelated transactions will be considered with the general trading regulations/conditions of the business under the ethics and regulations of the Stock Exchange of Thailand along with the revelation of relating information. By the Audit Committee of the Company consisting of qualified members having independence according to the regulation of the governing government agencies. The Audit Committee commented that the interrelated transactions were normal commercial transactions having disclosure of information complying with the regulation.

Process of Interrelated Transactions

The Company has focused on interrelated transaction consideration arranging approval process to comply with the regulation and code of the Stock Exchange of Thailand. Besides, the transactions must be approved by the Board of Directors and the Audit Committee, as well. As for the Board of Director meeting having agendas in which a member has a share in, such member must not attend the meeting to allow fair discussion.

Policy or Tendency of Interrelated Transactions in the future

The interrelated transactions execution in the future will be in line with the Company's business plan having policy and process in accordance with the law, code and regulation of the Stock Exchange of Thailand in terms of interrelation, acquisition or distribution of assets of registered companies.

However, as for the interrelated transaction execution, it has been based on reasonability of the transactions and fullest interest of the Company and the related persons.

Management Discussion and Analysis

The operation results as described in the consolidate and separate financial statements of 2015 showed net profit for the amount of 627.57 million baht while the same period of 2014 showed net profit for the amount of 365.51 million. This indicated that the profit increased for 262.06 million baht or 71.70 %. The main source of income from construction business has increased during the past 3 years from 6,176.58 million baht in 2013 to 6,888.85 million baht in 2014 and 7,051.05 million baht in 2015, revenue from construction was the highest increase. There were 36 suspending projects amounting to approximately 19,485 million baht. The total value of balance of work was equal to 9,697 million baht considered at the highest balance of work. During 2015, the Company still gained trust from its existing and new clients who continually engage the Company as its construction work can meet the schedule and contractual obligation with quality. The Company also develops its personnel and construction technologies on regular basis and as a result, only in 2015, the Company has secured as many as 16 new projects with total contract value of approximately 9,230 million baht.

The ratio of construction cost against construction revenue decreased at 87.04 % when compared with that of 2014 at 88.63% or 1.59 % decrease partly because of increasing construction cost and labour cost in construction which are the key cost in the steady condition of economy. However, the Company has planned to control the cost of construction material by analyzing the tendency of construction material price together with the requirement quantity used in production, the analysis is based on the market price and the direction for market price which are used to negotiate with the sellers in large volume of orders and to manage cost for utmost benefit.

Including the cost of administration in 2015 amounted to 391.94 million baht in the same period of the year 2014 amounted to 333.88 million baht, an increase of 58.06 million baht, representing an increase of 17.39 % for two parts which one part is the administrative expense of parent company such as expense of personnel for 20.90 million baht, the expense of repairing from work quality guarantee for 16.84 million baht and other administrative expenses for 5.97 million baht, and another part is the administrative expense of subsidiaries launching the operation during the year of 2015 which was increased 14.35 million baht. However, if the ratio Administrative expenses to revenue from the construction was increased by the year 2015, the ratio stood at 5.56% and for the year 2014, the ratio was 4.85 % an increase in the rate of 0.71 %.

Performance from Statements of comprehensive income – Consolidated financial statement

Revenue

SYNTEC and its Subsidiaries Financial Statements for the year ended on 31 December 2015, performance of year 2015 showed a total profit attributable to owners of the Company in consolidated financial statements of 627.57 million baht, performance of year 2014 showed a total profit attributable to owners of the Company 365.51 million baht, increasing by 262.07 million baht or increasing of 71.70% by the reasons of changing are as follows: •

- Revenue from construction for year 2015 was 7,051.05 million baht, 2014 was 6,888.86 million baht, increasing of 162.19 million baht or increasing of 2.35 %, followings were the revenues classified by types of construction works :

- Revenue from direct contractor for residential buildings in 2015 was 5,728.37 million baht, increasing 93.74 million baht or equally 1.66% from 2014, and increasing 715.96 million baht or equally 14.28% when comparing to 2013 because the Company joined the bidding of many construction projects from both governmental and private sectors and there were 14 projects to be delivered in 2015.

- Revenue from direct contractor for office/commercial buildings was 757.68 million baht, decreasing 323.88 million baht or equally 29.95 % because projects were completed during 2015.

- Revenue from direct contractor for hotel and resort was 255.51 million baht, increasing 100 % from 2014 and decreasing 26.57 million baht or equally 9.42% from 2013 because new projects were started to construct in 2015.

- Revenue from direct contractor for infrastructure projects was 43.21 million baht, decreasing 74.98 % from 2014 and decreasing 33.05 million baht or equally 43.34% from 2013 because projects were under the process of work inspection for delivery.

- Revenue from direct contractor for industrial factories was 266.28 million baht, increasing from 2014 and 2013 equally 100 % because the Company was successful in the bidding of projects and started to construct in 2015.

The overall revenue structure is summarized as follows:

Unit: million baht

Products Line / Business Group	2015		2014		2013	
	จำนวน	%	จำนวน	%	จำนวน	%
Revenue from direct contractor						
- Residential Buildings	5,728.37	81.24	5,634.63	81.79	5,012.41	81.15
- Office / Commercial Buildings	757.68	10.75	1,081.56	15.70	691.10	11.19
- Institutions	-	-	-	-	113.03	1.83
- Hotel and Resort	255.51	3.62	-	-	282.08	4.57
- Infrastructure Projects	43.21	0.61	172.67	2.51	76.26	1.23
- Industrial Factories	266.28	3.78	-	-	-	-
- Department store/Supermarket/Shopping Mall	-	-	-	-	1.71	0.03
Total Construction Revenue	7,051.05	100.00	6,888.86	100.00	6,176.59	100.00
Interest Income	11.10		22.71		8.64	
Revenue from room service	138.96		104.89		22.76	
Gain on sale of available-for-sale securities	-		34.21		-	
Reversal of allowance for doubtful accounts	12.33		3.46		19.82	
Reversal of creditors under rehabilitation plan	-		-		-	
Gain on disposal of equipment	-		-		10.25	
Reversal of estimated loss under joint venture agreement	66.47		-		-	
Other incomes	94.45		29.73		4.46	
Total Revenue	7,374.36		7,083.86		6,242.52	

The company had net income (according to consolidated financial statement) in 2015 for 7,374.36 million baht, in 2014, 7,083.86 million baht and in 2013, 6,242.52 million Baht respectively increasing for 290.50 million baht or 4.10%. It could be separated as income from being direct contractor for 7,051.05 million baht or 95.62 % of net incomes and it was the highest increase as being the direct contractor from 2010. However, vale of main income from being direct contractor mostly came from residential construction and the recognition of income from construction works was followed as planned.

Revenue from room service

The Company has revenues from room service with 138.96 baht in 2015 and 104.89 million baht in 2014, increasing 32.48 % or 34.07 million baht. It was the result from the project of Citadines Grand Central Sriracha, and the policy of the Company to expand the operation to other relevant business was realized by forward expansion and the utility of investment strategy in potential real estate with good location for being ready to function and promptly generate revenue.

The operation of Project 1 on Citadines Grand Central Sriracha has been officially started in April 2015 as the serviced apartment with full facilities for 136 rooms, it is located at Sriracha District, Chon Buri Province and generated the income of room service at 31.98 million baht and the average ratio of room rent at 68.70% for the first year of operation.

Interest Income

The Interest generated income for the Company in 2015 at 11.10 million baht while in 2014, it generated at 22.71 million baht, decreasing 11.61 million baht because during 2015, the Company changed the model of investment from investment in short term bill of exchange providing the yield of interest to be the investment in mutual fund providing the yield of a change in the fair value of investment (Details shown Notes to the Financial Statements 5)

Gain on sale of available-for-sale investments

In 2015, the Company had none of gain on sale of available-for-sale investment but in 2014, there was a gain on sale of available-for-sale investment for 34.21 million baht, decreasing 100% because in 2014, the Company disposed the sale of available-for-sale investment which was Bangkok Metro Public Co., Ltd. The sale of such investments are intended to be used as working capital .The new construction project that has been assigned to perform. In 2015, there was none of sale on this investment. (Details shown Notes to the Financial Statements 5, 16)

Reversal of allowance for doubtful accounts

The Company's income from the reversal of allowance for doubtful accounts in 2015 of 12.33 million baht, year 2014 of 3.46 million baht, an increase of 8.87 million baht or 256.36% and accounted for 0.% of total revenue net. This was the result of reversal of allowance for doubtful accounts of account receivables, other receivables and performance guarantee obligation under construction contract which the Company had taken normal steps to collect these amounts until they were fully paid.

Reversal of estimated loss under joint venture agreement

The Company had income from the reversal of estimated loss under joint venture agreement in 2015 at 66.47 million baht, this transaction was occurred from the heavy debt of Mivan (Thailand) Co., Ltd. which was bankrupted finally on 19 October 2015 with the judgement of the Central bankruptcy Court, therefore, the Company considered to cut off such loss however, there was none of process for this issue.

Other incomes

Other incomes of 2015 was 94.45 million baht while in was 29.74 million baht in 2014, increasing 64.71 million baht or equally 217.56% because during 2015, the Company re-classified the new account recordings and the Company obtained the income from the sale of residues such as crap of steel, crap of cement from the demolition of areas due to the preparation of area adjustment for new construction projects.

Cost of Construction

Cost of construction per revenue fell by the year 2015 with a rate of 87.04%, for the year 2014 with a rate of 88.63% or decrease the rate of 1.59%. The main costs include the construction materials, labor and wages and outsourcing. Including depreciation of the office buildings and building improvements. Equipment in some fields has been added to the main cost of construction variable to the increasing income. However, the control of material price has been planned as mentioned above and new technology has been utilized to increase the working efficacy such as investment of new tower cranes as well as new working practices have been always created to increase the quality and effectiveness for construction works as well as to decrease and manage the cost of work examination. Moreover, the duration of operations can be managed to be beneficial for the operation and utmost effectiveness and efficiency.

The labour cost is planned to establish the project of sustainable development on workmen, presently skilled workmen are rare to find in labour market. Therefore, the establishment of labour training center is planned to increase the chance of workmen's capability development, especially skilled labours specialized in each levels and fields of works. This is the motivation to make employees give more loyalty to the corporate. In 2015, the ratio of labour cost in construction was 17.00% and in 2014, its ratio was 18.77%, decreasing 1.77% and the Company still emphasizes on the quality of living for labours and plans to continually develop the capability and quality of living. (details of labour capability development is in Clause 3 : Risk factors).

Cost of Room Service

The company had capital from apartment service in 2015 for 104.59 million baht increasing from 2014 for 80.42 million baht to 24.17 million Baht or 30.05 %. Mostly, it was the cost of service in Project 1 of Citadines Grand Central Sriracha such as service cost, management system, room decoration cost, however, the ratio of increasing income is still higher than the ratio of increasing cost which was increased at 4.02%.

Administrative expenses

Expenditure for management in 2015 was 391.94 million Baht and in 2014, it was 333.88 million Baht increasing for 58.06 million Baht or 17.39%, the increase was separated into two parts which were

Expense of personnel was increased 20.90 million baht because the expenses related to personnel and HRD included the increase of salary base and bonus as annual business performance and the development of training courses for the development of all employees' capabilities during 2015. The external experts were invited to train employees and employees were sent to train with external organizations to increase point of view and attitudes of employees to apply in working for utmost efficacy.

The expense of repairing for work guarantee was increased 16.84 million baht because one construction project was delivered but it , resulting to the high level of expectation in the work success. Therefore, the expense of quality guarantee is also another expense taken by the Company. From such problem, the Company has studied the cause and solution as well as has planned the process to prevent such problem. At present, it is improving and applying for utmost effectiveness.

Other administrative expenses were increased 5.97 million baht which was the expense of operation in many parts increased in compliance with the work quantity during 2015.

Besides, there was administrative expense of subsidiaries increasing 14.35 million baht due to the launching of service in April 2015.

Other expenses

Other expenditures in 2015 was 47.38 million baht decreasing from the same period of year 2014 from 82.06 million to 34.68 million baht or 42.26%. Followings were other expenses in 2015 :

It was expense from doubtful accounts and estimation of loss from liability from prosecution in 2015 for 13.77 million baht and in 2014 for 12.38 million baht, increasing 1.39 million baht. The Company has adopted a policy on allowance for doubtful accounts to the extent that if there is any significant indicator reflecting debt payment ability, financial status and business operation of the debtor, the Company shall fix the allowance for doubtful accounts immediately as well as continual debt collection.

The loss from asset disposal was 33.61 million baht, increasing 100% due to the cut of depreciated and inapplicable assets during 2015.

The estimation of loss from debt in litigation and the estimation of loss under joint venture agreement were decreased 69.68 million baht or 100% because during 2015, the Company reserved the estimation in accordance to accounting principle generally certified but there was none of this transaction in 2015.

Financial cost

The finance costs in 2015 of 44.87 million baht, down from the same period in 2014 of 47.44 million baht or a decrease of 2.57 million baht or equal to 5.42 %, includes interest paid to financial institutions amounting to 50.56 million baht net amount to be included. The cost of a qualifying asset capitalized as cost of assets under construction. (Details shown Notes to the Financial Statements 42).

Income taxes

Income tax expense in 2015 was 19 million baht, decreasing 49 million baht from the same period of 2014 which was 68 million baht. The Company claimed the tax rights of bad debt of Mivan (Thailand) Co., Ltd. which was bankrupted by the order of the Central Bankruptcy to deduct the tax expense in full amount (as detailed in the Note to Financial Statements Items 9 and 43).

Net Profit (Loss)

In 2015, the Company had a net profit of 627.57 million baht, in 2014 of 365.51 million baht, an increase of 262.06 million baht, representing an increase of 71.70% which to compare the ratios of profitability in the form as follows.

Profitability Ratio (unit : %)	Consolidated FS			Separated FS		
	2015	2014	2013	2015	2014	2013
Gross Profit Margin (%)	13.19%	11.55%	8.14%	13.14%	11.38%	8.05%
Operating Profit Margin (%)	8.99%	6.19%	1.02%	9.48%	6.47%	1.07%
Net Profit Margin (%)	8.51%	5.16%	1.14%	8.98%	5.42%	1.19%

18.2 Financial status from statement of financial position-consolidated financial statements

Total assets

Total asset of the company according to consolidated financial statement increased, for 2015, it was 6,721.83 million Baht increasing from the same tranche in 2014 for 616.20 million baht or 10.09 %, causing from the change of assets items as follows :

The current asset was increased 448.05 million baht or equally 13.27% with main reasons from

- The increase of temporary investment because the Company managed the operating income for utmost benefit through interest.
- The account receivable and advance payment for outsourcers in compliance with the increase of operation performance in current year.

The non-current asset was increased 168.15 million baht or equally 6.16% with main reasons from

- The long-term investment was increased because the Company gained from the revaluation of the fair value of sale-available securities which was Bangkok Metro Plc (as detailed in the Note to Financial Statements Items 16).
- The increase of withholding tax because of the huge deduction amount of withholding tax by account receivable and during 2015, the Company claimed the tax rights of bad debt of Mivan (Thailand) Co., Ltd. which was bankrupted by the order of the Central Bankruptcy to deduct the tax expense in full amount. Therefore, withholding tax deducted during 2015 will be moved to next year, resulting the increasing amount of withholding tax when comparing to previous year.
- The increase of saving with obligation as guarantee during 2015, the Company was successful in the bidding of many new projects, resulting more contract guarantees for contract signing.

Total liabilities and shareholders' equity

Total liabilities

The company had total liability in 2015 for 3,109.56million Baht increasing from 2014 as amount of 9.80 million Baht or 0.32% with following main transactions :

- Account payables were decreased because the Company paid for the purchase of products and services as obtained credit term and followed agreement.
- Other creditors were increased because the accrued expense was increased in compliance with the number of projects under contraction continued from previous year and projects operated during 2015.
- The long-term loan that dues within a year was increased and long-term loan was decreased because such loan was due to pay in May 2016.
- The estimation of short-term and long-term debts was decreased because during 2015, the Company made the reversal transfer of debt estimation under joint venture agreement with Mivan (Thailand) Co., Ltd. in full amount as above stated in the subject of Other Expenses.

Furthermore, the Company maintains Debt to Equity Ratio as of 31 December, 2015 equally 0.86 : 1 time which was not over the specified standard of 2.5 : 1 time.

Shareholders' equity

Shareholder's equity in 2015 was 3,6million baht increasing from the same period in 2014 as a mount of 606.41 million Baht or 20.17 %. It was an increase of reserve capital by law for 32.99 million baht and non-allocated accumulated profit for 479.23 million baht and other elements of shareholders for 30 million baht respectively.

Liquidity

Overview of Operations in cash and cash equivalents of the year 2015 of 644.32 million baht, increasing from the year 2014 was 255.99 million baht, or 65.92%.The increase was from the operation performance during 2015 which the liquidity ratio can be compared in variety of following formats :

Liquidity Raito (Unit : times)	Consolidated FS			Separated FS		
	2015	2014	2013	2015	2014	2013
Liquidity Ratio (times)	1.42	1.48	1.50	1.43	1.48	1.52
Quick Liquidity Ratio (times)	0.96	0.86	0.78	0.95	0.86	0.77

18.3 Factors or events potentially affecting financial status or operation in the future

As discussed above that construction industry highly relates to economic condition in the country in the same direction, that is, under well economic growth, construction industry tends to grow and on the contrary, the latter will be significantly affected under slowing down economic condition. The Office of National Economic and Social Development Commission estimated that Thai economic growth would be limited to only 3.0 – 4.0 % in 2016 which was slightly lower than 2015 with supporting factors including the benefit from large construction projects of government which are continually approved with the objective to encourage the economic expansion, expenditure and investment rush of the government as expenditure budget framework, higher disbursement ratio in 2016 , progress of infrastructure investment project of government sector resulting the increase of disbursement from state enterprises, result of economic stimulation measure of the government, tendency of Baht depreciation supporting the increase of export in Baht currency and better liquidity of entrepreneurs, tendency of oil price expected to be below than 2015 which will support the purchase power of people and business sector, and the continual expansion of tourism. , however, the value of export is expected to be expansion. (additional details from subject no.3 : Risk Factors).

However, the business operation in the past year is still committed and continually developed on work system in many aspects such as the effectiveness of cost management system to be close to economic condition. The Company has policy to follow up and govern variety of costs including the arrangement of tools to follow up the cost to be under the specified budget, as well, the policy of business expansion in other relevant business beside construction business in the form of forward expansion is implemented to increase the income channels such as new service apartments for rent, the investment strategy of investment in property of serviced apartments with potential and good location which is ready to function and promptly generate income for the Company as mentioned above in various subjects.

Report on the Company Board of Director's Responsibility on the Financial Report

The Board of Directors is responsible for the financial statements of Syntec Construction PCL. and its joint ventures as well as financial information presented in the annual report. The financial statements were prepared in accordance with financial reporting standards pursuant to the Accounting Act B.E.2543 and the applicable requirements of the SEC and SET. Appropriate accounting policies have been applied and observed continually and discretion has been duly exercised on their preparation. Significant information was adequately disclosed in the financial statements on which the auditor has audited and unconditionally made the auditor report.

The Board of Directors is in charge of supervision and maintenance of effective risk management and internal control system to ensure that accounting information is entered correctly, completely, timely and adequately to maintain assets and to significantly prevent dishonest practices or irregularity. In this regard, the Board of Director has appointed the Audit Committee consisting of independent directors who are not the executive member, to be in charge of the audit on the quality of financial reports, internal control system and internal audit to ensure that they are carried out efficiently and effectively. The Audit Committee's comment is also shown in this annual report.

The Board of Directors is of the opinion that the internal control system and the internal audit of the Company are within satisfactory level to be able to establish confidence that the financial statements of Syntec Construction Plc. and its joint ventures for the year ended 31 December 2015 are materially correct in accordance with the generally accepted accounting principles.



Mr.Somchai Sirilerdpanich

Managing Director

Independent Auditor's Report

To the shareholders of Syntec Construction Public Company Limited

I have audited the accompanying consolidated and separate statements of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's adoption from 1 January 2015 of certain new accounting policies. The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 31 December 2014 after making the adjustments as described in note 3 to the financial statements.

(Manit Warakitjaporn)
Certified Public Accountant
Registration Number 7326

NPS Siam Audit Limited
Bangkok
29 February 2016

Syntec Construction Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the year ended 31 December 2015

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2015	2014	2015	2014
			(Restated)		(Restated)
		(in Baht)			
Revenues					
Revenue from construction		7,051,050,835	6,888,858,993	7,051,050,835	6,888,858,993
Revenue from room service		138,961,606	104,888,879	106,985,749	104,888,879
Interest income	5	11,097,418	22,706,919	17,950,036	23,937,779
Gain on sale of available-for-sale securities	5, 16	-	34,210,000	-	34,210,000
Reversal of estimated loss under					
joint venture agreements	5, 32	66,464,708	-	66,464,708	-
Reversal of allowance for doubtful accounts	8, 9, 10	12,334,563	3,457,581	12,334,563	3,457,581
Other income	5, 36	94,449,481	29,741,400	92,392,531	44,591,032
Total revenues		7,374,358,611	7,083,863,772	7,347,178,422	7,099,944,264
Expenses					
Cost of construction	19, 32, 40	6,137,039,057	6,105,841,142	6,133,436,594	6,105,841,142
Cost of room service	5, 20	104,589,806	80,420,223	84,247,475	92,337,100
Selling expenses	37	2,369,081	1,033,573	412,792	561,856
Administrative expenses	5, 18, 19, 21, 31, 38, 40	391,942,195	333,877,983	363,975,580	319,051,132
Other expenses	41	47,384,384	82,064,428	47,384,384	82,064,428
Finance costs	42	44,869,673	47,444,923	39,353,220	47,444,923
Total expenses		6,728,194,196	6,650,682,272	6,668,810,045	6,647,300,581
Share of loss of investments in associates	5, 15	(40,985)	(26,188)	-	-
Profit before income tax expense		646,123,430	433,155,312	678,368,377	452,643,683
Income tax expense	22, 43	18,549,675	67,648,374	18,549,675	67,648,374
Profit for the year		627,573,755	365,506,938	659,818,702	384,995,309
Other comprehensive income					
Profit in fair value of available-for-sale, net tax	16	30,032,429	107,194,928	30,032,429	107,194,928
Acturaial gain	31	-	4,355,211	-	4,355,211
Other comprehensive income for the year		30,032,429	111,550,139	30,032,429	111,550,139
Total comprehensive income for the year		657,606,184	477,057,077	689,851,131	496,545,448
Profit (loss) attributable to :-					
Owners of the parent		640,217,080	367,940,441	659,818,702	384,995,309
Non - controlling interests		(12,643,325)	(2,433,503)	-	-
		627,573,755	365,506,938	659,818,702	384,995,309
Total comprehensive income (loss) attributable to :-					
Owners of the parent		670,249,509	479,490,580	689,851,131	496,545,448
Non - controlling interests		(12,643,325)	(2,433,503)	-	-
		657,606,184	477,057,077	689,851,131	496,545,448
Earnings per share					
Basic	44	0.40	0.23	0.41	0.24

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2015

		Consolidated financial statements							
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total equity attributable to owners of the Company (Restated)	Non-controlling interests	Total equity (Restated)
	Note			Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments			
					(Restated)				
(in Baht)									
For the year ended 31 December 2014									
Balance at 1 January 2014 - as previously reported		1,600,000,000	23,744	61,281,102	871,661,777	(58,343,154)	2,474,623,469	90,003,272	2,564,626,741
Impact of changes in accounting policies	3								
Joint Arrangements									
- Other comprehensive income		-	-	-	(6,160,791)	-	(6,160,791)	-	(6,160,791)
Balance at 1 January 2014 - restated		1,600,000,000	23,744	61,281,102	865,500,986	(58,343,154)	2,468,462,678	90,003,272	2,558,465,950
Transaction with owner, recorded directly in equity :-									
Contributions by and distribution to owners of the company									
Dividends to owner of the company	45	-	-	-	(111,999,326)	-	(111,999,326)	-	(111,999,326)
Total contributions by and distributions to owners of the Company		-	-	-	(111,999,326)	-	(111,999,326)	-	(111,999,326)
Changes in ownership interest in subsidiary									
Acquisition for non - controlling interests without a chang in control		-	-	-	-	-	-	24,000,000	24,000,000
Total changes in ownership interest in subsidiary		-	-	-	-	-	-	24,000,000	24,000,000
Total Transaction with owner, recorded directly in equity		-	-	-	(111,999,326)	-	(111,999,326)	24,000,000	(87,999,326)
Total comprehensive income - restated									
Profit for the year		-	-	-	367,940,441	-	367,940,441	(2,433,503)	365,506,938
Other comprehensive income for the year	31,34	-	-	-	4,355,211	107,194,928	111,550,139	-	111,550,139
Total comprehensive income		-	-	-	372,295,652	107,194,928	479,490,580	(2,433,503)	477,057,077
Net change in fair value of available-for-sale investments decreased		-	-	-	-	58,343,154	58,343,154	-	58,343,154
Transfer to legal reserve	34	-	-	19,467,527	(19,467,527)	-	-	-	-
Balance at 31 December 2014		1,600,000,000	23,744	80,748,629	1,106,329,785	107,194,928	2,894,297,086	111,569,769	3,005,866,855

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2015

		Consolidated financial statements							
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total equity attributable to owners of the Company (Restated)	Non-controlling interests	Total equity (Restated)	
			Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments				
(Restated)									
(in Baht)									
For the year ended 31 December 2015									
Balance at 1 January 2015 - as previously reported		1,600,000,000	23,744	80,748,629	1,136,823,583	107,194,928	2,924,790,884	111,569,769	3,036,360,653
Impact of changes in accounting policies :-	3,31								
Joint Arrangements									
- Comprehensive income (loss)		-	-	-	(30,493,798)	-	(30,493,798)	-	(30,493,798)
Actuarial gains (loss)									
- Comprehensive income (loss)		-	-	-	(4,355,211)	-	(4,355,211)	-	(4,355,211)
- Other comprehensive income (loss)		-	-	-	4,355,211	-	4,355,211	-	4,355,211
Balance at 1 January 2015 - restated		1,600,000,000	23,744	80,748,629	1,106,329,785	107,194,928	2,894,297,086	111,569,769	3,005,866,855
Transaction with owner, recorded directly in equity :-									
Contributions by and distribution to owners of the company									
Dividends to owner of the company	45	-	-	-	(128,000,000)	-	(128,000,000)	-	(128,000,000)
Total contributions by and distributions to owners of the Company		-	-	-	(128,000,000)	-	(128,000,000)	-	(128,000,000)
Changes in ownership interest in subsidiary									
Acquisition for non - controlling interests without a chang in control		-	-	-	-	-	-	76,800,200	76,800,200
Total changes in ownership interest in subsidiary		-	-	-	-	-	-	76,800,200	76,800,200
Total Transaction with owner, recorded directly in equity		-	-	-	(128,000,000)	-	(128,000,000)	76,800,200	(51,199,800)
Total comprehensive income (restated)									
Profit for the year		-	-	-	640,217,080	-	640,217,080	(12,643,325)	627,573,755
Other comprehensive income for the year	31,34	-	-	-	-	30,032,429	30,032,429	-	30,032,429
Total comprehensive income		-	-	-	640,217,080	30,032,429	670,249,509	(12,643,325)	657,606,184
Transfer to legal reserve	34	-	-	32,990,935	(32,990,935)	-	-	-	-
Balance at 31 December 2015		1,600,000,000	23,744	113,739,564	1,585,555,930	137,227,357	3,436,546,595	175,726,644	3,612,273,239

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2015

		Separate financial statements				Other components	
		Issued and	Premium on	Retained earnings		of equity	
Note		paid-up	ordinary shares	Legal reserve	Unappropriated	Net change in fair	Total equity
		share capital				value of	equity
						available-for-sale	
						investments	
					(Restated)		
					(in Baht)		
For the year ended 31 December 2014							
Balance at 1 January 2014 -as previously reported		1,600,000,000	23,744	61,281,102	866,903,178	(58,343,154)	2,469,864,870
Impact of changes in accounting policies	3	-	-	-	-	-	-
Balance at 1 January 2014 - restated		1,600,000,000	23,744	61,281,102	866,903,178	(58,343,154)	2,469,864,870
Transection with owner, recorded directly in equity:-							
Contributions by and distribution to owners							
of the company							
Dividends to owner of the company	45	-	-	-	(111,999,326)	-	(111,999,326)
Total contributions by and distributions to							
owners of the Company		-	-	-	(111,999,326)	-	(111,999,326)
Total comprehensive income (restated)							
Profit for the year		-	-	-	384,995,309	-	384,995,309
Other comprehensive income for the year	31, 34	-	-	-	4,355,211	107,194,928	111,550,139
Total		-	-	-	389,350,520	107,194,928	496,545,448
Net change in fair value of available-for-sale							
investments decreased		-	-	-	-	58,343,154	58,343,154
Transfer to legal reserve	34	-	-	19,467,527	(19,467,527)	-	-
Balance at 31 December 2014		1,600,000,000	23,744	80,748,629	1,124,786,845	107,194,928	2,912,754,146

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of changes in equity

For the year ended 31 December 2015

		Separate financial statements				Other components	
		Issued and		Retained earnings		of equity	
Note		paid-up	Premium on	Legal reserve	Unappropriated	Net change in fair	Total equity
		share capital	ordinary shares			value of	equity
						available-for-sale	
						investments	
					(Restated)		
					(in Baht)		
For the year ended 31 December 2015							
		1,600,000,000	23,744	80,748,629	1,124,786,845	107,194,928	2,912,754,146
	3,31						

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2015

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2015	2014	2015	2014
		(Restated)		(Restated)
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	627,573,755	365,506,938	659,818,702	384,995,309
<i>Adjustments for</i>				
Reversal of allowance for doubtful accounts	(12,334,563)	(10,643,558)	(12,334,563)	(10,643,558)
Doubtful accounts	13,926,182	12,384,219	13,926,182	12,384,219
Depreciation and amortization	209,578,742	178,675,282	192,023,000	178,489,201
Interest income	(11,097,418)	(22,706,918)	(17,950,036)	(23,937,779)
Interest expense	44,869,673	47,444,923	39,353,220	47,444,923
Gain on revaluation of current investment	(6,950,364)	(1,335,573)	(6,950,364)	(1,335,573)
Loss on disposal and written off of equipment	33,901,030	1,642,198	33,901,030	1,598,732
Unrealized loss on exchange rate	1,321,635	85,865	1,321,636	85,865
Gain on sale of available-for-sale investments	-	(34,210,000)	-	(34,210,000)
Share of loss of investments in associates	40,985	26,188	-	-
Provision for losses on litigations	-	45,847,573	-	45,847,573
Provision for losses on constructions project (Reversal)	(35,717,641)	61,708,164	(35,717,641)	61,708,164
Estimated loss under joint venture agreements (Reversal)	(66,464,708)	23,832,636	(66,464,708)	23,832,636
Expense of employee benefits	18,914,700	17,406,571	18,141,130	16,584,248
Income tax expense	18,549,675	67,648,374	18,549,675	67,648,374
	836,111,683	753,312,882	837,617,263	770,492,334
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivables	(178,046,355)	(190,909,314)	(175,985,782)	(190,909,314)
Other receivables	(155,465)	(1,074,949)	(20,082,708)	(415,751)
Retention receivables under construction contracts	73,006,050	(62,144,423)	73,006,050	(62,144,423)
Unbilled construction in progress	80,946,528	194,673,330	80,946,528	194,673,330
Inventories	42,138,601	(70,004,181)	42,138,601	(70,197,764)
Advance payments to subcontractors	(56,203,509)	252,279	(56,203,509)	252,279
Other non-current assets	18,890,377	7,008,283	19,263,940	7,210,477
Trade accounts payable	(158,576,602)	114,563,171	(145,350,538)	103,178,407
Other payables	460,795,933	8,632,472	464,259,745	9,018,514
Advances received from customers				
under construction contracts	(61,184,041)	76,387,523	(61,184,041)	76,387,523
Retention payable from subcontractors	12,406,722	43,708,176	12,406,722	43,708,176
Sale tax invoice - not due	9,632,198	(2,737,283)	9,632,198	(2,737,283)
Other current liabilities	(111,330)	1,558,590	(111,330)	1,558,591
Payment of short-term provisions	-	(6,160,000)	-	(6,160,000)
Payment of employee benefits	(889,200)	-	(889,200)	-
Cash provided by operating activities	1,078,761,590	867,066,556	1,079,463,939	873,915,096
Withholding income tax paid	(208,293,081)	(207,709,524)	(207,027,418)	(206,064,480)
Withholding income tax returned	127,506,516	196,388,352	127,506,516	196,388,352
Net cash provided by operating activities	997,975,025	855,745,384	999,943,037	864,238,968

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2015

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2015	2014	2015	2014
			(Restated)		(Restated)
		(in Baht)			
Cash flows from investing activities					
Interest received		13,170,543	18,595,305	20,577,226	19,826,165
Purchase of current investments		(1,044,279,890)	(1,050,982,862)	(1,044,279,890)	(1,050,982,862)
Proceeds from current investments		894,616,443	386,089,735	894,616,443	386,089,735
Proceeds from available - for sale investments		-	113,570,000	-	113,570,000
Proceeds from long-term loans		-	-	115,000,000	-
Payment of long-term loans		-	-	-	(200,000,000)
Purchase of investment in subsidiary		-	-	(83,799,800)	(27,000,000)
Purchase of property, plant and equipment		(256,693,016)	(588,886,574)	(201,097,873)	(193,495,063)
Purchase of intangible assets		(4,930,422)	(769,500)	(4,922,922)	(769,500)
Sales of equipment		7,395,180	16,067,594	7,395,180	16,067,595
Pledged deposits at bank		(58,010,674)	(26,394,598)	(58,010,674)	(26,394,598)
Net cash used in investing activities		(448,731,836)	(1,132,710,900)	(354,522,310)	(963,088,528)
Cash flows from financing activities					
Interest paid		(47,665,825)	(49,091,886)	(42,154,078)	(49,091,886)
Dividends paid to shareholders of the Company		(127,969,181)	(111,992,641)	(127,969,181)	(111,992,641)
Bank overdrafts		2,532,984	(3,989,412)	-	(3,101,423)
Proceeds from short-term loan from financial institutions		320,000,000	450,000,000	320,000,000	450,000,000
Payment of short-term loans from financial institutions		(320,000,000)	(685,000,000)	(320,000,000)	(620,000,000)
Payment of creditor under rehabilitation plan		(4,363,116)	-	(4,363,115)	-
Proceeds from long-term loans		28,495,836	177,286,100	-	-
Payments of redemption of debentures		(175,000,000)	-	(175,000,000)	-
Proceeds from non-controlling interests		76,800,200	24,000,000	-	-
Finance lease payment		(46,085,350)	(44,074,320)	(46,085,350)	(44,074,320)
Net cash used in financing activities		(293,254,452)	(242,862,159)	(395,571,724)	(378,260,270)
Net increase (decrease) in cash and cash equivalents		255,988,737	(519,827,675)	249,849,003	(477,109,830)
Cash and cash equivalents at 1 January	6	388,335,521	908,163,196	365,562,712	842,672,542
Cash and cash equivalents at 31 December	6	644,324,258	388,335,521	615,411,715	365,562,712
Non-cash transactions					
Interest expense capitalized in cost of construction in progress	19	5,690,770	4,550,569	-	-

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Note	Contents
1	General information
2	Basis of preparation of financial statements
3	Changes in accounting policies
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Current investments
8	Trade accounts receivable
9	Other receivables
10	Retention receivables under construction contracts
11	Unbilled construction work in progress
12	Inventories
13	Advance payments to subcontractors
14	Investments in subsidiaries
15	Investments in associates
16	Other long-term investments
17	Long-term loans
18	Investment properties
19	Property, plant and equipment
20	Leasehold right
21	Intangible assets
22	Deferred tax
23	Pledged deposits at banks
24	Other non-current assets
25	Bank overdrafts and short-terms loans from financial institutions
26	Trade accounts payable
27	Other payables
28	Current portion of creditors under the rehabilitation plan
29	Long-term loans
30	Finance lease liabilities
31	Employee benefit obligations
32	Provisions
33	Share capital
34	Reserves
35	Segment information
36	Other income
37	Selling expenses
38	Administrative expenses
39	Employee benefit expenses
40	Expenses by nature
41	Other expenses
42	Finance costs
43	(Income) income tax expense

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

44	Earnings per share
45	Dividends
46	Financial instruments
47	Commitments with non-related parties
48	Contingent liabilities and assets
49	The rehabilitation plan of the Company
50	Pledged assets
51	Events after the reporting period
52	Thai Financial Reporting Standards (TFRS) not yet adopted

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 29 February 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 Klongton Nua, Khet Wattana, Bangkok and a branch office located at 61 Langsuan Road, Kwang Lumpini, 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 December 2015 were as follows:

	<i>(% of total paid-up share capital)</i>
Phahusuth Group and Taneehiranrat Group	24.71
Thai NVDR Co.,Ltd	6.88

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

Details of the Company’s subsidiaries as at 31 December 2015 and 2014 were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
<i>Direct subsidiary</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 Asset Management Co., Ltd.	Management business for hotel, service apartment and other properties (Not commercial operations yet and in process of dissolution)	Thailand	54.97	54.97
3) Natural Ville Service Apartment and Management Co., Ltd.	Personnel management for hotel, service apartment and other properties	Thailand	99.97	99.97
4) CSM Capital Partners Co., Ltd.	(Not commercial operations yet)	Thailand	59.98	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

2 Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standard (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP), and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's/Company's accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in Note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 52 to the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements is included in the following notes:

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Note 18	Investment properties
Note 30	Lease classification

2.4.2 Assumptions and estimation uncertainties

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

Notes 14, 15 and 16	Allowance for impairment of investments
Notes 22 and 43	Income tax for the current period and deferred tax
Note 31	Discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate.
Notes 32	Estimated construction project costs, provision for losses on construction projects and estimated loss under joint venture agreement
Note 46	Valuation of financial instruments
Note 48	Contingent liabilities and litigation

Significant judgments and estimates are summarized as follows:

Impairment of investments in securities

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

Estimated construction project costs

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

Provision for losses on construction projects

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

Estimated loss under joint venture agreement

Management applies judgement in estimating the loss under joint venture agreements, based on the proportionate ventures.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Employee benefits obligation

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

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

Litigation

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

2.5 Fair Value Measurement

A number of the Group/Company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group/Company has an established framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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

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

Note 7	Valuation of current investment
Note 12	Valuation of available-for-sale investment
Note 18	Investment properties
Note 46	Financial instruments

- 2.6** The consolidated and separate financial statements for the years ended 31 December 2015 and 2014 included the investments and share of loss of investments in an associate, which had been accounted for by equity method of Baht 0.04 million and Baht 0.03 million, respectively, in the consolidated financial statements, based on the financial statements of such associate which had been audited by other auditors. In addition, the Company had no commitments due to any legally guarantee for the above associate. Allowance for impairment of investments in the abovementioned associate was provided as at 31 December 2015 and 2014 in the amount of Baht 10 million and Baht 10 million, respectively in the separate financial statements. Please also see note 15 to the financial statements. However, the values of the investments in the associate are not significant.

3 Change in accounting policy

Since 1 January 2015, consequent to the adoption of new and revised TFRS, the Group / Company has adopted the new and revised TFRS. Certain standards have no impact on the Group's / Company's financial statements and certain standards have a material impact on the Group's / Company's financial statements which are summarized as follows:

3.1 *TAS 1 (revised 2014) Presentation of financial statements*

From 1 January 2015, the Company and its subsidiaries have adopted Thai Accounting Standard No.1 (revised 2014) "Presentation of financial statements", which required entities to present items in "other comprehensive income" on the criteria whether the transactions will be able to be subsequently reclassified to profit or loss or not. The adoption of this standard impacts the presentation of the statement of comprehensive income. The Company and its subsidiaries have presented and reclassified the comparative financial information in accordance with the revised standard. The change does not impact to the operating result of the Company and its subsidiaries.

3.2 *TAS 19 (revised 2014) Employee Benefits*

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in either profit or loss or other comprehensive income, or to recognize them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income.

This standard has a material impact on the Group's / Company's financial statements as described in note 3.7 to the financial statements.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

3.3 TAS 28 (revised 2014) Joint Arrangements Investments in Associates and Joint Ventures and TFRS 11

- **TAS 28 (revised 2014) Investments in Associates and Joint Ventures**

TAS 28 (revised 2014) supersedes TAS 28 – Investments in Associates; TAS 31 – Interests in Joint Ventures – has been withdrawn. Note that the previous option under TAS 31 to proportionately consolidate the investee is no longer available. Any adjustments to the financial statements following a change of accounting policy in this regard have to be made retrospectively. TAS 28 (revised 2014) also defines the terms “joint arrangement” and “joint venture” as follows:

Joint arrangement – an arrangement of which two or more parties have joint control

Joint venture – a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- **TFRS 11 Joint Arrangements**

This standard defines that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard may have an impact to the group when there is a new relevant investment.

The Board of Directors Meeting of the Company held on 22 April 2015, considered that SVK Joint venture and Syntec – Mivan Joint venture were defined as joint operations and accounted for by recognizing the shares of assets, liabilities, revenues and relating expenses based on proportionate consolidation. The Group has re-evaluated its involvement in its only joint arrangement. As a consequence, the Group has changed its accounting policy of two joint ventures from proportionate consolidation to the equity method.

Therefore, this standard has a material impact on recognition of the Group's / Company's assets, liabilities and total comprehensive income as described in note 3.7 to the financial statements.

3.4 TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

The Company's board of directors and management confirms that a change of this standard has no any significant impact on the Company's and its subsidiaries' financial statements.

3.5 TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates including structured entities, which are excluded in the consolidated financial statements.

This standard has no any significant impact on the financial statements of the Group / Company.

3.6 TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognized prospectively.

This standard has no any significant impact on the Company's / Company's financial statements.

3.7 Summaries of overview of material impacts resulting from the changes in accounting policies as items 3.2 and 3.3 were as follows:

	As previously restated	Consolidate financial statement Effects of change in accounting policies as described in 3.2 3.3 (in million Baht)		Restated
statement of financial position as at 1 January 2014				
Assets				
Current assets				
Cash and cash equivalent	909	-	(1)	908
Current investments	60	-	-	60
Trade accounts receivable	644	-	(23)	621
Other receivables	55	-	-	55
Retention receivable under construction contracts	546	-	(32)	514
Unbilled construction in progress	752	-	-	752
Inventories	111	-	-	111
Advance payment to subcontractors	40	-	-	40
Total current assets	3,117	-	(56)	3,061
Non-current assets				
Other long-term investments	278	-	-	278
Investment properties	102	-	-	102
Property, plant and equipment	1,113	-	(5)	1,108
Leasehold right	391	-	-	391
Intangible assets	1	-	-	1
Withholding tax	197	-	-	197
Pledged deposit of bank	153	-	-	153
Deferred tax assets	6	-	-	6

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	As previously restated	Consolidate financial statement Effects of change in accounting policies as described in 3.2 3.3 (in million Baht)		Restated
Other non-current assets	91	-	(13)	78
Total non-current assets	2,332	-	(18)	2,314
Total assets	5,449	-	(74)	5,375
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loans				
from financial institutions	399	-	-	399
Trade account payable	430	-	(47)	383
Other payables	342	-	(58)	284
Current portion of creditors under rehabilitation plan	30	-	-	30
Current portion of financial lease liabilities	40	-	-	40
Advance received from customers under construction contracts	548	-	-	548
Retention payables from subcontractors	248	-	(1)	247
Undue value added tax	97	-	(5)	92
Short-term provisions	11	-	-	11
Other current liabilities	7	-	-	7
Total current liabilities	2,152	-	(111)	2,041
Non-current liabilities				
Long-term loans	525	-	-	525
Financial lease liabilities	114	-	-	114
Deferred tax liabilities	7	-	-	7
Employee benefit obligations	86	-	-	86
Long-term provisions	-	-	43	43
Total non-current liabilities	732	-	43	775
Total liabilities	2,884	-	(68)	2,816
Equity				
Issued and paid-up share capital	1,600	-	-	1,600
Retained earnings				
Legal reserve	61	-	-	61
Unappropriated retained earnings	872	-	(6)	866
Other components of equity	(58)	-	-	(58)
Total equity attributable to owners of the Company	2,475	-	(6)	2,469
Non-controlling interests	90	-	-	90
Total equity	2,565	-	(6)	2,559
Total liabilities and equity	5,449	-	(74)	5,375
statement of financial position				
as at 31 December 2014				
Assets				
Current assets				
Cash and cash equivalent	389	-	(1)	388
Current investments	761	-	-	761

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	As previously restated	Consolidate financial statement Effects of change in accounting policies as described in 3.2 3.3 (in million Baht)		Restated
Trade accounts receivable	836	-	(23)	813
Other receivables	53	-	(1)	52
Retention receivable under construction contracts	616	-	(32)	584
Unbilled construction in progress	557	-	-	557
Inventories	181	-	-	181
Advance payment to subcontractors	40	-	-	40
Total current assets	3,433	-	(57)	3,376
Non-current assets				
Other long-term investments	356	-	-	356
Investment properties	101	-	-	101
Property, plant and equipment	1,528	-	(5)	1,523
Leasehold right	371	-	-	371
Intangible assets	1	-	-	1
Withholding tax	128	-	-	128
Pledged deposit of bank	179	-	-	179
Other non-current assets	84	-	(13)	71
Total non-current assets	2,748	-	(18)	2,730
Total assets	6,181	-	(75)	6,106
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loans from financial insituations	160	-	-	160
Trade account payable	544	-	(46)	498
Other payables	351	-	(59)	292
Current portion of creditors under rehabilitation plan	30	-	-	30
Current portion of long-term loans	175	-	-	175
Current portion of financial lease liabilities	46	-	-	46
Advance received from customers under construction	624	-	-	624
Retention payables from subcontractors	292	-	-	292
Undue value added tax	95	-	(6)	89
Short-term provisions	67	-	-	67
Other current liabilities	8	-	-	8
Total current liabilities	2,392	-	(111)	2,281
Non-current liabilities				
Long-term loans	527	-	-	527
Financial lease liabilities	64	-	-	64
Deferred tax liabilities	16	-	-	16
Employee benefit obligations	100	-	-	100
Long-term provisions	46	-	66	112
Total non-current liabilities	753	-	66	819
Total liabilities	3,145	-	(45)	3,100

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	As previously restated	Consolidate financial statement Effects of change in accounting policies as described in 3.2 3.3 (in million Baht)		Restated
Equity				
Issued and paid-up share capital	1,600	-	-	1,600
Retained earnings				
Legal reserve	81	-	-	81
Unappropriated retained earnings	1,136	-	(30)	1,106
Other components of equity	107	-	-	107
Total equity attributable to owners of the Company	2,924	-	(30)	2,894
Non-controlling interests	112	-	-	112
Total equity	3,036	-	(30)	3,006
Total liabilities and equity	6,181	-	(75)	6,106
Statement of Comprehensive income				
Revenue				
Revenue for construction	6,889	-	-	6,889
Revenue for room service	105	-	-	105
Interest income	23	-	-	23
Gain on sale of available-for-sale securities	34	-	-	34
Reversal of Allowance for doubtful account	3	-	-	3
Other income	30	-	-	30
Total revenues	7,084	-	-	7,084
Expenses				
Cost of construction	6,106	-	-	6,106
Cost of room service	80	-	-	80
Selling expenses	1	-	-	1
Administrative expenses	335	-	(1)	334
Other expenses	52	-	30	82
Finance cost	48	-	-	48
Total expenses	6,622	-	29	6,651
Profit before income tax expense	462	-	(29)	433
Income tax expense	68	-	-	68
Profit for the year	394	-	(29)	365
Other comprehensive income (loss)	107	5	-	112
Comprehensive income for the year	501	5	(29)	477
Earnings per share (Baht)	0.25			0.23

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	As previously restated	Separate financial statement Effects of change in accounting policies as described in 3.2 3.3 (in million Baht)		Restated
Statement of Comprehensive income				
Revenue				
Revenue for construction	6,889	-	-	6,889
Revenue for room service	105	-	-	105
Interest income	24	-	-	24
Gain on sale of available-for-sale securities	34	-	-	34
Reversal of Allowance for doubtful account	3	-	-	3
Other income	45	-	-	45
Total revenues	7,100	-	-	7,100
Expenses				
Cost of construction	6,106	-	-	6,106
Cost of room service	92	-	-	92
Selling expenses	1	-	-	1
Administrative expenses	315	-	4	319
Other expenses	82	-	-	82
Finance cost	47	-	-	47
Total expenses	6,643	-	4	6,647
Profit before income tax expense	457	-	(4)	453
Income tax expense	68	-	-	68
Profit for the year	389	-	(4)	385
Other comprehensive income (loss)	107	4	-	111
Comprehensive income for the year	496	4	(4)	496
Earnings per share (Baht)	0.24			0.24

The consolidated and separate statement of comprehensive income for the year ended 31 December 2015 and 2014 have share of loss in joint venture of which amounts are immaterial on the Group's/Company's results of operations.

4 Significant accounting policies

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

4.1 Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiaries and joint ventures (together referred to as the "Group") and the Group's interests in associate.

Subsidiaries

Subsidiaries are entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

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

Associated and Joint ventures

Interest in equity-accounted investees

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

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

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions including unrealized income or expenses which arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains which arising from transactions with affiliates and jointly controlled entities are eliminated against the investment equal of the group's interest in the affairs of the investee. Unrealized losses are eliminated in the same way as unrealized gains also, but only when there is evidence of impairment arise.

4.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

4.3 *Derivative financial instruments*

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

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

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

4.4 *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

4.5 *Trade and other receivables*

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

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

For the conservative purpose, the Company reviews the basis of set up of allowance for doubtful accounts at the least 10 percent of the outstanding debt which is under litigation but it is a stable state.

4.6 *Inventories*

Inventories representing construction materials, which comprise steel bars and construction supplies, are stated at lower of cost or net realizable value. Spare parts and supplies are stated at average cost less impairment loss.

Cost is calculated using the weighted average cost principle and comprise all cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.7 *Construction contracts work in progress*

Construction contracts work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

recognized less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable costs incurred in the Group/Company's contract activities based on normal operating capacity.

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

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

4.8 Investments

Investments in subsidiaries and associates

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

Investments in other debt and equity securities

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

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

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

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

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

Disposal of investments

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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

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

4.9 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Condominium	20	years
Condominium improvement	5	years

No depreciation is provided on freehold land.

4.10 Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Leased assets

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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

Subsequent costs

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

Depreciation

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

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

Office buildings and building improvement	5-32 years
Machinery and construction equipment	5-15 years
Aluminium lining boards (formwork)	5-15 years
Furniture, fixtures and equipment	5 years
Vehicles	5-10 years

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

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

4.11 Leasehold right

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

Amortisation

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

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

useful lives of the assets expected the consumption of the future economic benefits are 19 years 7 months 17 days (since 17 October 2013).

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

4.12 Intangible assets

Intangible assets that are acquired by the Group/Company, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since the most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives of the assets expected the consumption of the future economic benefits are as follows:

Software licences	3 - 5 Years
-------------------	-------------

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

4.13 Impairment

The carrying amounts of the Group/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

Calculation of recoverable amount

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

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

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

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

4.14 Interest-bearing liabilities

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

4.15 Trade and other payables

Trade and other payables are stated at cost.

4.16 Employee benefits

a) Short-term employee benefits

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

b) Post-employment benefits

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

- Defined contribution plans

A defined contribution plan contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (Providend Fund) and will have no legal or constructive obligation to pay further amounts. Obligations for

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

- *Defined benefit plan*

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

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

c) *Other long-term employee benefits*

The Group's / Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods that benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

d) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group / Company can no longer withdraw the offer of those benefits and when the Group / Company recognized costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of reporting period, then they are discounted.

4.17 Provisions

A provision is recognised when the Group/Company has a present legal or constructive obligation as a result of a past event or obligations under the joint venture agreements which joins to pay off the debt, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties and penalties

• *Warranties*

A provision for warranties, which is based on each construction contract, is recognized when receiving payment from customers. If any damages on project would be incurred within the period of time specified in contract, repairing cost is recorded. In addition, a provision for warranties is recognized eventhough damages are not incurred within the period of time under the project contract, basing on a past experience and judgement of project managers.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

- *Penalties*

A provision for penalties is recognized according to contracts which is based on output and a weighting off all possible outcomes against their associated probabilities.

Provision for losses on construction projects

A provision for losses on construction projects of each project is based on the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation and historical experience of the project manager on such construction project.

4.18 Revenues

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

Revenue from construction

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

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

Sale of construction materials

Sales of construction materials and materials be over demand are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sale of rendering of service

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

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

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

Other income is recognized on an accrual basis.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

4.19 Expenses

Expenses are recognized on the accrual basis.

4.20 Finance cost

Finance cost comprises interest expenses on borrowings and similar costs are charged to profit or loss which they are incurred. The interest component of finance lease payments is recognised in profit or loss using the effective interest rate method.

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

4.21 Operating leases

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss for the accounting period in which they are incurred.

Determining whether an arrangement contains a lease

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

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

4.21 Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.22 Earnings per share

Basic earnings per share for ordinary share is calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year.

4.23 Segment reporting

Segment results that are reported to the Group's/Company's (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly.

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.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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, 59.98% shareholding and some common directors
Associate		
1. Natural Hotel Sukhumvit Co., Ltd	Thailand	Associate, 25% Shareholding
Joint ventures		
1. SVK Joint venture	Thailand	Joint venture, 51% portion of joint which ceased its operations
2. Syntec Mivan Joint venture		Joint venture, 65% portion of joint which ceased its operations (Until to 19 October 2015)
Related Companies		
1. Bangkok Metro Plc.	Thailand	Related company, 0.87% shareholding
2. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a enturer in Syntec-Mivan joint venture (Until to 19 October 2015)
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 Cafe 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.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Name of entities	Country of incorporation/ nationality	Nature of relationships
12. 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
Sale of steel and others	Invoice price (at cost)
Interest income	4.75% and MLR – 2.375 per annum
Cost of construction	Market price
Service apartment management expense	Contract price
Service expenses	Contract price
Administrative expenses	Market price
Rental expenses	Contract price, near the normal market rate
Purchase of leasehold land and Natural Ville Residence building with furnishings, equipments and information used in business operations	Lump sum price based on actual condition of the property (the value was determined by the independent appraiser)
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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Revenue				
Subsidiary				
Sale of steel and others	-	-	-	5,200,993
Service income and others	-	-	2,536,438	10,256,237
Interest income	-	-	6,904,687	1,325,445
Expenses				
Subsidiaries				
Service apartment management fee	-	-	31,097,803	36,383,041
Related company				
Cost of construction	66,050,790	37,170,457	66,050,790	37,170,457
Rental and service area expenses	1,885,026	314,934	1,885,026	314,934
Land rental expenses	800,000	1,200,000	800,000	1,200,000
Other service expenses	14,595,708	11,663,869	14,595,708	11,663,869
Key management personnel				
Management benefit expenses				
Short-term benefits	48,829,415	44,202,030	38,685,214	35,195,741
Total	48,829,415	44,202,030	38,685,214	35,195,741

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

Other receivables - related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Other receivables and advances				
Joint ventures				
SVK Joint Venture	11,157,898	11,145,803	11,157,898	11,145,803
Syntec – Mivan Joint Venture	-	620,756,098	-	620,756,098
Subsidiaries				
SCR Asset Management Co., Ltd.	-	-	3,115,410	3,392,861
Syntec Asset Management Co., Ltd.	-	-	7,763	7,763
Natural Ville Service Apartment and Management Co., Ltd.	-	-	21,404,437	14,523,961
CSM Capital Partners Co., Ltd			6,200	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Related persons				
Key management personnel	20,000	20,000	-	-
Total	11,177,898	631,921,901	35,691,708	649,826,486
Less Allowance for doubtful Accounts	(11,157,898)	(631,901,901)	(11,157,898)	(631,901,901)
Net	20,000	20,000	24,533,810	17,924,585
Key management personnel				
Advance to project managers	4,464,936	4,268,165	4,464,936	4,268,165

As at 31 December 2015 and 2014, advance to project managers in the amount of Bath 4.46 million and Baht 4.27 million represented the petty cash to use in construction projects in the amount of Baht 50,000 to Baht 100,000 per a project.

Details of investments in subsidiaries and associates were described in notes 14 and 15 to financial statements.

Other long-term investments

	Consolidated and separate financial statements			
	2015		2014	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
Available – for –sale investment				
Other related company				
Bangkok Metro Plc.	221,747,612	393,281,808	221,747,612	355,741,271
Add valuation adjustment	171,534,196	-	133,993,659	-
Net	393,281,808	393,281,808	355,741,271	355,741,271

Movements of available-for-sale investments for the years ended 31 December were as follows:

	Consolidated and Separate financial statements	
	2015	2014
	<i>(in Bath)</i>	
At 1 January	221,747,612	301,107,612
Purchases during the year	-	-
Sales during the year	-	(79,360,000)
At 31 December	221,747,612	221,747,612

On 28 December 2015, the common shareholders meeting between Bangkok Metro Public Company Limited (“BMCL”) and Bangkok Expressway and Metro Public Company Limited (“BECL”) resolved to approve an amalgamation which was registered with the Ministry of

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Commerce on 30 December 2015. New company arising from amalgating is Bangkok Expressway and Metro Public Company Limited (“BEM”)
Please also see note 51 to the financial statements.

Long-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Subsidiaries				
SCR Asset Management Co., Ltd.	-	-	85,000,000	200,000,000
Other related company				
Gentech Engineering Co., Ltd.	4,956,268	4,956,268	4,956,268	4,956,268
Total	4,956,268	4,956,268	89,956,268	204,956,268
Less Allowance for doubtful accounts	(4,956,268)	(4,956,268)	(4,956,268)	(4,956,268)
Net	-	-	85,000,000	200,000,000

As at 31 December 2015 and 2014, the Company had long-term loans to a subsidiary (“SCR Asset Management Co., Ltd.”) of Baht 85 million and Baht 200 million, respectively 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

Long-term loans to related parties had no contract and interest bearing.

Movements of long-term loans to related parties for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
At 1 January	4,956,268	4,956,268	204,956,268	4,956,268
Increase during the year	-	-	-	200,000,000
Decrease during the year	-	-	(115,000,000)	-
At 31 December	4,956,268	4,956,268	89,956,268	204,956,268

Trade accounts payable – related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Other related parties				
Tate Enterprise Co., Ltd.	-	169,686	-	169,686
Safe Series Co., Ltd.	6,234,130	3,461,112	6,234,130	3,461,112
Venturer				
Mivan (Thailand) Co., Ltd.	-	41,885,425	-	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Total	6,234,130	45,516,223	6,234,130	3,630,798
--------------	------------------	-------------------	------------------	------------------

Venturer (Mivan (Thailand) Co., Ltd.) transferred debt in the amount of Baht 64 million (according to the proportionate ventures amounted to 65% of Baht 64 million) to the Company to settle all debt.

Other accounts payable – related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Subsidiaries				
Natural Ville Service Apartment and Management Co., Ltd	-	-	17,582,168	13,624,598
Related Parties				
Wrightman Corporation Co., Ltd	318,828	-	318,828	-
Total	318,828	-	17,900,996	13,624,598

Details of provisions were described in note 32 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.

The Ordinary General Meeting of Shareholders held on 29 April 2014 resolved the approval of directors' remunerations for the year 2014 in the amount not exceeding Baht 2.10 million, which represented the meeting allowance of Baht 10,500 per time per head, and the annual audit committee directors' remuneration of Baht 210,000 per head.

Significant agreements with related parties

The information and other significant events pursuant to the memorandum among the Company, related parties and joint ventures.

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 Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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 29 February 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.

Syntec – Mivan Joint Venture had suffered recurring and had significant deficit in ventures' equity. In addition, Syntec – Mivan Joint Venture lacked of liquidity and ceased operation. These circumstances raise substantial doubt about the joint venture's on the ability to continue as a going concern. However, the Company, Syntec - Mivan Joint Venture and a related company mutually agreed to enter into the memorandum to construct, modify and repair a construction project until complete. In addition, the above related company entered into an acknowledged debt agreement on liable debts. As at 31 December 2014, the Company recognized the estimated loss under joint venture agreement amounted to Baht 66 million in the consolidated and separate financial statements, respectively as described in note 32 to the financial statements. Subsequently, on 19 October 2015, the Central Bankruptcy Court adjudged Mivan (Thailand) Co., Ltd to be a bankrupt. Therefore, as at 31 December 2015, the Company made an adjustment to transfer whole amount of estimated loss under joint venture agreement of Baht 66 million as other income in the statement of comprehensive income.

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, requiring repayable principal on demand. The principal and interest will be repayable within 2 years from the agreement date.

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 other disbursements to be approved by the Company.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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.

Related company

On 1 August 2015, the Company had entered into the operation and management draft agreement with a related company (Wrightman corporation Company) for a period from 1 August 2015 to 31 October 2020 in order to manage the hotel, 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 service draft 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 hotel business management, preparing financial report and annual budget. Management fee was calculated from all expenses of the subsidiaries 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 with monthly rental of Baht 120,759 and 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 for a period of six months from June 2013 to December 2013 with a monthly rental of Baht 100,000 and renewal option when the end of the lease agreement.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Cash	195,000	105,000	12,000	12,000
Cash on hand	30,772	65,250	30,772	65,250
Cash at banks – current accounts	170,909,212	135,863,128	168,309,760	116,482,862
Cash at banks – savings accounts	408,855,159	227,025,831	382,725,068	223,726,288
Highly liquid short-term	64,334,115	25,276,312	64,334,115	25,276,312
Total	<u>644,324,258</u>	<u>388,335,521</u>	<u>615,411,715</u>	<u>365,562,712</u>

Cash and cash equivalents of the Group/the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

7 Current investments

	Consolidated and separate financial statements			
	2015		2014	
	Cost	Fair value (in Baht)	Cost	Fair value
Current investments				
Bills of exchange	324,238,298	324,238,298	549,999,411	549,999,411
Mutual fund – debt securities	586,762,133	593,712,497	175,002,000	176,337,573
Debt securities due within one year	-	-	35,000,000	35,000,000
Total	911,000,431	917,950,795	760,001,411	761,336,984

Movements for the years ended 31 December were as follows:

	Consolidated and separate financial statements	
	2015	2014
	(in Baht)	
Bills of exchange		
At 1 January	549,999,411	60,108,284
Purchases during the year	532,981,891	795,980,862
Sales during the year	(758,743,004)	(306,089,735)
At 31 December	324,238,298	549,999,411
Mutual fund – debt securities		
At 1 January	176,337,573	-
Purchases during the year	511,297,999	255,002,000
Sales during the year	(100,873,439)	(80,000,000)
Valuation adjustments	6,950,364	1,335,573
At 31 December	593,712,497	176,337,573
Debt securities due within one year		
At 1 January	35,000,000	-
Add - transfer during the year	-	35,000,000
Decrease during the year	(35,000,000)	-
At 31 December	-	35,000,000

Please see also note 50 to the financial statement.

Current investments of the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

8 Trade accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Trade accounts receivable - other parties	1,070,049,815	904,577,545	1,067,989,241	904,577,545
Less allowance for doubtful accounts	(68,514,987)	(91,907,312)	(68,514,987)	(91,907,312)
Net	<u>1,001,534,828</u>	<u>812,670,233</u>	<u>999,474,254</u>	<u>812,670,233</u>
Bad debts and doubtful debts expense for the year	16,909,615	60,794	16,909,615	60,794
Reversal of allowance for doubtful accounts for the year	(27,727,854)	(1,032,318)	(27,727,854)	(1,032,318)
Total	<u>(10,818,239)</u>	<u>(971,524)</u>	<u>(10,818,239)</u>	<u>(971,524)</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Within credit terms	665,516,508	630,967,125	664,858,862	630,967,125
Still installment	16,059,884	29,627,910	16,059,884	29,627,910
Overdue:				
- Less than 3 months	64,758,150	52,958,419	63,355,222	52,958,419
- Over 3 months to 6 months	7,865,904	40,359,673	7,865,904	40,359,673
- Over 6 months to 12 months	132,336,131	1,786,155	132,336,131	1,786,155
- Over 12 months	183,513,238	148,878,263	183,513,238	148,878,263
	<u>388,473,423</u>	<u>243,982,510</u>	<u>387,070,495</u>	<u>243,982,510</u>
Total	<u>1,070,049,815</u>	<u>904,577,545</u>	<u>1,067,989,241</u>	<u>904,577,545</u>

The normal credit term granted by the Company ranges from 30 days to 45 days.

Trade accounts receivable of the Group/the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

9 Other Receivables

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Other receivables	15,229,316	12,585,962	37,057,106	28,423,495
Accrued income	4,468,935	4,956,970	8,394,455	5,834,093
Prepaid expenses	16,431,160	17,820,715	15,921,476	17,819,523
Advances	17,283,786	638,058,153	16,941,549	637,812,173
Prepaid value added tax	4,842,680	16,289,126	20,485	527,658
Total	58,255,877	689,710,926	78,335,071	690,416,942
<i>Less allowance for doubtful accounts</i>	<i>(17,099,370)</i>	<i>(637,843,373)</i>	<i>(17,099,370)</i>	<i>(637,843,373)</i>
Net	41,156,507	51,867,553	61,235,701	52,573,569
Related parties	11,177,898	631,921,901	35,691,708	649,826,486
Key management personnel	4,464,936	4,268,165	4,464,936	4,268,165
Other parties	42,613,043	53,520,860	38,178,427	36,322,291
	58,255,877	689,710,926	78,335,071	690,416,942
<i>Less allowance for doubtful accounts</i>	<i>(17,099,370)</i>	<i>(637,843,373)</i>	<i>(17,099,370)</i>	<i>(637,843,373)</i>
Net	41,156,507	51,867,553	61,235,701	52,573,569
Bad debt and doubtful debts expense for the year	639,925,309	10,101,194	639,925,309	10,101,194
Reversal allowance for doubtful accounts for the year	(630,334,656)	-	(630,334,656)	-
Total	9,590,653	10,101,194	9,590,653	10,101,194

On 24 December 2015, the Company approved to write off advance payment to Syntec Mivan Joint venture in the amount of Baht 630 million because the court ordered a related company to a bankrupt and no assets divided to all creditors as described in note 5 to the financial statements.

Other receivable of the Group/the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

10 Retentions receivable under construction contracts

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Other parties	521,164,655	608,272,109	521,164,655	608,272,109
Less allowance for doubtful accounts	(12,921,975)	(23,925,528)	(12,921,975)	(23,925,528)
Net	<u>508,242,680</u>	<u>584,346,581</u>	<u>508,242,680</u>	<u>584,346,581</u>
Bad debts and doubtful debts expense for the year	13,781,553	1,405,518	13,781,553	1,405,518
Reversal of allowance for doubtful accounts for the year	(11,003,553)	(12,028,062)	(11,003,553)	(12,028,062)
Total	<u>2,778,000</u>	<u>(10,622,544)</u>	<u>2,778,000</u>	<u>(10,622,544)</u>

Aging analyses for retention receivables under construction contracts were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Within credit terms	404,379,477	476,461,833	404,379,477	476,461,833
Still installment	2,731,982	5,040,420	2,731,982	5,040,420
Overdue:				
-	14,524,202	-	14,524,202	-
Less than 1 year				
- Over 1 year to 2 year	-	57,497,242	-	57,497,242
- Over 2 year to 3 year	40,643,118	3,735,519	40,643,118	3,735,519
- Over 3 year	58,885,876	65,537,095	58,885,876	65,537,095
	<u>114,053,196</u>	<u>126,769,856</u>	<u>114,053,196</u>	<u>126,769,856</u>
Total	<u>521,164,655</u>	<u>608,272,109</u>	<u>521,164,655</u>	<u>608,272,109</u>

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

Retentions receivable under construction contracts of the Group/the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

11 Unbilled construction work in progress

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Other parties	515,631,390	596,577,919	515,631,390	596,577,919
Less allowance for doubtful accounts	(39,251,066)	(39,529,713)	(39,251,066)	(39,529,713)
Net	476,380,324	557,048,206	476,380,324	557,048,206
Doubtful debts expense for the year (Reversal)	(278,647)	816,711	(278,647)	816,711

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Construction project contracts amount	26,199	29,129	26,199	29,129
Contract revenue recognized as revenue since commencing date to present	18,624	22,775	18,624	22,775
Less progress billings (as invoices)	(18,138)	(22,208)	(18,138)	(22,208)
Unbilled construction work in progress	486	567	486	567
Unbilled construction work in progress (before year 2000)	29	29	29	29
Unbilled construction work in progress at the end of year	515	596	515	596
Less allowance for doubtful accounts	(39)	(39)	(39)	(39)
Net	476	557	476	557
Excess of progress billing over work in progress	(563)	(624)	(563)	(624)
Net	(87)	(67)	(87)	(67)
Doubtful debts expense for the year	-	1	-	1

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

12 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Construction materials	129,263,745	172,318,985	129,263,745	172,318,985
Spare parts and supplies	10,355,168	9,438,529	10,355,168	9,438,529
Less allowance for decline in value of inventories	(844,084)	(844,084)	(844,084)	(844,084)
Net	9,511,084	8,594,445	9,511,084	8,594,445
Total	138,774,829	180,913,430	138,774,829	180,913,430
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Cost of inventories was recognized in expense and included in cost of construction	1,754	1,638	1,754	1,638

Inventories as at 31 December 2015 and 2014 amounted to Baht 139 million and Baht 181 million, respectively, were expected to utilize as follows:

	2015	2014
	<i>(in million Baht)</i>	
Expected to utilize within 1 year	138	180
Expected to utilize over 1 year	1	1
Total	139	181

13 Advance payments to subcontractors

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Other parties	96,017,426	39,813,917	96,017,426	39,813,917
Total	96,017,426	39,813,917	96,017,426	39,813,917

Advance payments to subcontractors of the Group/the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

14 Investments in subsidiaries

Movements for the year ended 31 December were as follows:

	Separate financial statements	
	2015	2014
	<i>(in Baht)</i>	
As at 1 January	127,349,400	100,349,400
Acquisition	83,799,800	27,000,000
Sale of investment	-	-
At 31 December	<u>211,149,200</u>	<u>127,349,400</u>

Investments in subsidiaries of the Group/the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Investments in subsidiaries as at 31 December 2015 and 2014 were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend received	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)						(in million Baht)					
Direct subsidiary												
SCR Asset Management Co., Ltd.	52.00	52.00	400	240	208,000,000	124,800,000	-	-	208,000,000	124,800,000	-	-
Syntec Asset Management Co., Ltd.	54.97	54.97	1	1	549,700	549,700	-	-	549,700	549,700	-	-
Natural Ville Service apartment and Management Co., Ltd	99.97	99.97	2	2	1,999,700	1,999,700	-	-	1,999,700	1,999,700	-	-
CSM Capital Partners Co., Ltd.	59.98	-	0.6	-	599,800	-	-	-	599,800	-	-	-
Total					211,149,200	127,349,400	-	-	211,149,200	127,349,400	-	-

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2015

The Ordinary General Meeting of Shareholders of SCR. Asset Management Co., Ltd (“the subsidiary”) held on 29 April 2014 resolved to increase the register share capital in the amount of Baht 50 million to Baht 240 million for working capital for development of the subsidiary’s projects.

The Board of Directors Meeting held on 20 June 2014, acknowledged the payment for increased share capital in SCR. Asset Management Co., Ltd (“the subsidiary”) to the shareholding in the amount to Baht 26 million.

Subsequently, on 1 August 2014, SCR. Asset Management Co., Ltd (“the subsidiary”) registered the increased share capital from Baht 190 million to Baht 240 million with the Ministry of Commerce.

And on 16 June 2015, SCR Asset Management Co., Ltd (“the subsidiary”) registered the increased share capital from Baht 240 million to Baht 400 million with the Ministry of Commerce.

15 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
At 1 January	29,659,472	29,685,660	9,375,000	38,677,000
Share of loss of investment from equity method	(40,985)	(26,188)	-	-
	<u>29,618,487</u>	<u>29,659,472</u>	<u>9,375,000</u>	<u>38,677,000</u>
Less allowance for valuation of investments	<u>(29,302,000)</u>	<u>(29,302,000)</u>	<u>(9,375,000)</u>	<u>(38,677,000)</u>
At 31 December	<u>316,487</u>	<u>357,472</u>	<u>-</u>	<u>-</u>

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Investments in associates as at 31 December 2015 and 2014 were as follows:

Consolidated financial statements												
	Percentage of shareholding		Paid-up share capital		Cost method		Equity method		Impairment		At equity - net	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)		(in million Baht)									
Associates												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	0.32	0.36	-	-	0.32	0.36
Total					10	10	0.32	0.36	-	-	0.32	0.36
Separate financial statements												
	Percentage of shareholding		Paid-up share capital		Cost method		Impairment		At cost - net		Dividend received	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)		(in million Baht)									
Associates												
Natural Hotel Sukhumvit Co.,Ltd.	25	25	41	41	10	10	(10)	(10)	-	-	-	-
Total					10	10	(10)	(10)	-	-	-	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

The following summarized financial information of associates which have been accounted for using the equity method in the consolidated financial statements.

	Ownership interest	Total assets	Total liabilities	Total revenues	Profit (loss) for the year
	(%)	(in million Baht)			
2015					
Natural Hotel Sukhumvit Co., Ltd.	25	1.30	0.05	0.001	(0.16)
Total		1.30	0.05	0.001	(0.16)
2014					
Natural Hotel Sukhumvit Co., Ltd.	25	1.44	0.02	0.01	(0.10)
Total		1.44	0.02	0.01	(0.10)

On 26 September 2014, the Board of Directors Meeting of the Company resolved to write-off investment in associate (Beauconcept Development Co., Ltd) as such associate was adjudged bankrupt by the Court.

16 Other long-term investments

Consolidated and separate financial statements				
	Cost		Fair value	
	2015	2014	2015	2014
	(in Baht)			
General investments	3,000,000	55,788,000	-	-
Available-for-sale investments	221,747,612	221,747,612	393,281,808	335,741,271
Total	224,747,612	277,535,612	393,281,808	335,741,271
General investments				
S.S. Bangkok Development Co., Ltd.	-	34,038,000	-	34,038,000
Salintara Co., Ltd.	-	18,750,000	-	18,750,000
The Bangkok Club Co., Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Total	3,000,000	55,788,000	3,000,000	55,788,000
Less allowance for devaluation of investment	(3,000,000)	(55,788,000)	(3,000,000)	(55,788,000)
Net	-	-	-	-
Available-for-sale investments				
Bangkok Metro Public Co., Ltd	221,747,612	221,747,612	393,281,808	355,741,271
Less unrealized gain (loss) on valuation adjustment	171,534,196	133,993,659	-	-
Net	393,281,808	355,741,271	393,281,808	355,741,271
Unrealized gain on valuation adjustment for the year present in equity, net tax	30,032,429	107,194,928	30,032,429	107,194,928

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Movements during the year of other long-term investments were as follows:

	Consolidated and separate financial statements	
	2015	2014
	<i>(in Baht)</i>	
General investments		
At 1 January	55,788,000	55,788,000
Decrease during the year	(52,788,000)	(55,788,000)
Valuation adjustment	(3,000,000)	-
At 31 December	-	-
Available-for-sale investments		
At 1 January	355,741,271	242,764,458
Purchase during the year	-	-
Sale during the year	-	(79,360,000)
Valuation adjustment	37,540,537	192,336,813
At 31 December	393,281,808	355,741,271
Debt securities held to maturity		
At 1 January	-	35,000,000
Transfers	-	(35,000,000)
At 31 December	-	-

For the year ended 31 December 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.)

Other long-term investments of the Group/the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Please see also note 50 and 51 to the financial statements.

17 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Related parties	4,956,268	4,956,268	89,956,268	204,956,268
Other parties	3,000,200	3,000,200	3,000,200	3,000,200
	<u>7,956,468</u>	<u>7,956,468</u>	<u>92,956,468</u>	<u>207,956,468</u>
Less allowance for doubtful accounts	(7,956,468)	(7,956,468)	(7,956,468)	(7,956,468)
Net	-	-	85,000,000	200,000,000

Long-term loans to other parties as at 31 December, 2015 and 2014 represented loans to a company without loan agreements and interest bearing.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Movements of long-term loans for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
At 1 January	3,000,200	3,000,200	3,000,200	3,000,200
No changes during the year	-	-	-	-
At 31 December	<u>3,000,200</u>	<u>3,000,200</u>	<u>3,000,200</u>	<u>3,000,200</u>

Long-term loans of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

18 Investment properties

	Consolidated and separate financial statements		
	Land	Condominium	Total
	<i>(in Baht)</i>		
Cost			
At 1 January 2014	99,643,500	5,649,570	105,293,070
No changes during the year	-	-	-
At 31 December 2014 and 1 January 2015	<u>99,643,500</u>	<u>5,649,570</u>	<u>105,293,070</u>
No changes during the year	-	-	-
At 31 December 2015	<u>99,643,500</u>	<u>5,649,570</u>	<u>105,293,070</u>
Accumulated depreciation			
At 1 January 2014	-	3,732,998	3,732,998
Depreciation charge for the year	-	739,874	739,874
At 31 December 2014 and 1 January 2015	<u>-</u>	<u>4,472,872</u>	<u>4,472,872</u>
Depreciation charge for the year	-	311,121	311,121
At 31 December 2015	<u>-</u>	<u>4,783,993</u>	<u>4,783,993</u>
Net book value			
At 31 December 2014	<u>99,643,500</u>	<u>1,176,698</u>	<u>100,820,198</u>
At 31 December 2015	<u>99,643,500</u>	<u>865,577</u>	<u>100,509,077</u>

	Consolidated and separate financial statements	
	2015	2014
	<i>(in Baht)</i>	
Depreciation charge for the year was included in: -		
Administrative expenses	311,121	739,874
Total	<u>311,121</u>	<u>739,874</u>

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Fair value

Investment properties as at 31 December 2015 and 2014, in part of land, cost value amounted to Baht 99.64 million represented the latest appraisal value which was appraised by the appraiser based on market price of Baht 194 million as the appraisal report 6 January 2016, and condominium with book value amounted to Baht 1.18 million and Baht 1.92 million respectively, represented the appraisal value which was appraised by the appraiser based on market price of Baht 6.50 million as the appraisal report 6 January 2016.

Pledge

On 31 December 2014 and 2013, Investments properties mortgage land totaled area of 55 Rai, 1 Ngan, 43 Square wah, totaling 6 title deeds cost value amounted to Baht 99.64 million, with existing structures and/or thereon as collateral for a bank guarantee with a domestic commercial bank in the amount of Baht 700 million and please see also note 50 to the financial statements.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

19 Property, plant and equipment

Consolidated financial statements								
		Buildings and	Construction	Aluminium	Furniture,		Construction	
	Land	building	machinery and	lining	fixtures and		in	
		improvement	equipment	Boards	equipment	Vehicles	progress	Total
				(formwork)				
				(in Baht)				
Cost								
At 1 January 2014	223,146,461	350,849,444	1,198,876,783	513,426,892	110,614,423	153,004,222	60,996,248	2,610,914,473
Additions	212,615,638	195,012	58,274,817	31,199,713	17,791,456	20,505,476	248,304,462	588,886,574
Transfers	-	44,664,155	11,825,487	-	-	-	(56,979,785)	(490,143)
Disposals	-	(27,195,036)	(33,443,105)	(1,970,662)	(2,628,039)	-	(2,095,803)	(67,332,645)
At 31 December 2014								
and 1 January 2015	435,762,099	368,513,575	1,235,533,982	542,655,943	125,777,840	173,509,698	250,225,122	3,131,978,259
Additions	39,469,958	3,419,328	77,544,127	20,689,056	20,425,373	11,118,121	84,027,053	256,693,016
Transfers	-	259,482,880	7,337,919	-	28,677,430	-	(295,498,229)	-
Disposals	-	(73,256,238)	(15,395,287)	(5,948,062)	(4,378,327)	(12,568,029)	-	(111,545,943)
At 31 December 2015	475,232,057	558,159,545	1,305,020,741	557,396,937	170,502,316	172,059,790	38,753,946	3,277,125,332

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Consolidated financial statements							
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork) (in Baht)	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
<i>Accumulated depreciation</i>								
At 1 January 2014	-	148,069,031	769,134,473	425,501,077	77,919,347	82,314,150	-	1,502,938,078
Depreciation charge for the year	-	36,816,776	70,752,697	16,329,362	14,976,828	17,662,184	-	156,537,847
Disposals	-	(12,783,121)	(33,267,573)	(1,970,661)	(1,591,577)	-	-	(49,612,932)
Transfer	-	(490,143)	-	-	-	-	-	(490,143)
At 31 December 2014 and 1 January 2015	-	171,612,543	806,619,597	439,859,778	91,304,598	99,976,334	-	1,609,372,850
Depreciation charge for the year	-	46,572,798	79,542,816	20,259,254	20,381,183	21,298,162	-	188,054,213
Disposals	-	(6,189,972)	(15,140,590)	(5,948,051)	(4,271,564)	(12,568,016)	-	(44,118,193)
Transfer	-	(26,131,539)	-	-	-	-	-	(26,131,539)
At 31 December 2015	-	185,863,830	871,021,823	454,170,981	107,414,217	108,706,480	-	1,727,177,331
<i>Net book value</i>								
Owned assets	435,762,099	196,901,032	313,821,535	102,796,165	34,473,242	63,469,865	250,225,122	1,397,449,060
Assets under finance leases	-	-	115,092,850	-	-	10,063,499	-	125,156,349
Total at 31 December 2014	435,762,099	196,901,032	428,914,385	102,796,165	34,473,242	73,533,364	250,225,122	1,522,605,409
Owned assets	475,232,057	372,295,715	337,100,780	103,225,956	63,080,099	58,818,366	38,753,946	1,448,514,919
Assets under finance leases	-	-	96,898,138	-	-	4,534,944	-	101,433,082
Total at 31 December 2015	475,232,057	372,295,715	433,998,918	103,225,956	63,088,099	63,353,310	38,753,946	1,549,948,001

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Separate financial statements							Total
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork) (in Baht)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
Cost								
At 1 January 2014	57,702,316	350,849,444	1,198,876,783	527,935,712	110,560,293	153,004,222	29,220,527	2,428,149,297
Additions	5,477,277	195,012	58,274,817	31,199,712	17,791,457	19,298,000	61,258,788	193,495,063
Transfers	-	44,664,155	11,825,487	-	-	-	(56,979,785)	(490,143)
Disposals	-	(27,195,037)	(33,443,105)	(1,970,662)	(2,573,909)	-	(2,095,804)	(67,278,517)
At 31 December 2014 and 1 January 2015	63,179,593	368,513,574	1,235,533,982	557,164,762	125,777,841	172,302,222	31,403,726	2,553,875,700
Additions	22,339,668	3,419,328	77,544,127	20,689,056	20,397,372	11,118,121	45,590,202	201,097,874
Transfers	-	19,672,007	7,337,919	-	-	-	(27,009,926)	-
Disposals	-	(73,256,238)	(15,395,287)	(5,948,062)	(4,378,327)	(12,568,029)	-	(111,545,943)
At 31 December 2015	85,519,261	318,348,671	1,305,020,741	571,905,756	141,796,886	170,852,314	49,984,002	2,643,427,631

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

				Separate financial statements				
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
				<i>(in Baht)</i>				
<i>Accumulated depreciation</i>								
At 1 January 2014	-	148,069,031	769,134,473	440,009,897	77,918,604	82,314,150	-	1,517,446,155
Depreciation charge for the year	-	36,816,776	70,752,697	16,329,362	14,976,828	17,486,025	-	156,361,688
Disposals	-	(12,783,121)	(33,267,573)	(1,970,661)	(1,590,835)	-	-	(49,612,190)
Transfer	-	(490,143)	-	-	-	-	-	(490,143)
At 31 December 2014 and 1 January 2015	-	171,612,543	806,619,597	454,368,598	91,304,597	99,800,175	-	1,623,705,510
Depreciation charge for the year	-	33,771,540	79,542,816	20,259,253	15,808,915	21,117,040	-	170,499,564
Disposals	-	(6,189,972)	(15,140,589)	(5,948,051)	(4,271,564)	(12,568,016)	-	(44,118,192)
Transfer	-	(26,131,539)	-	-	-	-	-	(26,131,539)
At 31 December 2015	-	173,062,572	871,021,824	468,679,800	102,841,948	108,349,199	-	1,723,955,343
<i>Net book value</i>								
Owned assets	63,179,593	196,901,031	313,821,535	102,796,164	34,473,244	62,438,548	31,403,726	805,013,841
Assets under finance leases	-	-	115,092,850	-	-	10,063,499	-	125,156,349
Total at 31 December 2014	63,179,593	196,901,031	428,914,385	102,796,164	34,473,244	72,502,047	31,403,726	930,170,190
Owned assets	85,519,261	145,286,099	337,100,779	103,225,956	38,954,938	57,968,169	49,984,002	818,039,204
Assets under finance leases	-	-	96,898,138	-	-	4,534,946	-	101,433,084
Total at 31 December 2015	85,519,261	145,286,099	433,998,917	103,225,956	38,954,938	62,503,115	49,984,002	919,472,288

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Depreciation was included in: -

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Cost of construction	155,935,286	139,494,817	155,935,286	139,494,817
Cost of room service	17,369,446	-	-	-
Administrative expenses	14,749,481	17,043,030	14,564,278	16,866,871
Total	188,054,213	156,537,847	170,499,564	156,361,688

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Interest capitalized for the year	5,690,770	4,550,569	-	-
Accumulated interest capitalized	11,929,113	6,238,343	-	-
Capitalization rate (% per annum)	4.75, MLR- 1.5	4.75, MLR- 1.5	-	-

As at 31 December 2015 and 2014, the gross amount of the Group's fully depreciated buildings and equipment that was still in use amounted to Baht 1,490 million and Baht 1,265 million, respectively.

Pledge

As at 31 December 2015 and 2014, land, buildings and building improvement in the amount of Baht 46 million and Baht 49 million, respectively, 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 December 2015 and 2014, land of the subsidiary ("SCR Asset Management Co.,Ltd") amounted to Baht 165 million with building as collateral for contingent due to the letter of guarantee issued by the domestic commercial banks.

Please see also note 50 to the financial statements.

20 Leasehold right

	Consolidated and separate financial statements <i>(in Baht)</i>
<i>Cost</i>	
At 1 January 2014	395,000,000
Additions	-
At 31 December 2014 and 1 January 2015	395,000,000
No change during the year	-
At 31 December 2015	395,000,000

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Consolidated and separate financial statements <i>(in Baht)</i>
<i>Accumulated amortization</i>	
At 1 January 2014	4,258,100
Amortization charge for the year	20,184,500
At 31 December 2014 and 1 January 2015	24,442,600
Amortization charge for the year	20,184,500
At 31 December 2015	44,627,100
 <i>Net book value</i>	
At 31 December 2014	370,557,400
At 31 December 2015	350,372,900

Amortization for the year was included in:

	Consolidated and separate financial statements	
	2015	2014
	<i>(in Baht)</i>	
Cost of room service	20,184,500	20,184,500
Total	20,184,500	20,184,500

The Board of Directors Meeting of the Company held on 16 August 2013, resolved unanimously to acquisition of leasehold land and Natural Ville Residence building with furnishing, equipments and information used in business operations from Leasehold Property Fund with remaining lease period of 20 years. The Company already registered leasehold contract with the Crown Property Bureau.

On 12 September 2013, the Company entered into a purchase and sale of leasehold land and Natural Ville Residence building with furnishing, equipments and information used in business operations agreement from a Leasehold Property Fund (“seller”), located 61 Langsuan road, Lumpini district, Pathumwan, Bangkok, which the seller leased from the Crown Property Bureau to operate the service apartment, lease period remaining of 20 years. The pricing was determined based on actual condition of property in lump sum of Baht 400 million (the appraisal value was determined by the independent appraiser amounted to Baht 400 million). On the agreement date, the Company paid of Baht 50 million (presented as non-current assets) to the seller as security for performing according to the agreement and agreed to pay the remaining of Baht 350 million to the seller within the registration date of transfer of ownership of leasehold land and buildings to the Company.

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

- Lesser is the ownership of land and a residential building of 28 floors and a basement, located at Pathumwan District, Langsuan Road, Lumpini, Pathumwan, Bangkok, as part of the land, title deed no. 710.
- Lessee was transferred the right of leasehold land from UOB Apartment Property Fund I (Leasehold) (“former lessee”). The former lessee made a letter to transfer right of such lease to lessee on 15 October 2013 to comply with the regulation of the lesser.
- Lesser consents the lessee to have the right in instead of former lessee

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2015

- The lease period covers 19 years, 7 months and 17 days from 15 October 2013 to 31 May 2033.
- The objective of lease is use in the rental business as the residences and sub-lease in a single time within the lease period.
- Lessee agrees to pay fee of transferring the right of leasehold in the amount of Baht 10,648,000.
- Lessee agrees to pay monthly rental a rate of Baht 1.06 million – Baht 1.89 million.
- Lease agreement has certain conditions regarding lessee such as not disposal/transfer of the right under the agreement to another person or use the leasehold as a security for repayment etc.

On 15 October 2013, the Crown Property Bureau (“the Property Office”), the Leasehold Property Fund (“the Fund”) and the Company had entered into an agreement to transfer right of leasehold land that was the Fund transferred the leasehold right to the Company and the Property Office agreed and consented such transfer. The Company has right and responsibility in instead of the Fund since 15 October 2013 onwards. The Fund agreed to pay fee to the Property Office in the amount of Baht 10,648,000 within 15 October 2013.

On 16 October 2013, the Company paid the remaining of cost of the right after deducting the deposit (in the amount of Baht 50 million) to the Leasehold Property Fund in the amount of Baht 350 million.

On 17 October 2013, the Company and the Crown Property Bureau registered the dividing land agreement with Department of Land and the lease period covers 19 years, 7 months and 17 days.

21 Intangible assets

	Consolidated financial statements	
	Software license	Total
	<i>(in Baht)</i>	
Cost		
At 1 January 2014	23,987,105	23,987,105
Additions	769,500	769,500
Deduction	-	-
At 31 December 2014 and 1 January 2015	24,756,605	24,756,605
Additions	4,930,422	4,930,422
Deduction	-	-
At 31 December 2015	29,687,027	29,687,027
Accumulated amortization		
At 1 January 2014	22,643,357	22,643,357
Amortization charge for the year	1,203,139	1,203,139
Deduction	-	-
At 31 December 2014 and 1 January 2015	23,846,496	23,846,496
Amortization charge for the year	1,028,907	1,028,907
Deduction	-	-
At 31 December 2015	24,875,403	24,875,403
Net book value		
At 31 December 2014	910,109	910,109
At 31 December 2015	4,811,624	4,811,624

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Amortization for the year was included in :-

	Consolidated financial statements	
	2015	2014
	<i>(in Baht)</i>	
Administrative expenses	1,028,907	1,203,139
Total	1,028,907	1,203,139

	Separate financial statements	
	Software license	Total
	<i>(in Baht)</i>	
Cost		
At 1 January 2014	23,987,105	23,987,105
Additions	769,500	769,500
Deduction	-	-
At 31 December 2014 and 1 January 2015	24,756,605	24,756,605
Additions	4,922,922	4,922,922
Deduction	-	-
At 31 December 2015	29,679,527	29,679,527
Accumulated amortization		
At 1 January 2014	22,643,357	22,643,357
Amortization charge for the year	1,203,139	1,203,139
Deduction	-	-
At 31 December 2014 and 1 January 2015	23,846,496	23,846,496
Amortization charge for the year	1,027,814	1,027,814
Deduction	-	-
At 31 December 2015	24,874,310	24,874,310
Net book value		
At 31 December 2014	910,109	910,109
At 31 December 2015	4,805,217	4,805,217

Amortization for the year was included in :-

	Separate financial statements	
	2015	2014
	<i>(in Baht)</i>	
Administrative expenses	1,027,814	1,203,139
Total	1,027,814	1,203,139

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

22 Deferred income tax

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Deferred tax assets	-	-	-	-
Deferred tax liabilities	42,473,548	16,415,766	42,473,548	16,415,766
Net	42,473,548	16,415,766	42,473,548	16,415,766

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

For the year ended 31 December 2015

	Consolidated and separate financial statements		
	(Charged) / credited to		
	At 1 January 2015	Profit or loss Other comprehensive income (loss)	At 31 December 2015
	<i>(in million Baht)</i>		
Deferred tax assets			
Trade accounts receivable	16	(16)	-
Loss carry forward	2	(2)	-
Total	18	(18)	-
Deferred tax liabilities			
Property, plant and equipment	6	1	7
Financial lease liabilities	1	-	1
Profit (loss) in fair value of available-for-sale	27	-	34
Total	34	1	42
Net	(16)	(19)	(42)

For the year ended 31 December 2014

	Consolidated and separate financial statements		
	(Charged) / credited to		
	At 1 January 2014	Profit or loss Other comprehensive income (loss)	At 31 December 2014
	<i>(in million Baht)</i>		
Deferred tax assets			
Trade accounts receivable	2	14	16
Loss carry forward	4	(2)	2
Total	6	12	18
Deferred tax liabilities			
Property, plant and equipment	6	-	6
Financial lease liabilities	1	-	1
Profit (loss) in fair value of available-for-sale	-	27	27
Total	7	-	34

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Consolidated and separate financial statements		
	<u>(Charged) / credited to</u>		
	At 1 January 2014	Profit or loss	Other comprehensive income (loss)
			At 31 December 2014
		<i>(in million Baht)</i>	
Net	(1)	12	(27)
			(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	
	2015	2014	2015	2014
		<i>(in million Baht)</i>		
Deductible temporary differences	70	102	70	102
Tax losses	7	81	-	-
Total	77	183	70	102

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 and the Company can utilize the benefits there from.

The income tax is calculated on profit before tax for the year multiply by the estimated average tax rate.

Income tax expenses for the year ended 31 December were summary as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		<i>(in million Baht)</i>		
Income tax expenses for the year				
Income tax expense	-	80	-	80
Deferred tax expense (revenue)				
Deferred tax expense (revenue) concern deductible temporary difference with initial recognized and reversed	19	(12)	19	(12)
Income tax expense (revenue) represented in statements of comprehensive income	19	68	19	68

23 Pledged deposits at banks

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		<i>(in Baht)</i>		
Cash at banks – savings accounts	47,000,000	21,000,000	47,000,000	21,000,000

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2015

Cash at banks –				
fixed deposit accounts	190,105,910	158,095,236	190,105,910	158,095,236
Total	237,105,910	179,095,236	237,105,910	179,095,236

Pledged deposit at banks of the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

24 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Deposits	<u>51,900,380</u>	<u>70,782,592</u>	<u>51,260,380</u>	<u>70,516,156</u>

25 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Bank overdrafts	2,532,984	-	-	-
Short-term loans from financial institutions	<u>160,000,000</u>	<u>160,000,000</u>	<u>160,000,000</u>	<u>160,000,000</u>
Total	<u>162,532,984</u>	<u>160,000,000</u>	<u>160,000,000</u>	<u>160,000,000</u>

Movements of short-term loans from financial institutions for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
At 1 January	160,000,000	395,000,000	160,000,000	330,000,000
Additions	322,532,984	450,000,000	320,000,000	450,000,000
Deductions	<u>(320,000,000)</u>	<u>(685,000,000)</u>	<u>(320,000,000)</u>	<u>(620,000,000)</u>
At 31 December	<u>162,532,984</u>	<u>160,000,000</u>	<u>160,000,000</u>	<u>160,000,000</u>

As at 31 December 2015 and 2014, short term loans from financial institutions in the amount of Baht 160 million in the consolidated and separate financial statements, respectively, represented the bill of exchange, due on 29 August 2016 and 3 December 2015 to 15 December 2015, respectively. Interest rate was charged at 3.60%-4.20% per annum, respectively.

Bank overdrafts and short-term loans from financial institutions of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

26 Trade accounts payable

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Related parties	6,234,130	45,516,223	6,234,130	3,630,798
Other parties	332,944,355	452,238,864	332,720,525	480,674,395
Total	339,178,485	497,755,087	338,954,655	484,305,193

Trade accounts payable of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

27 Other payables

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Related parties	318,828	-	17,900,996	13,624,598
Other parties	750,752,440	292,274,218	731,859,069	273,879,311
Total	751,071,268	292,274,218	749,760,065	287,503,909
<i>Other parties</i>				
Other payables	17,272,161	18,412,420	6,519,924	20,962,819
Accrued value added tax	13,019,183	10,407,588	12,302,400	10,406,311
Accrued withholding tax	7,557,455	11,505,760	7,285,067	10,931,242
Other accrued expenses	712,903,641	251,948,450	705,751,678	231,578,939
Total	750,752,440	292,274,218	731,859,069	273,879,311

Other payables of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

28 Current portion of creditors under the rehabilitation plan

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Creditors under the rehabilitation plan	26,704,056	29,745,536	26,704,056	29,745,536

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

The currency denomination of creditors under the rehabilitation plan was as follows: -

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Thai Baht (THB)	11,152,347	12,462,769	11,152,347	12,462,769
United States Dollars (USD)	15,551,709	17,282,767	15,551,709	17,282,767
Total	26,704,056	29,745,536	26,704,056	29,745,536

The above creditors under the rehabilitation plan were the outstanding balances after implementing the rehabilitation plan to be approved by the creditors and the Central Bankruptcy Court. Pursuant to the rehabilitation plan requiring a period of 7 year, the Company reached to the term of plan but the payment has not been complete. The outstanding creditors comprised Group 3 to certain Group 9 because the majority of creditors did not contact for receiving claims and certain creditors were in the process of arbitration.

29 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Long-term loans from financial institution	205,781,936	177,286,100	-	-
Unsubordinated and unsecured debentures No. 1/2013	350,000,000	350,000,000	350,000,000	350,000,000
Unsubordinated and unsecured debentures No. 2/2013	-	175,000,000	-	175,000,000
Total	555,781,936	702,286,100	350,000,000	525,000,000
Less current portion of long-term loans	(365,600,000)	(175,000,000)	(350,000,000)	(175,000,000)
Net	190,181,936	527,286,100	-	350,000,000

Movement of long-term loans for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
At 1 January	702,286,100	525,000,000	525,000,000	525,000,000
Addition	28,495,836	177,286,100	-	-
Deduction	(175,000,000)	-	(175,000,000)	-
At 31 December	555,781,936	702,286,100	350,000,000	525,000,000

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Loans from financial institution

On 23 September 2013, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a local financial institution in credit line of Baht 224 million, As at 31 December 2015, drawdown amounted to Baht 206 million and balanced Baht 18 million, requiring monthly repayable principal with interest within 8 years and 6 months. The first repayment at nineteenth month of Baht 1.3 million to Baht 4 million. These loans were secured by 11 plots of land and buildings as collateral.

Debenture

1. The unsubordinated and unsecured debentures of Syntec Construction Public Company Limited. No. 1/2013:

Amount	Baht 350 million
Units	350,000 units
Maturity	3 years, starting from date of issuance
Issued date	28 May 2013
Interest rate	5.75 % per annum
Interest payment schedule	Quarterly basis, on 28 February, 28 May, 28 August and 28 November of each year over the term of debenture
Principal repayment	On the redemption date : 30 May 2016
Condition and covenants	Maintenance of debt to equity ratio, dividend payment and cause of default
Underwriting cost	Baht 1.21 million, which was not significant amount, therefore, it is recognized as an expense in full.

2. The unsubordinated and unsecured debentures of Syntec Construction Public Company Limited. No. 2/2013:

Amount	Baht 175 million
Units	175,000 units
Maturity	2 years, starting from date of issuance
Issued date	31 October 2013
Interest rate	5.50 % per annum
Interest payment schedule	Quarterly basis, on 31 January, 30 April, 31 July and 31 October of each year over the term of debentures
Principal repayment	On the redemption date : 31 October 2015
Conditions and covenants	Maintenance of debt to equity ratio, dividend payment and cause of default
Underwriting cost	Baht 0.62 million, which is not significant amount, therefore, it is recognized as an expense in full.

During the year 2015, the company redemption of debenture is amount of Baht 175 million.

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2015

Long-term loans of the Group and the company as at 31 December 2015 and 2014 were denominated entirely in Thai baht.

30 Finance lease liabilities

	Consolidated and Separate financial statements					
	2015			2014		
	Future minimum lease payments	Interest	Present Value of minimum lease payments	Future minimum lease payments	Interest	Present Value of minimum lease payments
	<i>(in Baht)</i>					
Within one year	36,038,783	2,130,796	33,907,987	51,063,259	4,977,909	46,085,350
After one year but within five years	30,297,025	458,460	29,838,565	66,335,807	2,589,255	63,746,552
Total	66,335,808	2,589,256	63,746,552	117,399,066	7,567,164	109,831,902

As at 31 December 2015 and 2014, finance lease liabilities of Baht 66 million and Baht 110 million, respectively, represented the creditors under the hire purchase agreements on machinery, and vehicles with 5 other companies and 7 other companies, respectively, for 30 agreements and 30 agreements, respectively. The term of agreements covered for the period of 3-5 years, requiring monthly payable amounting to Baht 10,000 to Baht 400,000.

Finance lease liabilities of the Group and the company, as at 31 December 2015 and 2014 were denominated entirely in Thai baht.

31 Employee benefit obligations

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

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

Employee benefit obligation in the statement of financial position as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Post-employment benefits				
Legal severance payments plan	117,070,926	99,045,426	115,292,452	98,040,522
Total	117,070,926	99,045,426	115,292,452	98,040,522

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Defined benefit obligations at 1 January	99,045,426	85,994,066	98,040,522	85,811,485
Include in profit and loss				
Current service costs	15,604,560	14,510,979	14,866,762	13,688,700
Interest on obligations	3,310,140	2,895,592	3,274,368	2,895,548
	18,914,700	17,406,571	18,141,130	16,584,248
Included in the other Comprehensive income				
Actuarial gain	-	(4,355,211)	-	(4,355,211)
	-	(4,355,211)	-	(4,355,211)
Other				
Benefits paid	(889,200)	-	(889,200)	-
	(889,200)	-	(889,200)	-
Defined benefit obligations at 31 December	117,070,926	99,045,426	115,292,452	98,040,522

Actuarial gains and losses recognised in the other Comprehensive income at the reporting date caused by

	Consolidated financial statements	Separate financial statements
	<i>(in Baht)</i>	
For the year ended 31 December 2014		
Demographic assumption	277,261	277,261
Experience adjustments	(4,632,472)	(4,632,472)
Total	(4,355,211)	(4,355,211)

Expense recognized in profit or loss

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Current service costs	15,604,560	14,504,483	14,866,762	13,688,656
Interest on obligation	3,310,140	2,902,088	3,274,368	2,895,592
Total	18,914,700	17,406,571	18,141,130	16,584,248

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

The above expense is recognized in the following line items:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Cost of construction	13,291,917	10,691,083	13,291,917	10,691,083
Administrative expenses	5,622,783	6,715,488	4,849,213	5,893,165
Total	18,914,700	17,406,571	18,141,130	16,584,248

Principal actuarial assumptions at the reporting date

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(%)</i>			
Discount rate	3.56-3.75	3.56 - 3.75	3.61	3.61
Salary increase rate	4.00-8.00	4.00 – 8.00	7.05	7.05
Staff turnover rate	0-21.00	0 - 21.00	0-21.00	0 – 21.00
Mortality rate (Thai Mortality Ordinary Table 1997 and 2008)	TMO 2008 5% of mortality rate	TMO 2008 5% of mortality rate	TMO 2008 5% of mortality rate	TMO 2008 5% of mortality rate
Disability rate				

*The impact from changes in assumptions of defined benefit plans in 2014

Amounts of employees benefit obligations for the current and previous four periods were as follows:

	Employee benefit obligations		Experience adjustments	
	Consolidated financial statements	Separated financial statements	Consolidated financial statements	Separated financial statements
	<i>(in million Baht)</i>			
Year 2015	117	115		
Year 2014	99	98	-	-
Year 2013	86	86	-	-
Year 2012	71	71	-	-
Year 2011	57	57	-	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

32 Provisions

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Provision for litigation	45,847,573	45,847,573	45,847,573	45,847,573
Provision for losses on construction project	30,800,523	66,518,164	30,800,523	66,518,164
Estimated loss under joint venture agreement	-	66,464,708	-	66,464,708
Total	<u>76,648,096</u>	<u>178,830,445</u>	<u>76,648,096</u>	<u>178,830,445</u>
As at 31 December				
Current	30,800,523	66,518,164	30,800,523	66,518,164
Non-current	45,847,573	112,312,281	45,847,573	112,312,281
Total	<u>76,648,096</u>	<u>178,830,445</u>	<u>76,648,096</u>	<u>178,830,445</u>

The Board of Directors Meeting held on 8 December 2015, resolved to reverse of estimated loss under joint venture agreement in the amount of Baht 66 million because the Central Bankruptcy Court ordered Mivan (Thailand) Co.,Ltd to be a bankrupt.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Movements for the years ended 31 December 2015 and 2014 were as follows:

	Consolidated and Separate financial statements						Total	
	Provision for litigation		Provision for losses on		Estimated loss under joint		2015	2014
	2015	2014	2015	2014	2015	2014		
					(Baht)			
At 1 January	45,847,573	-	66,518,164	10,970,000	66,464,708	42,632,072	178,830,445	53,602,072
Provision made	-	45,847,573	19,998,541	61,708,164	-	23,832,636	19,998,541	131,388,373
Used in provision	-	-	(55,716,182)	(6,160,000)	(66,464,708)	-	(122,180,890)	(6,160,000)
At 31 December	<u>45,847,573</u>	<u>45,847,573</u>	<u>30,800,523</u>	<u>66,518,164</u>	<u>-</u>	<u>66,464,708</u>	<u>76,648,096</u>	<u>178,830,445</u>

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Provision for losses on Construction project

As at 31 December 2015 and 2014, the Company recognized loss on construction project in the amount of Baht 31 million and Baht 67 million, respectively, in the consolidated and separate financial statements.

Estimated losses under joint venture agreement

As at 31 December 2015 and 2014, the Company recognized the estimated losses under joint venture agreement to outsider, which was based on the proportionate share of the entities, was summarized as follows:

	Consolidated and Separate financial statements	
	2015	2014
	<i>(in Baht)</i>	
Syntec –Mivan Joint venture	-	66,464,708
Total	-	66,464,708

Please also see note 5 and 48 to the financial statements.

33 Share capital

	Consolidated and separate financial statements				
		2015		2014	
	<i>Par value (Baht)</i>	Number	Amount	Number	Amount
<i>(in million shares / in million Baht)</i>					
Authorized share capital					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At 31 December					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
Issued and paid up					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At 31 December					
- Ordinary shares	<i>1</i>	1,600	1,600	1,600	1,600

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

34 Reserves

Reserves comprise :

Appropriation of profit and / or retained earnings.

Legal reserve

Section 116 of the Public Companies Act B.E. 1992 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

The Company appropriated legal reserve at 5% of net profit for 2015 and 2014 amounting to Baht 32.99 million and Baht 19.47 million, respectively.

Movements in the reserves

Movements in the reserves are shown in the statement of changes in equity

Other components of equity

Fair value changes of available-for-sale investments

Fair value changes of available-for-sale investments in the shareholders’ equity comprises the cumulative net changes in the fair value of available-for-sale investments until the investments are derecognized or impaired.

35 Segment information

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

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

The Group / Company comprise the 3 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.

Geographical segments

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Business segment results

	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2015	2014	2015	2014	2015	2014	2015	2014
For the year ended 31 December	<i>(in million Baht)</i>							
External revenue	7,233	6,992	150	109	31	36	7,414	7,137
Inter-segment revenue	(9)	(17)	-	-	(31)	(36)	(40)	(53)
Total revenues	7,224	6,975	150	109	-	-	7,374	7,084
Interest income	11	23	-	-	-	-	11	23
Interest expense	39	47	6	-	-	-	45	47
Depreciation and amortization	169	157	40	22	-	-	209	179
Profit segment before tax income	671	437	7	32	(32)	(36)	646	433
Assets for reportable Property, plant and equipment	5,636	5,050	1,077	1,051	9	5	6,722	6,106
Leasehold right	877	904	672	618	1	1	1,550	1,523
Liabilities for reportable	-	-	350	371	-	-	350	371
Liabilities for reportable	2,874	2,878	234	219	2	2	3,110	3,099

Reconciliation of reportable segment profit or loss, assets and liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Profit or loss				
Total profit for reportable segment	652	447	678	453
Elimination of inter-segment profits	(6)	(14)	-	-
Profit before income tax	646	433	678	453
Assets				
Total assets for reportable segments asset as reported	5,172	4,582	5,242	4,759
Investment in subsidiary	-	-	211	127
Property, plant and equipment	1,550	1,523	919	930
Total assets	6,722	6,105	6,372	5,816
Liabilities				
Total liabilities for reportable segments liabilities as reported	3,110	3,099	2,898	2,903
Other liabilities	-	-	-	-
Total liabilities	3,110	3,099	2,898	2,903

Major customers

Revenue from one customer of the Company's segment 1 for the years 2015 and 2014 approximately Baht 1,577 million and Baht 1,724 million, respectively.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

36 Other income

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Sales of construction materials	67,270,809	-	67,270,809	-
Sale of rendering of service and other income	6,394,551	-	8,240,788	9,208,387
Bad debts recovery	-	21,449,377	-	21,449,377
Gain on revaluation of current investment	6,950,364	1,335,573	6,950,364	1,335,573
Others	13,833,757	6,956,450	9,930,570	12,597,696
Total	94,449,481	29,741,400	92,392,531	44,591,033

37 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Tendering cost	2,369,081	1,033,573	412,792	561,856
Total	2,369,081	1,033,573	412,792	561,856

38 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Personnel	215,215,159	202,518,800	208,175,188	197,124,510
Consulting and professional	25,439,312	17,546,191	17,579,082	15,180,044
Entertainment	28,044,731	21,010,859	27,810,832	20,840,446
Depreciation and amortization	16,089,509	18,995,938	15,903,214	18,809,884
Travelling	2,652,740	384,019	1,666,192	346,647
Vehicle	2,954,889	3,101,454	2,785,109	3,078,849
Bank charge	2,321,141	2,919,126	2,223,622	2,844,585
Foreign exchange loss	1,280,320	85,865	1,280,320	85,865
Others	97,944,394	67,315,731	86,552,021	60,740,302
Total	391,942,195	333,877,983	363,975,580	319,051,132

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

39 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<i>Management</i>				
Salaries and bonuses	43,697,974	40,370,914	34,153,773	31,364,625
Others	4,531,441	3,831,116	4,531,441	3,831,116
	<u>48,229,415</u>	<u>44,202,030</u>	<u>38,685,214</u>	<u>35,195,741</u>
<i>Other employees</i>				
Salaries wages and bonuses	455,223,141	456,201,098	447,274,346	447,826,106
Others	37,186,612	36,647,511	33,529,305	33,529,305
	<u>492,409,753</u>	<u>492,848,609</u>	<u>480,803,651</u>	<u>481,355,411</u>
Total	<u>540,639,168</u>	<u>537,050,639</u>	<u>519,488,865</u>	<u>516,551,152</u>

Partial employee benefit expenses were included in cost of construction.

Management and directors benefit expenses were included in statements of comprehensive income as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Cost of construction	14,236,660	13,684,900	14,236,660	13,684,900
Cost of room service	9,544,201	9,006,289	-	-
Administrative expenses	24,448,554	21,510,841	24,448,554	21,510,841
Total	<u>48,229,415</u>	<u>44,202,030</u>	<u>38,685,214</u>	<u>35,195,741</u>

Provident funds

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 5% of their basic salaries and by the Company at rates ranging from 3% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2015

40 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Raw material and consumables used	1,821	1,638	1,821	1,638
Cost of room service	105	80	84	92
Subcontractor cost	2,653	2,576	2,654	2,576
Employee and workers expenses	1,199	1,293	1,189	1,281
Depreciation and amortization expenses	210	179	192	178
Management benefit expenses	48	44	39	35
Doubtful debts expense	14	12	14	12
Provision for loss on litigation	-	46	-	46
Provision for loss on construction project	-	61	-	61
Estimated loss under joint venture agreements	-	24	-	24
Other expenses	633	650	637	657
Finance costs	45	47	39	47
Total	6,728	6,650	6,669	6,647

41 Other expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Doubtful debts expense	13,774,703	12,384,219	13,774,703	12,384,219
Provision for loss on litigation	-	45,847,573	-	45,847,573
Loss on written off of equipment	33,609,681	-	33,609,681	-
Estimated loss under joint venture agreements	-	23,832,636	-	23,832,636
Total	47,384,384	82,064,428	47,384,384	82,064,428

42 Finance costs

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Interest expense	50,560,443	51,995,492	39,353,220	47,444,923
Less amounts included in the cost of qualifying assets:				
- Construction contracts work in progress	(5,690,770)	(4,550,569)	-	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Net	<u>44,869,673</u>	<u>47,444,923</u>	<u>39,353,220</u>	<u>47,444,923</u>
43	(Income) income tax expense				

Income tax expense (income) recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Current tax expense				
Current year	-	80	-	80
Deferred tax expense (income)				
Change of temporary differences	19	(12)	19	(12)
Total income tax expense (income)	19	68	19	68

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate %	2015 <i>(in million Baht)</i>	Rate %	2014 <i>(in million Baht)</i>
Profit (loss) before income tax expense	20	646	20	433
Income tax using the Thai corporation tax rate		129		87
Increased taxable expenses		(124)		-
Expenses not deductible for tax		144		10
Current year losses for which no deferred tax asset was recognized		4		8
Others		(134)		(37)
Total		19		68

	Separate financial statements			
	Rate %	2015 <i>(in million Baht)</i>	Rate %	2014 <i>(in million Baht)</i>
Profit (loss) before income tax expense	20	678	20	452
Income tax using the Thai corporation tax rate		136		90
Increased taxable expenses		(124)		-
Expenses not deductible for tax		144		10
Current year losses for which no deferred tax asset was recognized		4		8
Others		(141)		(40)
Total		19		68

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods (2013 and 2014) which begin on or after 1 January 2013 and 2014, respectively.

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants and order to maintain the corporate income tax rate at 20% for the accounting periods which begins on or after 1 January 2015 until 31 December 2015.

The Group / the Company has applied the reduced tax rate of 20% in the determining of deferred tax assets and liabilities as at 31 December 2015 and 2014 based upon the FAP's clarification issued in 2012. On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

The Group / the Company has applied the reduced tax rate 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014.

44 Earnings per share

Basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholder of the Company and the number of ordinary shares outstanding during the years calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to equity holders of the Company (comprehensive income (basic)) (Baht)	640,217,080	367,940,441	659,818,702	384,995,309
Number of ordinary shares outstanding (shares)	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Basic earnings per share (Baht)	0.40	0.23	0.41	0.24

45 Dividends

The Board of Directors Meeting held on 14 August 2015 resolved the approval of interim dividends from the Company's performance for the period from 1 January 2015 to 30 September 2015 at the rate of Baht 0.03 per share totaling Baht 48 million. The interim dividend was paid to shareholders on 14 September 2015.

The Ordinary General Meeting of Shareholders held on 29 April 2015 resolved the approval of dividends from the Company's result of operations for the period from 1 January 2014 to 31 December 2014 at the rate of Baht 0.07 per share totalling Baht 112 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 2014 to 30 September 2014 at the rate of Baht 0.02 per share totaling Baht 32 million remaining Baht 80 million, requiring making the payment on 27 May 2015.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

The Ordinary General Meeting of Shareholders held on 29 April 2014 resolved the approval of dividends from profit for the period from 1 January 2013 to 31 December 2013 and retained earnings at the rate of Baht 0.05 per share amounting to Baht 80 million and the Company paid dividend to shareholders on 19 May 2014.

The Board of Directors Meeting held on 13 August 2014 resolved the approval of interim dividends from the Company's performance for the period from 1 January 2014 to 30 June 2014 at the rate of Baht 0.02 per share totaling Baht 32 million and the interim dividend was paid to shareholders on 10 September 2014.

46 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company do not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group/Company does not use derivative financial instruments to manage those exposures.

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Effective interest rate (% per annum)	Consolidated financial statements			Total
Within 1 year		After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years		
2015					
Current					
Cash and cash equivalents	0.26	644	-	-	644
Current investments	1.63	918	-	-	918
Bank overdrafts and short-term loans from financial institutions	3.83	(163)	-	-	(163)
Creditors under rehabilitation plan	-	(27)	-	-	(27)
Long-term loans	5.36	(366)	-	-	(366)
Finance lease liabilities	5.74	(34)	-	-	(34)
Non current					
Pledged deposits at the banks	0.79	-	237	-	237
Long-term loans	5.36	-	(190)	-	(190)
Finance lease liabilities	5.74	-	(30)	-	(30)
Total		972	17	-	989
2014					
Current					
Cash and cash equivalents	0.44	389	-	-	389
Current investments	4.70	761	-	-	761
Bank overdrafts and short-term loans from financial institutions	4.06	(160)	-	-	(160)
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Long-term loans	5.67	(175)	-	-	(175)
Finance lease liabilities	6.06	(46)	-	-	(46)
Non current					
Pledged deposits at the banks	1.40	-	179	-	179
Long-term loans	5.67	-	(527)	-	(527)
Finance lease liabilities	6.06	-	(64)	-	(64)
Total		739	(412)	-	327

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Effective interest rate (% per annum)	Separate financial statements			Total
Within 1 year		After 1 year but within 5 years	After 5 years		
(in million Baht)					
2015					
Current					
Cash and cash equivalent	0.26	615	-	-	615
Current investments	1.63	918	-	-	918
Bank overdrafts and short-term loans from financial institutions	3.86	(160)	-	-	(160)
Creditors under rehabilitation plan	-	(27)	-	-	(27)
Long-term loans	6.44	(350)	-	-	(350)
Finance lease liabilities	5.74	(34)	-	-	(34)
Non current					
Long-term loans	4.85	-	85	-	85
Pledged deposits at the banks	0.79	-	237	-	237
Finance lease liabilities	5.74	-	(30)	-	(30)
Total		962	292	-	1,254
2014					
Current					
Cash and cash equivalent	0.43	366	-	-	366
Current investments	4.70	761	-	-	761
Bank overdrafts and short-term loans from financial institutions	4.06	(160)	-	-	(160)
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Long-term loans	5.67	(175)	-	-	(175)
Finance lease liabilities	6.06	(46)	-	-	(46)
Non current					
Long-term loans	4.75	-	200	-	200
Pledged deposits at the banks	1.40	-	179	-	179
Long-term loans	5.67	-	(350)	-	(350)
Finance lease liabilities	6.06	-	(64)	-	(64)
Total		716	(35)	-	681

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Foreign currency risk

The Company is exposed to foreign currency risk relating to creditors denominated in foreign currencies of which is immaterial, however, the Company does not utilize any forward exchange contracts. As at 31 December 2015 and 2014, the Company had creditors denominated in the following currencies: -

	2015	2014
	<i>(in million Dollars)</i>	
Foreign currencies		
United States Dollars	<u>0.43</u>	<u>0.52</u>

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group / Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers, historical payment and legal opinion analysis, requiring credit over a certain amount. Collection in advance before starting projects and collection based on the completion of work are performed. The exposure to credit risk is represented by the carrying amount less an allowance for doubtful accounts in the reporting date as described in note 8 to the financial statement. However, due to the large number of parties comprising the Group's / Company's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

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

Determination of fair values

Fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position sheets at 31 December were as follows:

	Consolidated financial statements				
	Book Value	Level	Fair Value Level	Level	Total
		1	2	3	
		(in million Baht)			
31 December 2015 :					
Current					
Deposit at the financial institutions	644	644	-	-	644
Current investments	918	918	-	-	918
Trade accounts receivable	1,002	-	-	1,002	1,002

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Book Value	Consolidated financial statements			Total
		Fair Value			
		Level	Level	Level	
		1	2	3	
<i>(in million Baht)</i>					
Other receivables	42	-	-	42	42
Retention receivables under construction contracts	508	-	-	508	508
Unbilled construction in progress	476	-	-	476	476
Advance payments to subcontractors	96	-	-	96	96
Bank overdrafts and short-term loans from financial institutions	(163)	-	-	(163)	(163)
Trade accounts payable	(339)	-	-	(339)	(339)
Other payables	(751)	-	-	(751)	(751)
Creditors under rehabilitation plan	(27)	-	-	(27)	(27)
Current portion of long-term loans	(366)	-	-	(366)	(366)
Finance lease liabilities	(34)	-	-	(34)	(34)
Advances received from customers under construction contracts	(563)	-	-	(563)	(563)
Retentions payables from subcontractors	(304)	-	-	(304)	(304)
Undue value added tax	(99)	-	-	(99)	(99)
Non-current					
Other equity securities	393	393	-	-	393
Withholding tax	209	-	-	209	209
Pledged deposits at the banks	237	237	-	-	237
Long-term loans	190	-	-	190	190
Finance lease liabilities	30	-	-	30	30
Employee benefit obligations	117	-	-	117	117
Total	2,216	2,192	-	24	2,216

		Separate financial statements			
	Book Value	Level	Fair Value		
		1	2	Level 3	Total
		(in million Baht)			
31 December 2015 :					
Current					
Deposit at the financial institutions	615	615	-	-	615
Current investments	918	918	-	-	918
Trade accounts receivable	999	-	-	999	999
Other receivables	61	-	-	61	61
Retention receivables under construction contracts	508	-	-	508	508
Unbilled construction in progress	476	-	-	476	476
Advance payments to subcontractors	96	-	-	96	96
Bank overdrafts and short-term loans from financial institutions	(160)	-	-	(160)	(160)
Trade accounts payable	(339)	-	-	(339)	(339)
Other payables	(750)	-	-	(750)	(750)

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

		Separate financial statements			
	Book Value	Level	Fair Value Level	Level	Total
		1	2	3	
		(in million Baht)			
Creditors under rehabilitation plan	(27)	-	-	(27)	(27)
Current portion of long-term loans	(350)	-	-	(350)	(350)
Finance lease liabilities	(34)	-	-	(34)	(34)
Advances received from customers under construction contracts	(562)	-	-	(562)	(562)
Retentions payables from subcontractors	(304)	-	-	(304)	(304)
Undue value added tax	(99)	-	-	(99)	(99)
Non-current					
Other equity securities	393	393	-	-	393
Long-term loans	85	-	-	85	85
Withholding tax	206	-	-	206	206
Pledged deposits at the banks	237	237	-	-	237
Finance lease liabilities	(30)	-	-	(30)	(30)
Employee benefit obligations	(115)	-	-	(115)	(115)
Total	1,824	2,163	-	339	1,824

31 December 2014

Fair value of financial assets and liabilities near carrying amount presented in the statements of financial position because of mainly the Group/Company's financial assets and liabilities are short-term in nature bear interest rates near market interest rates.

The fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position sheets at 31 December 2014, were as follows:

	Consolidated financial statements		Separate financial statements	
	Fair Value	Book Value	Fair Value	Book Value
	<i>(in million Baht)</i>			
Current				
Deposit at the financial institutions	389	389	365	365
Current investments	761	761	761	761
Trade accounts receivable	813	813	813	813
Other receivables	52	52	53	53
Retention receivables under construction contracts	584	584	584	584
Unbilled construction in progress	557	557	557	557
Advance payments to subcontractors	40	40	40	40
Bank overdrafts and short-term loans from financial institutions	(160)	(160)	(160)	(160)
Trade accounts payable	(498)	(498)	(484)	(484)
Other payables	(292)	(292)	(288)	(288)
Creditors under rehabilitation plan	(30)	(30)	(30)	(30)

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

Current portion of debentures	(175)	(175)	(175)	(175)
	Consolidated		Separate	
	financial statements		financial statements	
	Fair	Book	Fair	Book
	Value	Value	Value	Value
	<i>(in million Baht)</i>			
Finance lease liabilities	(46)	(46)	(46)	(46)
Advances received from customers				
under construction contracts	(624)	(624)	(624)	(624)
Retentions payables from subcontractors	(292)	(292)	(292)	(292)
Undue value added tax	(89)	(89)	(89)	(89)
Non-current				
Other equity securities	356	356	356	356
Withholding tax	128	128	127	127
Pledged deposits at the banks	179	179	179	179
Long-term loans	(527)	(527)	(350)	(350)
Finance lease liabilities	(64)	(64)	(64)	(64)
Employee benefit obligations	(99)	(99)	(98)	(98)
Total	<u>963</u>	<u>963</u>	<u>1,135</u>	<u>1,135</u>

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

47 Commitments with non-related parties

As at 31 December 2015, the Group's/the Company's commitments were as follows:

	Consolidated	Separate
	financial	financial
	statements	statements
	<i>(in million Baht)</i>	
Capital commitments		
<i>Not provide for</i>		
Condominium	4	4
Camp and other buildings	2	2
Cost of construction building for service room	636	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

	Consolidated financial statements (in million Baht)	Separate financial statements
<i>Other commitments</i>		
Pursuant to subcontractor agreement for the outstanding construction project	1,356	1,356
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	2,015	1,746
Total	4,013	3,108

As at 31 December 2015, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 4,337 million.

48 Contingent liabilities

As at 31 December 2015, contingent liabilities were as follows:

- The Company had contingent liabilities due to be sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 11 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. Subsequently, the Court ordered to combine the cases for consideration and make an appointment to take evidences on 4 May 2016.
- 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 29 February 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 a public company regarding false of agreement in the amount of Baht 12.13 million. Meanwhile the Company and venturer 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 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 venturer to settle to

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

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 29 February 2016, the case has been in the process of the Court's consideration, the result has not been finalized. 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 tort and claiming 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 29 February 2016, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 31 December 2015 the Company already recorded the provision on the above lawsuits amounting to Baht 14.05 million.

49 The rehabilitation plan of the Company

The rehabilitation plan of the Company dated 27 December 2000 and a petition to amend the Plan dated 7 February 2001, which were accepted by the meeting of creditors and approved by the Central Bankruptcy Court.

On 30 March 2001, the Central Bankruptcy Court ordered the appointment of Siam Syntech Planner Company Limited as the Company's Plan Administrator and the Company implemented under the rehabilitation. On 28 April 2003, the Central Bankruptcy Court ordered to cancel the Company's rehabilitation in accordance with the Bankruptcy Act. Therefore, the responsibility for managing the business operations and the debtors' assets were devolved to the debtors' management. The debtors' shareholders had legal rights from the announcement in the Government Gazette dated 1 July 2003 onwards. Pursuant to the rehabilitation plan requiring a period of 7 year, the Company had reached to the term of plan but the payment has not been complete. The outstanding creditors comprised Group 3 to certain Group 9 because the majority of creditors have not contacted for receiving claims.

50 Pledged assets

As at 31 December 2015 and 2014, the Company's cash at banks of Baht 237 million and Baht 179 million, respectively, was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks and guarantee to the Court for the settle debt to a creditor as the Court's judgment.

As at 31 December 2014, debt securities held to maturity represented debenture of a domestic commercial bank amounted to Baht 35 million which were used as collateral for guarantee on the payment and obligations of the Company pursuant to the pledge contract dated on 22 May 2012.

As at 31 December 2015 and 2014, investment properties, land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 146 million and Baht 148 million, respectively, including of indemnity from fire insurance of those

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

assets were mortgaged as collateral for loans from banks issuance of the letter of guarantee from banks, other short-term loans and other long-term loans from others pursuant to the mortgage agreements dated 28 May 2003, 8 May 2008 and 28 July 2009 in the credit line amounting to Baht 1,256 million and Baht 556 million, respectively.

As at 31 December 2015 and 2014, land of a subsidiary (SCR Asset Management Co., Ltd.) of Baht 165 million with structures to be constructed in future are mortgaged as collateral with a domestic commercial bank in accordance with the mortgage agreement dated 12 June 2014 in the credit line amounting to Baht 229 million.

51 Events after the reporting period

On 6 January 2016, The Company obtained an share allotment of Bangkok Expressway & Metro Pcl. (“BEM”), in the ratio of 1 existing share of Bangkok Metro Pcl.(“BMCL”) to 0.42050530 new shares in the Bangkok Expressway & Metro Pcl. (“BEM”), equal to 75,171,402 shares.

The Board of Directors held on 25 January 2016, resolved unanimously the following matters:

- To provide financial support to CSM Capital Partners Co.,Ltd (“a subsidiary”) for working capital in the amount of Baht 60 million.
- To determine CSM Capital Partners Co., Ltd. enter an auction of suite of project “Eight Thonglor Residence” and enter into a purchase and sale agreement together with put a deposit in the amount of Baht 50 million. The purchase and sale agreement will be effective when unit holders of the project approve for sale.

52 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company’s operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below.

TFRS	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

TFRS	Topic	Year effective
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41 (revised 2015)	Agriculture	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10(revised 2015)	Consolidated Financial Statements	2016
TFRS 11(revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13(revised 2015)	Fair Value Measurement	2016
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets—Web Site Costs	2016
TFRIC 1(revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2015

TFRS	Topic	Year effective
TFRIC 17 (revised 2015)	Distributions of Non-cash Asset to Owners	2016
The Company has made a preliminary assessment of the potential initial impact on the Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application except the following new and revised TFRS :		