

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

Financial statements for the year ended  
31 December 2014  
and  
Independent Auditor's Report

## **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 2014, 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 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

*Other matter*

The financial statements of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively for the year ended 31 December 2013, were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 February 2014.

(Manit Warakitjaporn)  
Certified Public Accountant  
Registration Number 7326

NPS Siam Audit Limited  
Bangkok  
2 March 2015

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2014

Assets	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	6	388,998,276	909,032,939	365,562,712	842,672,542
Current investments	7, 50	761,336,984	60,108,284	761,336,984	60,108,284
Trade accounts receivable	8	835,670,453	643,789,615	812,670,233	620,789,395
Other receivables	5, 9	52,559,273	55,198,524	52,573,569	56,500,439
Retention receivables under construction contracts	10	616,275,654	545,925,508	584,346,581	513,996,436
Unbilled construction work in progress	11	557,048,206	752,538,246	557,048,206	752,538,246
Inventories	12	180,913,430	110,909,248	180,913,430	110,715,665
Advance payments to subcontractors	13	39,813,916	40,066,195	39,813,916	40,066,195
Other current assets		391,323	391,323	-	-
<b>Total current assets</b>		<b>3,433,007,515</b>	<b>3,117,959,882</b>	<b>3,354,265,631</b>	<b>2,997,387,202</b>
<b>Non-current assets</b>					
Investment in subsidiary	5, 14	-	-	127,349,400	100,349,400
Investments in associates	5, 15	357,472	383,660	-	-
Other long-term investments	5, 16	355,741,271	277,764,458	355,741,271	277,764,458
Long-term loans	5, 17	-	-	200,000,000	-
Investment properties	18	100,820,198	101,560,072	100,820,198	101,560,072
Property, plant and equipment	5, 19, 40, 50	1,527,680,975	1,113,051,961	930,170,190	910,703,142
Leasehold right	20	370,557,400	390,741,900	370,557,400	390,741,900
Intangible assets	21	910,109	1,343,748	910,109	1,343,748
Withholding tax		128,427,811	196,640,712	126,580,254	196,391,310
Pledged deposits at the banks	23, 50	179,095,236	152,700,639	179,095,236	152,700,639
Deferred tax assets	22, 43	-	6,008,432	-	6,008,432
Other non-current assets	24	83,691,189	90,660,731	70,516,157	77,734,797
<b>Total non-current assets</b>		<b>2,747,281,661</b>	<b>2,330,856,313</b>	<b>2,461,740,215</b>	<b>2,215,297,898</b>
<b>Total Assets</b>		<b>6,180,289,176</b>	<b>5,448,816,195</b>	<b>5,816,005,846</b>	<b>5,212,685,100</b>

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2014

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in Baht)			
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	25	160,000,000	398,989,411	160,000,000	333,101,423
Trade accounts payable	5, 26	544,252,561	429,775,668	484,305,193	381,126,787
Other payables	5, 27	350,679,396	341,894,190	287,503,909	278,478,708
Current portion of creditor under rehabilitation plan	28	29,745,536	29,659,671	29,745,536	29,659,671
Current portion of long-term loans	29, 50	175,000,000	-	175,000,000	-
Current portion of finance lease liabilities	30	46,085,350	39,737,805	46,085,350	39,737,805
Advances received from customers					
under construction contracts	11	624,077,241	547,689,717	624,077,241	547,689,717
Retention payables from subcontractors		292,046,814	248,477,329	291,673,341	247,965,165
Undue value added tax		94,512,627	97,249,910	89,158,426	91,895,709
Short-term provisions	32	66,518,164	10,970,000	66,518,164	10,970,000
Other current liabilities		8,669,419	7,110,829	8,669,419	7,110,829
<b>Total current liabilities</b>		<b>2,391,587,108</b>	<b>2,151,554,530</b>	<b>2,262,736,579</b>	<b>1,967,735,814</b>
<b>Non-current liabilities</b>					
Long-term loans	29, 50	527,286,100	525,000,000	350,000,000	525,000,000
Finance lease liabilities	30	63,746,552	114,168,417	63,746,552	114,168,417
Deffered tax liabilities	22, 43	16,415,766	7,472,442	16,415,766	7,472,442
Employee benefit obligations	31	99,045,426	85,994,066	98,040,522	85,811,485
Long-term provisions	4, 32	45,847,573	-	112,312,281	42,632,072
<b>Total non-current liabilities</b>		<b>752,341,417</b>	<b>732,634,925</b>	<b>640,515,121</b>	<b>775,084,416</b>
<b>Total liabilities</b>		<b>3,143,928,525</b>	<b>2,884,189,455</b>	<b>2,903,251,700</b>	<b>2,742,820,230</b>
<b>Equity</b>					
Share capital	33				
Authorized share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Issued and paid-up share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Premium on shares					
Premium on ordinary shares	33	23,744	23,744	23,744	23,744
Retained earnings					
Appropriated					
Legal reserve	34	80,748,628	61,281,102	80,748,628	61,281,102
Unappropriated	45	1,136,823,583	871,661,777	1,124,786,847	866,903,178
Other components of equity	5, 16, 34	107,194,927	(58,343,154)	107,194,927	(58,343,154)
<b>Total equity attributable to owners of the Company</b>		<b>2,924,790,882</b>	<b>2,474,623,469</b>	<b>2,912,754,146</b>	<b>2,469,864,870</b>
Non-controlling interests		111,569,769	90,003,271	-	-
<b>Total equity</b>		<b>3,036,360,651</b>	<b>2,564,626,740</b>	<b>2,912,754,146</b>	<b>2,469,864,870</b>
<b>Total liabilities and equity</b>		<b>6,180,289,176</b>	<b>5,448,816,195</b>	<b>5,816,005,846</b>	<b>5,212,685,100</b>

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the year ended 31 December 2014

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2014	2013	2014	2013
		(in Baht)			
<b>Revenues</b>					
Revenue from construction		6,888,858,993	6,176,588,171	6,888,858,993	6,176,588,171
Revenue from room service		104,888,879	22,755,075	104,888,879	22,755,075
Interest income	5	22,708,828	8,635,433	23,937,779	8,461,357
Gain on sale of available-for-sale securities	5, 16	34,210,000	-	34,210,000	-
Reversal of allowance for doubtful accounts	8, 9, 10	3,457,581	16,441,202	3,457,581	19,821,202
Gain on disposal and write-off of equipment		-	10,254,637	-	10,254,637
Other income	5, 36	29,563,152	4,466,184	44,591,033	7,894,937
<b>Total revenues</b>		<b>7,083,687,433</b>	<b>6,239,140,702</b>	<b>7,099,944,265</b>	<b>6,245,775,379</b>
<b>Expenses</b>					
Cost of construction	19, 32, 40	6,105,841,142	5,671,513,602	6,105,841,142	5,680,707,799
Cost of room service	5, 20	80,420,223	15,434,750	92,337,100	19,432,988
Selling expenses	37	1,033,573	1,414,666	561,856	1,229,216
Administrative expenses	5, 18, 19, 21, 31, 38, 40	334,964,175	288,495,754	314,695,921	277,081,517
Loss on sale of available-for-sale investments	5, 16	-	127,346,816	-	127,346,816
Other expenses	41	52,113,679	15,337,418	82,064,428	24,932,891
Finance costs	42	47,444,923	48,575,170	47,444,923	48,575,170
<b>Total expenses</b>		<b>6,621,817,715</b>	<b>6,168,118,176</b>	<b>6,642,945,370</b>	<b>6,179,306,397</b>
Share of loss of investments in associates	5, 15	(26,188)	(25,140)	-	-
<b>Profit before income tax expense</b>		<b>461,843,530</b>	<b>70,997,386</b>	<b>456,998,895</b>	<b>66,468,982</b>
Income tax expense (income)	22, 43	67,648,374	(8,097,220)	67,648,374	(8,097,220)
<b>Profit for the year</b>		<b>394,195,156</b>	<b>79,094,606</b>	<b>389,350,521</b>	<b>74,566,202</b>
<b>Other comprehensive income (loss)</b>					
Profit (loss) in fair value of available-for-sale (net of income tax)	16	107,194,927	(58,343,154)	107,194,927	(58,343,154)
Other comprehensive income (loss) for the year		107,194,927	(58,343,154)	107,194,927	(58,343,154)
<b>Total comprehensive income (loss) for the year</b>		<b>501,390,083</b>	<b>20,751,452</b>	<b>496,545,448</b>	<b>16,223,048</b>
<b>Profit (loss) attributable to :-</b>					
Owners of the parent		396,628,658	80,599,445	389,350,521	74,566,202
Non - controlling interests		(2,433,502)	(1,504,839)	-	-
		<b>394,195,156</b>	<b>79,094,606</b>	<b>389,350,521</b>	<b>74,566,202</b>
<b>Total comprehensive income (loss) attributable to :-</b>					
Owners of the parent		503,823,585	22,256,291	496,545,448	16,223,048
Non - controlling interests		(2,433,502)	(1,504,839)	-	-
		<b>501,390,083</b>	<b>20,751,452</b>	<b>496,545,448</b>	<b>16,223,048</b>
<b>Earnings per share</b>					
Basic	44	<b>0.25</b>	<b>0.05</b>	<b>0.24</b>	<b>0.05</b>

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 2014**

<b>Consolidated financial statements</b>								
<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	<i>Retained earnings</i>		Other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments			
<i>(in Baht)</i>								
<b>Balance at 1 January 2013</b>	<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>794,790,642</b>	<b>(303,143,373)</b>	<b>2,149,223,805</b>	<b>47,857,510</b>	<b>2,197,081,315</b>
Non-controlling interests	-	-	-	-	-	-	43,650,600	43,650,600
<b>Changes in equity for the year</b>								
Net change in fair value of available-for-sale investments decreased	-	-	-	-	303,143,373	303,143,373	-	303,143,373
Transfer to legal reserve	-	-	3,728,310	(3,728,310)	-	-	-	-
Comprehensive income (loss) for the year	-	-	-	80,599,445	(58,343,154)	22,256,291	(1,504,839)	20,751,452
<b>Balance at 31 December 2013</b>	<b>1,600,000,000</b>	<b>23,744</b>	<b>61,281,102</b>	<b>871,661,777</b>	<b>(58,343,154)</b>	<b>2,474,623,469</b>	<b>90,003,271</b>	<b>2,564,626,740</b>
<b>Balance at 1 January 2014</b>	<b>1,600,000,000</b>	<b>23,744</b>	<b>61,281,102</b>	<b>871,661,777</b>	<b>(58,343,154)</b>	<b>2,474,623,469</b>	<b>90,003,271</b>	<b>2,564,626,740</b>
Non-controlling interests	-	-	-	-	-	-	24,000,000	24,000,000
<b>Changes in equity for the year</b>								
Net change in fair value of available-for-sale investments decreased	-	-	-	-	58,343,154	58,343,154	-	58,343,154
Transfer to legal reserve	-	-	19,467,526	(19,467,526)	-	-	-	-
Dividends	-	-	-	(111,999,326)	-	(111,999,326)	-	(111,999,326)
Comprehensive income (loss) for the year	-	-	-	396,628,658	107,194,927	503,823,585	(2,433,502)	501,390,083
<b>Balance at 31 December 2014</b>	<b>1,600,000,000</b>	<b>23,744</b>	<b>80,748,628</b>	<b>1,136,823,583</b>	<b>107,194,927</b>	<b>2,924,790,882</b>	<b>111,569,769</b>	<b>3,036,360,651</b>

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 2014**

	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Separate financial statements		Other components of equity Net change in fair value of available-for-sale investments	Total equity
				<i>Retained earnings</i>			
				Legal reserve	Unappropriated		
<i>(in Baht)</i>							
<b>Balance at 1 January 2013</b>		<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>796,065,286</b>	<b>(303,143,373)</b>	<b>2,150,498,449</b>
<b>Changes in equity for the year</b>							
Net change in fair value of available-for-sale investments decreased		-	-	-	-	303,143,373	303,143,373
Transfer to legal reserve	34	-	-	3,728,310	(3,728,310)	-	-
Comprehensive income (loss) for the year		-	-	-	74,566,202	(58,343,154)	16,223,048
<b>Balance at 31 December 2013</b>		<b>1,600,000,000</b>	<b>23,744</b>	<b>61,281,102</b>	<b>866,903,178</b>	<b>(58,343,154)</b>	<b>2,469,864,870</b>
<b>Balance at 1 January 2014</b>		<b>1,600,000,000</b>	<b>23,744</b>	<b>61,281,102</b>	<b>866,903,178</b>	<b>(58,343,154)</b>	<b>2,469,864,870</b>
<b>Changes in equity for the year</b>							
Net change in fair value of available-for-sale investments decreased		-	-	-	-	58,343,154	58,343,154
Transfer to legal reserve	34	-	-	19,467,526	(19,467,526)	-	-
Dividends	45	-	-	-	(111,999,326)	-	(111,999,326)
Comprehensive income (loss) for the year		-	-	-	389,350,521	107,194,927	496,545,448
<b>Balance at 31 December 2014</b>		<b>1,600,000,000</b>	<b>23,744</b>	<b>80,748,628</b>	<b>1,124,786,847</b>	<b>107,194,927</b>	<b>2,912,754,146</b>



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

**Statements of cash flows**

**For the year ended 31 December 2014**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2014	2013	2014	2013
		<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		394,195,156	79,094,606	389,350,521	74,566,202
<b><i>Adjustments for</i></b>					
Reversal of allowance for doubtful accounts		(10,643,558)	(16,441,202)	(10,643,558)	(19,821,202)
Doubtful debt expenses		6,266,106	15,337,418	12,384,219	21,363,912
Depreciation and amortization		178,675,282	119,486,523	178,489,201	127,199,379
Interest income		(22,708,828)	(8,635,433)	(23,937,779)	(8,461,357)
Interest expense		47,444,923	48,575,170	47,444,923	48,575,170
Gain on revaluation of current investment		(1,335,573)	-	(1,335,573)	-
(Gain) loss on disposal and written off of equipment		1,642,298	(10,254,637)	1,598,732	(10,254,637)
Unrealized loss on exchange rate		85,865	1,138,526	85,865	1,138,526
(Gain) loss on sale of available-for-sale investments		(34,210,000)	127,346,816	(34,210,000)	127,346,816
Allowance for impairment of assets		-	64,543	-	-
Share of loss of investments in associates		26,188	25,140	-	-
Provision for losses on litigations		45,847,573	-	45,847,573	-
Provision for losses on constructions project		61,708,164	10,970,000	61,708,164	10,970,000
Estimated loss under joint venture agreements		-	-	23,832,636	3,568,979
Actuarial gains of defined benefit plans		(4,355,211)	-	(4,355,211)	-
Expense of employee benefits		17,406,571	15,327,865	16,584,248	15,145,284
Income tax expense (income)		67,648,374	(8,097,220)	67,648,374	(8,097,220)
		<u>747,693,330</u>	<u>373,938,115</u>	<u>770,492,335</u>	<u>383,239,852</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade accounts receivables		(190,909,314)	(95,215,604)	(190,909,314)	(95,215,604)
Other receivables		4,414,745	(12,115,214)	(415,751)	(19,672,633)
Retention receivables under					
construction contracts		(62,144,423)	27,263,349	(62,144,423)	27,263,349
Unbilled construction in progress		194,673,330	332,450,235	194,673,330	332,450,235
Inventories		(70,004,181)	29,340,155	(70,197,764)	29,533,738
Advance payments to subcontractors		252,279	(4,310,219)	252,279	(4,310,219)
Other non-current assets		7,008,283	15,092,408	7,210,477	15,109,744
Trade accounts payable		114,476,893	6,582,459	103,178,407	4,557,547
Other payables		8,778,520	201,994,162	9,018,514	197,069,204
Advances received from customers					
under construction contracts		76,387,523	142,936,756	76,387,523	142,936,756
Retention payable from subcontractors		43,569,486	58,343,659	43,708,176	58,281,298
Sale tax invoice - not due		(2,737,283)	-	(2,737,283)	-
Other current liabilities		1,558,590	(13,155,765)	1,558,590	(13,155,765)
Payment of short-term provisions		(6,160,000)	(5,144,177)	(6,160,000)	(5,144,177)
Payment of employee benefits		-	(599,500)	-	(599,500)
Cash provided by operating activities		<u>866,857,778</u>	<u>1,057,400,819</u>	<u>873,915,096</u>	<u>1,052,343,825</u>
Withholding income tax paid		(207,709,543)	(196,639,722)	(206,064,480)	(196,391,254)
Withholding income tax returned		<u>196,388,352</u>	<u>142,198,333</u>	<u>196,388,352</u>	<u>142,198,333</u>
<b>Net cash provided by operating activities</b>		<b><u>855,536,587</u></b>	<b><u>1,002,959,430</u></b>	<b><u>864,238,968</u></b>	<b><u>998,150,904</u></b>

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 2014

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
		(in Baht)			
<b>Cash flows from investing activities</b>					
Interest received		18,597,214	8,589,744	19,826,165	8,415,668
Purchase of current investments		(1,050,982,862)	(1,410,108,284)	(1,050,982,862)	(1,410,108,284)
Proceeds from current investments		386,089,735	1,410,172,701	386,089,735	1,410,172,701
Proceeds from available - for sale investments		113,570,000	332,170,546	113,570,000	332,170,546
Payment of long-term loans for subsidiary		-	-	(200,000,000)	-
Proceeds from sale of investment in subsidiary		-	-	-	350,000
Purchase of investment in subsidiary		-	-	(27,000,000)	(48,699,400)
Purchase of other long-term investments		-	(200,000,000)	-	(200,000,000)
Purchase of property, plant and equipment		(588,886,674)	(429,173,503)	(193,495,063)	(305,278,204)
Purchase of leasehold right		-	(395,000,000)	-	(395,000,000)
Purchase of intangible assets		(769,500)	(391,200)	(769,500)	(391,200)
Sales of equipment		16,067,594	16,257,448	16,067,595	16,257,448
Sales of intangible assets		-	40,000	-	40,000
Pledged deposits at bank		(26,394,598)	2,642,157	(26,394,598)	2,642,157
<b>Net cash used in investing activities</b>		<b>(1,132,709,091)</b>	<b>(664,800,391)</b>	<b>(963,088,528)</b>	<b>(589,428,568)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(49,091,886)	(39,597,307)	(49,091,886)	(38,100,971)
Dividends paid to shareholders of the Company		(111,992,641)	-	(111,992,641)	-
Bank overdrafts		(3,989,412)	(10,585,847)	(3,101,423)	(11,473,835)
Proceeds from short-term loan from financial institutions		450,000,000	665,000,000	450,000,000	600,000,000
Payment of short-term loans from financial institutions		(685,000,000)	(810,000,000)	(620,000,000)	(810,000,000)
Proceeds from long-term loans		177,286,100	525,000,000	-	525,000,000
Proceeds from non-controlling interests		24,000,000	43,650,600	-	-
Finance lease payment		(44,074,320)	(49,447,821)	(44,074,320)	(49,447,821)
<b>Net cash provided by (used in) financing activities</b>		<b>(242,862,159)</b>	<b>324,019,625</b>	<b>(378,260,270)</b>	<b>215,977,373</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(520,034,663)</b>	<b>662,178,664</b>	<b>(477,109,830)</b>	<b>624,699,709</b>
Cash and cash equivalents at 1 January	6	909,032,939	246,854,275	842,672,542	217,972,833
<b>Cash and cash equivalents at 31 December</b>	<b>6</b>	<b>388,998,276</b>	<b>909,032,939</b>	<b>365,562,712</b>	<b>842,672,542</b>

**Non-cash transactions**

Interest expense capitalized in cost of construction in progress	19	4,550,569	1,687,774	-	-
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The accompanying notes are an integral part of these financial statements.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 2 March 2015.

**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 2014 and 27 December 2013 were as follows:

	2014	2013
	<i>(% of total paid-up share capital)</i>	
Phahusuth Group and Taneehiranrat	19.57	15.17
Subandit Group	6.51	6.64

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

Details of the Company’s subsidiaries and joint ventures as at 31 December 2014 and 2013 were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Direct subsidiary</i>				
1) SCR Asset Management Co., Ltd.	Real estate development for rental (not commercial operations yet)	Thailand	52.00	52.00
2) Syntec Asset Management Co., Ltd.	Management business for hotel, service apartment and other properties (not commercial operations yet)	Thailand	54.97	54.97
3) Natural Ville Service Apartment and Management Co., Ltd.	Management personnel for hotel, service apartment and other properties	Thailand	99.97	99.97

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Joint ventures</i>				
1) SVK Joint venture	Construction (ceased operations)	Thailand	51.00	51.00
2) Syntec - Mivan Joint venture	Construction (end of construction contract)	Thailand	65.00	65.00

## 2 Basis of preparation of financial statements

### 2.1 Statement of compliance

The financial statements issued for Thai reporting purposes are prepared in the Thai language. The English translation of the standards has been prepared for the convenience of readers not conversant with the Thai language.

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

The FAP issued the new and revised Thai Financial Reporting Standards (“TFRS”) and Announcements relevant to the Group/Company’s operations and effective for accounting periods beginning on or after 1 January 2014 were as follows:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interest in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10	Interim Financial Reporting and Impairment

In addition to the above new and revised TFRS, as at 16 January 2015, the FAP has issued a number of new and revised TFRS which are effective for annual financial period beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements as disclosed in note 52 to the financial statements.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**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 judgements, 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 in the period in which estimates are revised and in any future periods affected.

Information about areas of estimation and significant assumptions in applying accounting policies that have the most significant effect on the amount recognised in the interim 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 30	Lease classification
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

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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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.

***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 as described in note 31 to the financial statements.

***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 The consolidated and separate financial statements for the years ended 31 December 2014 and 2013 included the investments and share of loss of investments in an associate, which had been accounted for by equity method of Baht 0.03 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 2014 and 2013 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 Significant accounting policies**

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



**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

**3.1 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 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.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiaries are allocated to non- controlling interests even if doing so causes the non- controlling interests to have a deficit balance.

*Joint ventures*

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group’s proportionate share of the entities’ assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

*Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group’s share of profit or loss and others comprehensive income of the company was invested after the update of the accounting policies of the group are the same from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount of investment is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

*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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Unrealized losses are eliminated in the same way as unrealized gains also, but only when there is evidence of impairment arise.

**3.2 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.

Effect of exchange rate differences arising from the change in the value. To be recognized as a gain or loss in the period.

**3.3 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.

**3.4 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.

**3.5 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.

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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.

**3.6 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.

**3.7 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 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.

**3.8 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.

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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*

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.

**3.9 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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**3.10 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*

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:

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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.

### **3.11 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 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.

### **3.12 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	5 Years
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**Syntec Construction Public Company Limited and its Subsidiaries**  
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**3.13 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 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 recognised 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.

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**3.14 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.

**3.15 Trade and other payables**

Trade and other payables are stated at cost.

**3.16 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 recognized as expenses when they incurred.

*b) Post – employment benefit plans*

The Group/Company operates a post-employment benefit from defined of contribution plans (with requirement of Provident Fund Act B.E. 2530) and employee benefits plan (employee retirement obligations with requirement of 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 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.

- *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 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 all actuarial gains or losses arising from defined benefit plans in profit or loss in the period in which then arise.

*c) Other long-term employee benefits*

The Company's obligation in respect of accrued bonuses is classified as long-term employee benefits other than retirement benefit plans, and is the amount of future benefit that employees have earned in return for their service in the current and prior periods.



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Actuarial gains and losses arising from other long-term benefits are recognised immediately in the profit or loss

*d) Termination benefits*

Termination benefits are recognised as an expense when the Group/Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate ployment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are cognised as an expense if the Group/Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

**3.17 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*

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. Penalties are recognized a provision 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*

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.

**3.18 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.

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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.

**3.19 Expenses**

*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 expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

*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.

Other expenses are recognized on the accrual basis.

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**3.20 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 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.

**3.21 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 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 jointly the documents for bidding the Eua- Arthorn Housing Project of National Housing Authority. The proportionate ventures were as follows:-

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

Syntec – Mivan Joint Venture had already finished its own construction and 3 projects amounted to 8,582 units were inspected by National Housing Authority. The retention for dilapidation of those projects was due in March 2012. As of 2 March 2015, the Company has been in the process of request the amount of retention from National Housing Authority and please see note 48 to the financial statements.

As of 2 March 2015, the above mentioned related company was insolvent and was sued by other creditors to be bankrupt.

The financial information of Syntec – Mivan Joint Venture was as follows:

Summary of statement of financial position information of Syntec - Mivan Joint Venture as at 31 December 2014 and 2013 were as follows:

	2014	2013
	<i>(in million Baht)</i>	
<b>Information of statement of financial position</b>		
Current assets	87	88
Non-current assets	20	20
<b>Total assets</b>	<b>107</b>	<b>108</b>
Current liabilities	794	787
Deficit in ventures’ equity	(687)	(679)
<b>Total liabilities net deficit in vetures’equity</b>	<b>107</b>	<b>108</b>

Summary of statements of comprehensive income information of Syntec – Mivan Joint Venture for the years ended 31 December 2014 and 2013 were as follows:

	2014	2013
	<i>(in million Baht)</i>	
<b>Information of statements of income</b>		
Total revenues	-	-
Total expenses	(8)	(9)
<b>Loss for the year</b>	<b>(8)</b>	<b>(9)</b>

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 and 2013, the Company recognized the estimated loss under joint venture agreement amounted to Baht 66 million and Baht 43 million, respectively in the separate financial statements as described in note 32 to the financial statements.

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**5 Related parties**

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

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
1. Natural Hotel Sukhumvit Co., Ltd.	Thailand	Associate, 25% shareholding
2. Beauconcept Development Sdn.Bhd.	-	Associate which ceased its operations and no financial information
3. SVK Joint venture	Thailand	Joint venture, 51% portion of joint which ceased its operations
4. Syntec – Mivan Joint venture	Thailand	Joint venture, 65% portion of joint which ceased its operations
5. SCR Asset Management Co., Ltd.	Thailand	Subsidiary, 52% shareholding and some common directors
6. Syntec Asset Management Co., Ltd.	Thailand	Subsidiary, 54.97% shareholding and some common directors
7. Natural Ville Service Apartment and Management Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding and some common directors
8. Bangkok Metro Plc.	Thailand	Related company, 0.87% and 1.18 % shareholding in 2014 and 2013
9. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venturer in Syntec-Mivan joint venture
10. Siam Syntec Planner Co., Ltd.	Thailand	Related company, some common directors
11. Tate Enterprise Co., Ltd.	Thailand	Related company
12. N&J Assets Management Co., Ltd.	Thailand	Related company
13. Narai Phand Co., Ltd.	Thailand	Related company
14. C.N.C. Building Co., Ltd.	Thailand	Related company
15. N & J Hospitality Co., Ltd.	Thailand	Related company
16. Pink Cafe Co., Ltd.	Thailand	Related company
17. Sale Series Co., Ltd.	Thailand	Related company
18. UOB Apartment Property Fund I (Leasehold)	Thailand	Related company, some common independent director with Natural Park Pcl. as unitholder of the Fund but not dealing with the Fund

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
19. 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:

	<b>Pricing policies</b>
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
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
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)

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b>Revenue</b>				
<b>Subsidiary</b>				
Sale of steel and others	-	-	5,200,993	3,430,599
Revenue for other service	-	-	10,256,237	-
Interest income	-	-	1,325,445	-
<b>Expenses</b>				
<b>Subsidiaries</b>				
Service apartment management expense	-	-	36,383,041	11,574,216

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b>Related company</b>				
Cost of construction	37,170,457	-	37,170,457	-
Rental and service area expenses	314,934	-	314,934	-
Land rental expenses	1,200,000	1,200,000	1,200,000	1,200,000
Other service expenses	11,663,869	578,318	11,663,869	578,318
<b>Key management personnel</b>				
Management benefit expenses				
Short-term benefits	44,202,030	33,020,410	35,195,741	31,553,000
Post-employment benefits	-	1,198,036	-	1,198,036
	<u>44,202,030</u>	<u>34,218,446</u>	<u>35,195,741</u>	<u>32,751,036</u>

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

***Other receivables - related parties***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b><i>Other receivables and advances</i></b>				
<b>Joint ventures</b>				
SVK Joint Venture	5,461,443	5,455,519	11,145,803	11,133,712
Syntec – Mivan Joint Venture	217,264,634	214,848,376	620,756,098	613,852,502
<b>Subsidiaries</b>				
SCR Asset Management Co., Ltd.	-	-	3,392,861	975,477
Syntec Asset Management Co., Ltd.	-	-	7,763	7,763
Natural Ville Service Apartment and Management Co., Ltd.	-	-	14,523,961	6,037,269
<b>Other related party</b>				
UOB Apartment Property Fund I (Leasehold)	-	6,670,661	-	6,297,320
<b>Related persons</b>				
Key management personnel	20,000	20,000	-	-
Total	222,746,077	226,994,556	649,826,486	638,304,043
<i>Less</i> Allowance for doubtful Accounts	(222,726,077)	(218,742,995)	(631,901,901)	(621,800,705)
<b>Net</b>	<u>20,000</u>	<u>8,251,561</u>	<u>17,924,585</u>	<u>16,503,338</u>
<b>Key management personnel</b>				
Advance to project managers	4,268,165	3,184,752	4,268,165	3,184,752

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As at 31 December 2014 and 2013, advance to project managers in the amount of Bath 4.27 million and Baht 3.18 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***

	<b>Consolidated and separate financial statements</b>			
	2014		2013	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
<b><i>Available – for –sale investment</i></b>				
<b>Other related company</b>				
Bangkok Metro Plc.	221,747,612	335,741,271	301,107,612	242,764,458
Add (less) allowance for devaluation of investments	<u>133,993,659</u>	<u>-</u>	<u>(58,343,154)</u>	<u>-</u>
<b>Net</b>	<b><u>355,741,271</u></b>	<b><u>335,741,271</u></b>	<b><u>242,764,458</u></b>	<b><u>242,764,458</u></b>

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

	<b>Consolidated and Separate financial statements</b>	
	2014	2013
	<i>(in Bath)</i>	
At 1 January	301,107,612	560,624,974
Purchases during the year	-	200,000,000
Sales during the year	<u>(79,360,000)</u>	<u>(459,517,362)</u>
<b>At 31 December</b>	<b><u>221,747,612</u></b>	<b><u>301,107,612</u></b>

***Long-term loans - related parties***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b>Subsidiaries</b>				
SCR Asset Management Co., Ltd.	-	-	200,000,000	-
<b>Other related company</b>				
Gentech Engineering Co., Ltd.	<u>4,956,268</u>	<u>4,956,268</u>	<u>4,956,268</u>	<u>4,956,268</u>
Total	4,956,268	4,956,268	204,956,268	4,956,268
Less Allowance for doubtful accounts	<u>(4,956,268)</u>	<u>(4,956,268)</u>	<u>(4,956,268)</u>	<u>(4,956,268)</u>
<b>Net</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>200,000,000</u></b>	<b><u>-</u></b>



**Syntec Construction Public Company Limited and its Subsidiaries**  
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As at 31 December 2014, the Company had long-term loans to a subsidiary (“SCR Asset Management Co., Ltd.”) of Baht 200 million, represented long-term loans under 2 loan agreements, requiring payable on demand. The principal and interest will be repaid within 2 years, interest charged at 4.75% and MLR-2.375 per annum

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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
At 1 January	4,956,268	17,136,866	4,956,268	17,136,866
Increase during the year	-	-	200,000,000	-
Write of to bad debt	-	(12,180,598)	-	(12,180,598)
<b>At 31 December</b>	<b><u>4,956,268</u></b>	<b><u>4,956,268</u></b>	<b><u>204,956,268</u></b>	<b><u>4,956,268</u></b>

***Trade accounts payable – related parties***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b>Other related parties</b>				
Tate Enterprise Co., Ltd.	169,686	498,000	169,686	498,000
Safe Series Co., Ltd.	3,461,112	-	3,461,112	-
<b>Venturer</b>				
Mivan (Thailand) Co., Ltd.	41,885,425	41,885,425	-	-
<b>Total</b>	<b><u>45,516,223</u></b>	<b><u>42,383,425</u></b>	<b><u>3,630,798</u></b>	<b><u>498,000</u></b>

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***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b>Subsidiaries</b>				
Natural Ville Service Apartment and Management Co., Ltd	-	-	13,624,598	6,583,012
<b>Related persons</b>				
Key management personnel	-	20,000	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>20,000</u></b>	<b><u>13,624,598</u></b>	<b><u>6,583,012</u></b>

Details of provisions were described in note 32 to the financial statements.

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*The commitments with related parties*

The Ordinary General Meeting of Shareholders held on 29 April 2014 and 2013 resolved the approval of directors' remunerations for the year 2014 and 2013 in the amount not exceeding Baht 2.10 million and Baht 2 million, which represented the meeting allowance of Baht 10,500 and Baht 10,000 per time per head, and the annual audit committee directors' remuneration of Baht 210,000 and Baht 200,000 per head.

As at 31 December 2013, SCR Asset Management Co., Ltd. ("the subsidiary") had commitment under the hire agreement to provide services for the service apartment project in the amount of Baht 600,000.

*Significant agreements with related parties*

The information and other significant events contained in the memorandum between the Company and related parties as details mentioned in note 4 to the financial statements.

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.

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.

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

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

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 is effective from 25 October 2013 onward, requiring a monthly management fee of Baht 2,000,000 (including salaries and other administration expenses) and a disbursements to be approved by the Company.

On 1 April 2014, the Company had entered into a service agreement with SCR Asset Management Co., Ltd ("the subsidiary"). The agreement is effective from 1 April 2014 to 31 March 2015, requiring a monthly service fee of Baht 200,000.

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**6 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Cash	105,181	105,181	12,000	12,000
Cash on hand	65,250	1,520,932	65,250	120,049
Cash at banks – current accounts	136,030,065	64,341,319	116,482,862	61,142,665
Cash at banks – savings accounts	227,521,468	823,930,006	223,726,288	762,262,327
Highly liquid short-term	25,276,312	19,135,501	25,276,312	19,135,501
<b>Total</b>	<b><u>388,998,276</u></b>	<b><u>909,032,939</u></b>	<b><u>365,562,712</u></b>	<b><u>842,672,542</u></b>

Cash and cash equivalents of the Group/the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

**7 Current investments**

	<b>Consolidated and separate financial statements</b>			
	2014		2013	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
<b>Current investments</b>				
Bills of exchange	549,999,411	549,999,411	60,108,284	60,108,284
Mutual fund – debt securities	175,002,000	176,337,573	-	-
Debt securities due within one year	35,000,000	35,000,000	-	-
<b>Total</b>	<b><u>760,001,411</u></b>	<b><u>761,336,984</u></b>	<b><u>60,108,284</u></b>	<b><u>60,108,284</u></b>

Movements for the years ended 31 December were as follows:

	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	2014	2013
	<i>(in Baht)</i>	
<b>Bills of exchange</b>		
At 1 January	60,108,284	60,172,701
Purchases during the year	795,980,862	1,410,108,284
Sales during the year	(306,089,735)	(1,410,172,701)
<b>At 31 December</b>	<b><u>549,999,411</u></b>	<b><u>60,108,284</u></b>
<b>Mutual fund – debt securities</b>		
At 1 January	-	-
Purchases during the year	255,002,000	-
Sales during the year	(80,000,000)	-
Revaluation of current investment	1,335,573	-
<b>At 31 December</b>	<b><u>176,337,573</u></b>	<b><u>-</u></b>

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	<b>Consolidated and separate financial statements</b>	
	2014	2013
	<i>(in Baht)</i>	
<b>Debt securities due within one year</b>		
At 1 January	-	-
Add - transfer during the year	35,000,000	-
<b>At 31 December</b>	<b><u>35,000,000</u></b>	<b><u>-</u></b>

Please see also note 50 to the financial statement.

Current investments of the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

**8 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Trade accounts receivable - other parties	927,577,765	736,668,451	904,577,545	713,668,231
Less allowance for doubtful accounts	(91,907,312)	(92,878,836)	(91,907,312)	(92,878,836)
<b>Net</b>	<b><u>835,670,453</u></b>	<b><u>643,789,615</u></b>	<b><u>812,670,233</u></b>	<b><u>620,789,395</u></b>
Doubtful debts expense for the year	60,794	1,715,661	60,794	1,715,661
Bad debts for the year	-	(1,401,869)	-	(1,401,869)
Reversal of allowance for doubtful accounts for the year	(1,032,318)	(4,689,851)	(1,032,318)	(4,689,851)
<b>Total</b>	<b><u>(971,524)</u></b>	<b><u>(4,376,059)</u></b>	<b><u>(971,524)</u></b>	<b><u>(4,376,059)</u></b>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Within credit terms	630,967,125	433,724,761	630,967,125	433,724,761
Still installment	29,627,910	29,627,910	29,627,910	29,627,910
Overdue:				
- Less than 3 months	52,958,419	90,192,919	52,958,419	90,192,919
- Over 3 months to 6 months	40,359,673	607,939	40,359,673	607,939
- Over 6 months to 12 months	1,786,155	17,443,227	1,786,155	17,443,227

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	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
- Over 12 months	<u>171,878,483</u>	<u>165,071,695</u>	<u>148,878,263</u>	<u>142,071,475</u>
	<u>266,982,730</u>	<u>273,315,780</u>	<u>243,982,510</u>	<u>250,315,560</u>
<b>Total</b>	<b><u>927,577,765</u></b>	<b><u>736,668,451</u></b>	<b><u>904,577,545</u></b>	<b><u>713,668,231</u></b>

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 2014 and 2013 were denominated entirely in Thai Baht.

**9 Other Receivables**

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Other receivables	12,585,962	23,772,632	28,423,495	28,262,380
Accrued income	4,956,970	3,635,908	5,834,093	3,635,908
Prepaid expenses	18,482,936	23,190,850	17,819,523	21,949,025
Advances	228,882,330	225,625,772	637,812,173	630,245,855
Prepaid value added tax	16,318,625	3,657,830	527,658	149,450
Total	<u>281,226,823</u>	<u>279,882,992</u>	<u>690,416,942</u>	<u>684,242,618</u>
Less allowance for doubtful accounts	<u>(228,667,550)</u>	<u>(224,684,468)</u>	<u>(637,843,373)</u>	<u>(627,742,179)</u>
<b>Net</b>	<b><u>52,559,273</u></b>	<b><u>55,198,524</u></b>	<b><u>52,573,569</u></b>	<b><u>56,500,439</u></b>
Related parties	222,746,077	226,994,556	649,826,486	638,304,043
Key management personnel	4,268,165	3,184,752	4,268,165	3,184,752
Other parties	54,212,581	49,703,684	36,322,291	42,753,823
	<u>281,226,823</u>	<u>279,882,992</u>	<u>690,416,942</u>	<u>684,242,618</u>
Less allowance for doubtful accounts	<u>(228,667,550)</u>	<u>(224,684,468)</u>	<u>(637,843,373)</u>	<u>(627,742,179)</u>
<b>Net</b>	<b><u>52,559,273</u></b>	<b><u>55,198,524</u></b>	<b><u>52,573,569</u></b>	<b><u>56,500,439</u></b>
Doubtful debts expense for the year	3,983,082	3,245,036	10,101,194	9,271,532
Bad debts for the year	-	(1,887,937)	-	(1,887,937)
Reversal allowance for doubtful accounts for the year	-	(2,519,505)	-	(5,899,506)
<b>Total</b>	<b><u>3,983,082</u></b>	<b><u>(1,162,406)</u></b>	<b><u>10,101,194</u></b>	<b><u>1,484,089</u></b>

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**10 Retentions receivable under construction contracts**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Other parties	640,201,182	580,473,580	608,272,109	548,544,508
Less allowance for doubtful accounts	<u>(23,925,528)</u>	<u>(34,548,072)</u>	<u>(23,925,528)</u>	<u>(34,548,072)</u>
<b>Net</b>	<b><u>616,275,654</u></b>	<b><u>545,925,508</u></b>	<b><u>584,346,581</u></b>	<b><u>513,996,436</u></b>
Doubtful debts expense for the year	1,405,518	663,717	1,405,518	663,717
Bad debts for the year	(2,416,822)	-	(2,416,822)	-
Reversal of allowance for doubtful accounts for the year	<u>(9,611,240)</u>	<u>(9,231,846)</u>	<u>(9,611,240)</u>	<u>(9,231,846)</u>
<b>Total</b>	<b><u>(10,622,544)</u></b>	<b><u>(8,568,129)</u></b>	<b><u>(10,622,544)</u></b>	<b><u>(8,568,129)</u></b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Within credit terms	476,461,833	384,875,035	476,461,833	384,875,035
Still installment	5,040,420	14,976,398	5,040,420	14,976,398
Overdue:				
- Over 1 year to 2 year	57,497,242	77,779,200	57,497,242	55,481,308
- Over 2 year to 3 year	3,735,519	62,861,481	3,735,519	62,861,481
- Over 3 year	<u>97,466,168</u>	<u>39,981,466</u>	<u>65,537,095</u>	<u>30,350,286</u>
	<u>158,698,929</u>	<u>180,622,147</u>	<u>126,769,856</u>	<u>148,693,075</u>
<b>Total</b>	<b><u>640,201,182</u></b>	<b><u>580,473,580</u></b>	<b><u>608,272,109</u></b>	<b><u>548,544,508</u></b>

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

The overdue retention receivable under construction contract of a joint venture as at 31 December 2014 and 2013 amounted to Baht 32 million has been in the process of following up for collectible. Please also see note 4 to the financial statements.

Retentions receivable under construction contracts of the Group/the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

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**11 Unbilled construction work in progress**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Other parties	596,577,919	791,251,248	596,577,919	791,251,248
Less allowance for doubtful accounts	(39,529,713)	(38,713,002)	(39,529,713)	(38,713,002)
<b>Net</b>	<b>557,048,206</b>	<b>752,538,246</b>	<b>557,048,206</b>	<b>752,538,246</b>
<b>Doubtful debts expense for the year</b>	<b>816,711</b>	<b>9,713,002</b>	<b>816,711</b>	<b>9,713,002</b>

  

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Construction project contracts amount	29,129	24,126	29,129	24,126
Contract revenue recognized as revenue since commencing date to present	22,775	19,154	22,775	19,154
Less progress billings (as invoices)	(22,208)	(18,392)	(22,208)	(18,392)
Unbilled construction work in progress	567	762	567	762
Unbilled construction work in progress (before year 2000)	29	29	29	29
Unbilled construction work in progress at the end of year	596	791	596	791
Less allowance for doubtful accounts	(39)	(39)	(39)	(39)
<b>Net</b>	<b>557</b>	<b>752</b>	<b>557</b>	<b>752</b>
Excess of progress billing over work in progress	(624)	(548)	(624)	(548)
<b>Net</b>	<b>(67)</b>	<b>204</b>	<b>(67)</b>	<b>204</b>
<b>Doubtful debts expense for the year</b>	<b>1</b>	<b>10</b>	<b>1</b>	<b>10</b>

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**12 Inventories**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Construction materials	172,318,985	102,008,747	172,318,985	102,008,747
Spare parts and supplies	9,438,529	9,744,585	9,438,529	9,551,002
Less allowance for decline in value of inventories	(844,084)	(844,084)	(844,084)	(844,084)
Net	8,594,445	8,900,501	8,594,445	8,706,918
<b>Total</b>	<b>180,913,430</b>	<b>110,909,248</b>	<b>180,913,430</b>	<b>110,715,665</b>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Cost of inventories was recognized in expense and included in cost of construction	1,638	1,343	1,638	1,343

Inventories as at 31 December 2014 and 2013 amounted to Baht 181 million and Baht 111 million, respectively, were expected to utilize as follows:

	2014	2013
	<i>(in million Baht)</i>	
Expected to utilize within 1 year	180	110
Expected to utilize over 1 year	1	1
<b>Total</b>	<b>181</b>	<b>111</b>

**13 Advance payments to subcontractors**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Other non-related parties	39,813,916	40,066,195	39,813,916	40,066,195
<b>Total</b>	<b>39,813,916</b>	<b>40,066,195</b>	<b>39,813,916</b>	<b>40,066,195</b>

Advance payments to subcontractors of the Group/the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.



**Syntec Construction Public Company Limited and its Subsidiaries**  
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**14 Investments in subsidiaries**

Movements for the year ended 31 December were as follows:

	<b>Separate financial statements</b>	
	2014	2013
	<i>(in Baht)</i>	
As at 1 January	100,349,400	52,000,000
Acquisition	27,000,000	48,699,400
Sale of investment	-	(350,000)
<b>At 31 December</b>	<b><u>127,349,400</u></b>	<b><u>100,349,400</u></b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Investments in subsidiaries as at 31 December 2014 and 31 December 2013 were as follows:

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend received	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)						<i>(in million Baht)</i>					
<b><i>Direct subsidiary</i></b>												
SCR Asset Management Co., Ltd.	52.00	52.00	240	190	124,800,000	98,800,000	-	-	124,800,000	98,800,000	-	-
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	1	1,999,700	999,700	-	-	1,999,700	999,700	-	-
<b>Total</b>					<b>127,349,400</b>	<b>100,349,400</b>	<b>-</b>	<b>-</b>	<b>127,349,400</b>	<b>100,349,400</b>	<b>-</b>	<b>-</b>

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

**15 Investments in associates**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
At 1 January	29,685,660	29,710,800	38,677,000	38,677,000
Share of net losses of equity - accounted	(26,188)	(25,140)	-	-
	29,659,472	29,685,660	38,677,000	38,677,000
<i>Less</i> allowance for valuation	(29,302,000)	(29,302,000)	(38,677,000)	(38,677,000)
<b>At 31 December</b>	<b>357,472</b>	<b>383,660</b>	-	-

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Investments in associates as at 31 December 2014 and 2013 were as follows:

	Percentage of shareholding		Paid-up share capital		<b>Consolidated financial statements</b>							
	2014	2013	2014	2013	Cost method		Equity method		Impairment		At equity - net	
	(%)	(%)			2014	2013	2014	2013	2014	2013	2014	2013
<i>Associates</i>					<i>(in million Baht)</i>							
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	0.36	0.38	-	-	0.36	0.38
Beauconcept Development Co., Ltd	-	25	-	RM 12	-	29	-	-	-	(29)	-	-
<b>Total</b>					<b>10</b>	<b>39</b>	<b>0.36</b>	<b>0.38</b>	<b>-</b>	<b>(29)</b>	<b>0.36</b>	<b>0.38</b>
					<b>Separate financial statements</b>							
					Cost method		Impairment		At cost - net		Dividend received	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)	(%)			<i>(in million Baht)</i>							
<i>Associates</i>												
Natural Hotel Sukhumvit Co.,Ltd.	25	25	41	41	10	10	(10)	(10)	-	-	-	-
Beauconcept Development Co., Ltd	-	25	-	RM 12	-	29	-	(29)	-	-	-	-
<b>Total</b>					<b>10</b>	<b>39</b>	<b>(10)</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	<b>Ownership interest</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Total revenues</b>	<b>Profit (loss) for the year</b>
	( <i>%)</i>	( <i>in million Baht</i> )			
<b>2014</b>					
Natural Hotel Sukhumvit Co., Ltd.	25	<u>1.44</u>	<u>0.02</u>	<u>0.01</u>	<u>(0.10)</u>
<b>Total</b>		<b><u>1.44</u></b>	<b><u>0.02</u></b>	<b><u>0.01</u></b>	<b><u>(0.10)</u></b>
<b>2013</b>					
Natural Hotel Sukhumvit Co., Ltd.	25	<u>1.57</u>	<u>0.05</u>	<u>0.01</u>	<u>(0.10)</u>
<b>Total</b>		<b><u>1.57</u></b>	<b><u>0.05</u></b>	<b><u>0.01</u></b>	<b><u>(0.10)</u></b>

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.

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The following summarized financial information on interests in jointly controlled entities which have been proportionately consolidated represents the Group's share:

	<b>Ownership interest (%)</b>	<b>Current assets</b>	<b>Non-current assets</b>	<b>Total assets</b>	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total liabilities</b>	<b>Total revenues</b>	<b>Total expenses</b>	<b>Profit (loss) for the year</b>
		<i>(in million Baht)</i>								
<b>2014</b>										
SVK Joint Venture	51	1	-	1	6	-	6	-	-	-
Syntec – Mivan Joint Ventures	65	56	13	69	516	-	516	-	5	(5)
<b>Total</b>		<b>57</b>	<b>13</b>	<b>70</b>	<b>522</b>	<b>-</b>	<b>522</b>	<b>-</b>	<b>5</b>	<b>(5)</b>
<b>2013</b>										
SVK Joint Venture	51	1	-	1	6	-	6	-	-	-
Syntec – Mivan Joint Ventures	65	57	13	70	512	-	512	-	6	(6)
<b>Total</b>		<b>58</b>	<b>13</b>	<b>71</b>	<b>518</b>	<b>-</b>	<b>518</b>	<b>-</b>	<b>6</b>	<b>(6)</b>

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**16 Other long-term investments**

	<b>Consolidated and separate financial statements</b>			
	Cost		Fair value	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
General investments	55,788,000	55,788,000	-	-
Available-for-sale investments	221,747,612	301,107,612	335,741,271	242,764,458
Debt securities held to maturity	-	35,000,000	-	35,000,000
<b>Total</b>	<b><u>277,535,612</u></b>	<b><u>391,895,612</u></b>	<b><u>335,741,271</u></b>	<b><u>277,764,458</u></b>
<b><i>General investments</i></b>				
S.S. Bangkok Development Co., Ltd.	34,038,000	34,038,000	34,038,000	34,038,000
Salintara Co., Ltd.	18,750,000	18,750,000	18,750,000	18,750,000
The Bangkok Club Co., Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Total	55,788,000	55,788,000	55,788,000	55,788,000
Less allowance for devaluation of investment	<u>(55,788,000)</u>	<u>(55,788,000)</u>	<u>(55,788,000)</u>	<u>(55,788,000)</u>
<b>Net</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><i>Available-for-sale investments</i></b>				
Bangkok Metro Public Co., Ltd	221,747,612	301,107,612	355,741,271	242,764,458
Less unrealized gain (loss) on valuation adjustment	<u>133,993,659</u>	<u>(58,343,154)</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<b><u>355,741,271</u></b>	<b><u>242,764,458</u></b>	<b><u>355,741,271</u></b>	<b><u>242,764,458</u></b>
<b>Unrealized gain (loss) on valuation adjustment for the year recognized directly in equity net tax</b>	<b><u>107,194,927</u></b>	<b><u>(58,343,154)</u></b>	<b><u>107,194,927</u></b>	<b><u>(58,343,154)</u></b>
<b><i>Debt securities held to maturity</i></b>				
Debenture	<u>-</u>	<b><u>35,000,000</u></b>	<u>-</u>	<b><u>35,000,000</u></b>

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

	<b>Consolidated and separate financial statements</b>	
	2014	2013
	<i>(in Baht)</i>	
<b><i>General investments</i></b>		
At 1 January	55,788,000	55,788,000
Allowance for devaluation of investment	<u>(55,788,000)</u>	<u>(55,788,000)</u>
<b>At 31 December</b>	<b><u>-</u></b>	<b><u>-</u></b>

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	<b>Consolidated and separate financial statements</b>	
	2014	2013
	<i>(in Baht)</i>	
<b>Available-for-sale investments</b>		
At 1 January	242,764,458	257,481,601
Purchase during the period	-	200,000,000
Sale during the period	(79,360,000)	(156,373,989)
Valuation adjustment	192,336,813	(58,343,154)
<b>At 31 December</b>	<b><u>355,741,271</u></b>	<b><u>242,764,458</u></b>
<b>Debt securities held to maturity</b>		
At 1 January	35,000,000	35,000,000
Transfers	(35,000,000)	-
<b>At 31 December</b>	<b><u>-</u></b>	<b><u>35,000,000</u></b>

Please see also note 50 to the financial statements.

**17 Long-term loans**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Related parties	4,956,268	4,956,268	204,956,268	4,956,268
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>207,956,468</u>	<u>7,956,468</u>
<i>Less allowance for doubtful accounts</i>	<u>(7,956,468)</u>	<u>(7,956,468)</u>	<u>(7,956,468)</u>	<u>(7,956,468)</u>
<b>Net</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>200,000,000</u></b>	<b><u>-</u></b>

Long-term loans to other parties as at 31 December, 2014 and 2013 represented loans to a company and two other companies, respectively, without loan agreements and interest bearing.

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
At 1 January	3,000,200	3,000,200	3,000,200	3,000,200
No changes during the year	-	-	-	-
<b>At 31 December</b>	<b><u>3,000,200</u></b>	<b><u>3,000,200</u></b>	<b><u>3,000,200</u></b>	<b><u>3,000,200</u></b>

Long-term loans of the Group and the Company as at 31 December 2014 and 2013 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 2014**

**18 Investment properties**

	<b>Consolidated and separate financial statements</b>		
	Land	Condominium (in Baht)	Total
<b>Cost</b>			
At 1 January 2013	99,643,500	5,649,570	105,293,070
No changes during the year	-	-	-
<b>At 31 December 2013 and 1 January 2014</b>	<b>99,643,500</b>	<b>5,649,570</b>	<b>105,293,070</b>
No changes during the year	-	-	-
<b>At 31 December 2014</b>	<b>99,643,500</b>	<b>5,649,570</b>	<b>105,293,070</b>
<b>Accumulated depreciation</b>			
At 1 January 2013	-	2,993,124	2,993,124
Depreciation charge for the year	-	739,874	739,874
<b>At 31 December 2013 and 1 January 2014</b>	<b>-</b>	<b>3,732,998</b>	<b>3,732,998</b>
Depreciation charge for the year	-	739,874	739,874
<b>At 31 December 2014</b>	<b>-</b>	<b>4,472,872</b>	<b>4,472,872</b>
<b>Net book value</b>			
<b>At 31 December 2013</b>	<b>99,643,500</b>	<b>1,916,572</b>	<b>101,560,072</b>
<b>At 31 December 2014</b>	<b>99,643,500</b>	<b>1,176,698</b>	<b>100,820,198</b>

	<b>Consolidated and separate financial statements</b>	
	2014	2013
Depreciation charge for the year was included in: -		
administrative expenses	739,874	739,874
<b>Total</b>	<b>739,874</b>	<b>739,874</b>

Investment properties as at 31 December 2014 and 2013, 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 166 million as the appraisal report 22 January 2015, 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 5.95 million as the appraisal report 7 January 2015.

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 2014**

**19 Property, plant and equipment**

	<b>Consolidated financial statements</b>							
	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>							
<b>Cost</b>								
At 1 January 2013	126,455,336	259,995,734	1,100,780,207	499,294,620	99,766,771	136,869,950	32,352,328	2,255,514,946
Additions	96,691,125	-	111,129,035	30,773,626	18,500,497	41,542,814	132,224,180	430,861,277
Transfers	-	100,245,051	3,335,209	-	-	-	(103,580,260)	-
Disposals	-	(9,391,341)	(13,525,088)	(11,565,788)	(7,618,720)	(25,408,542)	-	(67,509,479)
<b>At 31 December 2013 and 1 January 2014</b>	<b>223,146,461</b>	<b>350,849,444</b>	<b>1,201,719,363</b>	<b>518,502,458</b>	<b>110,648,548</b>	<b>153,004,222</b>	<b>60,996,248</b>	<b>2,618,866,744</b>
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)
<b>At 31 December 2014</b>	<b>435,762,099</b>	<b>368,513,575</b>	<b>1,238,376,562</b>	<b>547,731,509</b>	<b>125,811,965</b>	<b>173,509,698</b>	<b>250,225,122</b>	<b>3,139,930,530</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

	<b>Consolidated financial statements</b>							
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork) <i>(in Baht)</i>	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
<b><i>Accumulated depreciation</i></b>								
At 1 January 2013	-	127,061,440	727,619,256	436,145,470	71,999,196	93,895,124	-	1,456,720,486
Depreciation charge for the year	-	24,201,885	57,802,020	921,387	13,531,458	13,812,866	-	110,269,616
Disposals	-	(3,194,294)	(13,444,223)	(11,565,780)	(7,577,182)	(25,393,840)	-	(61,175,319)
<b>At 31 December 2013 and 1 January 2014</b>	<b>-</b>	<b>148,069,031</b>	<b>771,977,053</b>	<b>425,501,077</b>	<b>77,953,472</b>	<b>82,314,150</b>	<b>-</b>	<b>1,505,814,783</b>
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)
<b>At 31 December 2014</b>	<b>-</b>	<b>171,612,543</b>	<b>809,462,177</b>	<b>439,859,778</b>	<b>91,338,723</b>	<b>99,976,334</b>	<b>-</b>	<b>1,612,249,555</b>
<b><i>Net book value</i></b>								
Owned assets	223,146,461	202,780,413	289,333,277	93,001,381	32,695,076	51,806,145	60,996,248	953,759,001
Assets under finance leases	-	-	140,409,033	-	-	18,883,927	-	159,292,960
<b>Total at 31 December 2013</b>	<b>223,146,461</b>	<b>202,780,413</b>	<b>429,742,310</b>	<b>93,001,381</b>	<b>32,695,076</b>	<b>70,690,072</b>	<b>60,996,248</b>	<b>1,113,051,961</b>
Owned assets	435,762,099	196,901,032	313,821,535	107,871,731	34,473,242	63,469,865	250,225,122	1,402,524,626
Assets under finance leases	-	-	115,092,850	-	-	10,063,499	-	125,156,349
<b>Total at 31 December 2014</b>	<b>435,762,099</b>	<b>196,901,032</b>	<b>428,914,385</b>	<b>107,871,731</b>	<b>34,473,242</b>	<b>73,533,364</b>	<b>250,225,122</b>	<b>1,527,680,975</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

	<b>Separate financial statements</b>							Total
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
				<i>(in Baht)</i>				
<b>Cost</b>								
At 1 January 2013	57,702,316	259,995,734	1,097,937,626	508,727,874	99,732,646	136,869,950	29,414,424	2,190,380,570
Additions	-	-	111,129,034	30,773,626	18,446,367	41,542,814	103,386,363	305,278,204
Transfers	-	100,245,051	3,335,209	-	-	-	(103,580,260)	-
Disposals	-	(9,391,341)	(13,525,086)	(11,565,788)	(7,618,720)	(25,408,542)	-	(67,509,477)
<b>At 31 December 2013 and 1 January 2014</b>	<b>57,702,316</b>	<b>350,849,444</b>	<b>1,198,876,783</b>	<b>527,935,712</b>	<b>110,560,293</b>	<b>153,004,222</b>	<b>29,220,527</b>	<b>2,428,149,297</b>
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)
<b>At 31 December 2014</b>	<b>63,179,593</b>	<b>368,513,574</b>	<b>1,235,533,982</b>	<b>557,164,762</b>	<b>125,777,841</b>	<b>172,302,222</b>	<b>31,403,726</b>	<b>2,553,875,700</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

				<b>Separate financial statements</b>				
	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>				
<b><i>Accumulated depreciation</i></b>								
At 1 January 2013	-	127,061,440	724,776,675	442,940,692	71,965,071	93,895,124	-	1,460,639,002
Depreciation charge for the year	-	24,201,885	57,802,021	8,634,985	13,530,715	13,812,866	-	117,982,472
Disposals	-	(3,194,294)	(13,444,223)	(11,565,780)	(7,577,182)	(25,393,840)	-	(61,175,319)
<b>At 31 December 2013 and 1 January 2014</b>	<b>-</b>	<b>148,069,031</b>	<b>769,134,473</b>	<b>440,009,897</b>	<b>77,918,604</b>	<b>82,314,150</b>	<b>-</b>	<b>1,517,446,155</b>
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)
<b>At 31 December 2014</b>	<b>-</b>	<b>171,612,543</b>	<b>806,619,597</b>	<b>454,368,598</b>	<b>91,304,597</b>	<b>99,800,175</b>	<b>-</b>	<b>1,623,705,510</b>
<b><i>Net book value</i></b>								
Owned assets	57,702,316	202,780,413	289,333,277	87,925,815	32,641,689	51,806,145	29,220,527	751,410,182
Assets under finance leases	-	-	140,409,033	-	-	18,883,927	-	159,292,960
<b>Total at 31 December 2013</b>	<b>57,702,316</b>	<b>202,780,413</b>	<b>429,742,310</b>	<b>87,925,815</b>	<b>32,641,689</b>	<b>70,690,072</b>	<b>29,220,527</b>	<b>910,703,142</b>
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
<b>Total at 31 December 2014</b>	<b>63,179,593</b>	<b>196,901,031</b>	<b>428,914,385</b>	<b>102,796,164</b>	<b>34,473,244</b>	<b>72,502,047</b>	<b>31,403,726</b>	<b>930,170,190</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

Depreciation was included in: -

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht )</i>			
Cost of construction	139,494,817	96,534,328	139,494,817	104,247,926
Administrative expenses	17,043,030	13,735,288	16,866,871	13,734,546
<b>Total</b>	<b>156,537,847</b>	<b>110,269,616</b>	<b>156,361,688</b>	<b>117,982,472</b>

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

Interest capitalized				
for the year	4,550,569	1,687,774	-	-
Accumulated interest capitalized	6,238,343	1,687,774	-	-
Capitalization rate (% per annum)	4.75, MLR- 1.5	MLR - 1.5	-	-

As at 31 December 2014 and 2013, the gross amount of the Group's fully depreciated buildings and equipment that was still in use amounted to Baht 1,265 million and Baht 1,218 million, respectively.

As at 31 December 2014 and 2013, land, buildings and building improvement in the amount of Baht 49 million and Baht 54 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 mentioned in note 50 to the financial statement.

As at 31 December 2014 and 2013, 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

	<b>Consolidated and separate financial statements (in Baht)</b>
<i>Cost</i>	
At 1 January 2013	-
Additions	395,000,000
<b>At 31 December 2013 and 1 January 2014</b>	<b>395,000,000</b>
No change during the year	-
<b>At 31 December 2014</b>	<b>395,000,000</b>
<i>Accumulated amortization</i>	
At 1 January 2013	-
Amortization charge for the year	4,258,100
<b>At 31 December 2013 and 1 January 2014</b>	<b>4,258,100</b>
Amortization charge for the year	20,184,500
<b>At 31 December 2014</b>	<b>24,442,600</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

	<b>Consolidated and separate financial statements</b> <i>(in Baht)</i>
<i>Net book value</i>	
<b>At 31 December 2013</b>	<b>390,741,900</b>
<b>At 31 December 2014</b>	<b>370,557,400</b>

Amortization for the year 2014 was included in :

	<b>Consolidated and separate financial statements</b>	
	<b>2014</b>	<b>2013</b>
	<i>(in Baht)</i>	
Cost of room service	20,184,500	4,258,100
<b>Total</b>	<b>20,184,500</b>	<b>4,258,100</b>

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
- 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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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- 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 Bath 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.

**21 Intangible assets**

	<b>Consolidated and separate financial statements</b>	
	Software license	Total
	<i>(in Baht)</i>	
<i>Cost</i>		
At 1 January 2013	24,033,288	24,033,288
Additions	391,200	391,200
Deduction	(437,383)	(437,383)
<b>At 31 December 2013 and 1 January 2014</b>	<b>23,987,105</b>	<b>23,987,105</b>
Additions	769,500	769,500
Deduction	-	-
<b>At 31 December 2014</b>	<b>24,756,605</b>	<b>24,756,605</b>
<i>Accumulated amortization</i>		
At 1 January 2013	18,861,806	18,861,806
Amortization charge for the year	4,218,933	4,218,933
Deduction	(437,382)	(437,382)
<b>At 31 December 2013 and 1 January 2014</b>	<b>22,643,357</b>	<b>22,643,357</b>
Amortization charge for the year	1,203,139	1,203,139
Deduction	-	-
<b>At 31 December 2014</b>	<b>23,846,496</b>	<b>23,846,496</b>
<i>Net book value</i>		
<b>At 31 December 2013</b>	<b>1,343,748</b>	<b>1,343,748</b>
<b>At 31 December 2014</b>	<b>910,109</b>	<b>910,109</b>



**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

Amortization for the year was included in :-

	<b>Consolidated and separate financial statements</b>	
	2014	2013
	<i>(in Baht)</i>	
Administrative expenses	1,203,139	4,218,933
<b>Total</b>	<b>1,203,139</b>	<b>4,218,933</b>

**22 Deferred income tax**

Movements of deferred tax assets and liabilities during the year ended 31 were as follows:

*For the year ended 31 December 2014*

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

*For the year ended 31 December 2013*

	<b>Consolidated and separate financial statements</b>			<b>At 31 December 2013</b>
	<b>At 1 January 2013</b>	<b>(Charged) / credited to</b>		
		Profit or loss	Other comprehensive income (loss)	
	<i>(in million Baht)</i>			
<b>Deferred tax assets</b>				
Trade accounts receivable	10	(8)	-	2
Other receivables	2	(2)	-	-
Retention receivable under construction contracts	1	(1)	-	-
Unbilled construction in progress	7	(7)	-	-
Long-term loans	1	(1)	-	-
Long-term provisions	9	(9)	-	-
Loss carry forward	-	4	-	4
<b>Total</b>	<b>30</b>	<b>(24)</b>	<b>-</b>	<b>6</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

	<b>Consolidated and separate financial statements</b>			<b>At 31 December 2013</b>
	<b>At 1 January 2013</b>	<u>(Charged) / credited to</u>		
		Profit or loss	Other comprehensive income (loss)	
		<i>(in million Baht)</i>		
<b>Deferred tax liabilities</b>				
Property, plant and equipment	-	6	-	6
Financial lease liabilities	39	(38)	-	1
<b>Total</b>	<u>39</u>	<u>(32)</u>	<u>-</u>	<u>7</u>
<b>Net</b>	<u>(9)</u>	<u>8</u>	<u>-</u>	<u>(1)</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Deductible temporary differences	102	165	102	165
Tax losses	81	79	-	-
<b>Total</b>	<u>183</u>	<u>244</u>	<u>102</u>	<u>165</u>

The tax losses expire in 2015 to 2018. 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 interim income tax is calculated on profit before tax for the period multiply by the estimated average tax rate.

Income tax expenses for the year ended 31 December 2014 and 2013 were summary as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	(restated)		(restated)	
	<i>(in million Baht)</i>			
<b>Income tax expenses for the year</b>				
The interim income tax expense	80	-	80	-
<b>Deferred tax expense (revenue)</b>				
Deferred tax expense (revenue) concern deductible temporary difference with initial recognized and reversed	(12)	(7)	(12)	(7)
Deferred tax expense (revenue) of decreasing income tax rate	-	(1)	-	(1)
<b>Income tax expense (revenue) represented in statements of comprehensive income</b>	<u>68</u>	<u>(8)</u>	<u>68</u>	<u>(8)</u>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2014**

**23 Pledged deposits at banks**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Cash at banks – savings accounts	21,000,000	50,258,419	21,000,000	50,258,419
Cash at banks – fixed deposit accounts	<u>158,095,236</u>	<u>102,442,220</u>	<u>158,095,236</u>	<u>102,442,220</u>
<b>Total</b>	<b><u>179,095,236</u></b>	<b><u>152,700,639</u></b>	<b><u>179,095,236</u></b>	<b><u>152,700,639</u></b>

Pledged deposit at banks of the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

**24 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Deposits	<u>83,691,189</u>	<u>90,660,731</u>	<u>70,516,156</u>	<u>77,734,797</u>

**25 Bank overdrafts and short-term loans from financial institutions**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Bank overdrafts	-	3,989,411	-	3,101,423
Short-term loans from financial institutions	<u>160,000,000</u>	<u>395,000,000</u>	<u>160,000,000</u>	<u>330,000,000</u>
<b>Total</b>	<b><u>160,000,000</u></b>	<b><u>398,989,411</u></b>	<b><u>160,000,000</u></b>	<b><u>333,101,423</u></b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
At 1 January	395,000,000	540,000,000	330,000,000	540,000,000
Additions	450,000,000	665,000,000	450,000,000	600,000,000
Deductions	<u>(685,000,000)</u>	<u>(810,000,000)</u>	<u>(620,000,000)</u>	<u>(810,000,000)</u>
<b>At 31 December</b>	<b><u>160,000,000</u></b>	<b><u>395,000,000</u></b>	<b><u>160,000,000</u></b>	<b><u>330,000,000</u></b>

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As at 31 December 2014 and 2013, short term loans from financial institutions in the amount of Baht 160 million and Baht 330 million, respectively, in the consolidated and separate financial statements represented the bill of exchange, due on 3 June 2015 to 15 June 2015 and 3 March 2014 to 6 June 2014, respectively. Interest rate was charged at 4.2% per annum and 4.5%-5.4% per annum, respectively.

As at 31 December 2013, the subsidiary has short-term loan from financial institution in the amount of Baht 65 million to purchase of land, requiring repayable within 12 months from the first withdrawal, interest rate charged at MLR – 1.5 per annum on monthly basis. The 2 plots of lands of the subsidiary were mortgaged as collateral. According to a loan agreement defines the subsidiary to increase the subsidiary's authorized share capital to Baht 165 million within June 2014. Subsequently, in October 2014, the subsidiary made the repayment of short-term loan in full.

Bank overdrafts and short-term loans from financial institutions of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

**26 Trade accounts payable**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Related parties	45,516,223	42,383,425	3,630,798	498,000
Other parties	498,736,338	387,392,243	480,674,395	380,628,787
<b>Total</b>	<b><u>544,252,561</u></b>	<b><u>429,775,668</u></b>	<b><u>484,305,193</u></b>	<b><u>381,126,787</u></b>

Trade accounts payable of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

**27 Other payables**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Related parties	-	20,000	13,624,598	6,583,012
Other parties	350,679,396	341,874,190	273,879,311	271,895,696
<b>Total</b>	<b><u>350,679,396</u></b>	<b><u>341,894,190</u></b>	<b><u>287,503,909</u></b>	<b><u>278,478,708</u></b>
<i>Other parties</i>				
Other payables	76,765,925	70,922,889	20,962,819	3,228,749
Accrued value added tax	10,412,364	28,529,147	10,406,311	28,087,761
Accrued withholding tax	11,505,760	9,618,622	10,931,242	9,408,754
Other accrued expenses	251,995,347	232,803,532	231,578,939	231,170,432
<b>Total</b>	<b><u>350,679,396</u></b>	<b><u>341,874,190</u></b>	<b><u>273,879,311</u></b>	<b><u>271,895,696</u></b>

Other payables of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

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**28 Current portion of creditors under the rehabilitation plan**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Creditors under the rehabilitation plan	<u>29,745,536</u>	<u>29,659,671</u>	<u>29,745,536</u>	<u>29,659,671</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Thai Baht (THB)	12,462,769	12,462,769	12,462,769	12,462,769
United States Dollars (USD)	<u>17,282,767</u>	<u>17,196,902</u>	<u>17,282,767</u>	<u>17,196,902</u>
<b>Total</b>	<b><u>29,745,536</u></b>	<b><u>29,659,671</u></b>	<b><u>29,745,536</u></b>	<b><u>29,659,671</u></b>

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**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Long-term loans from financial institution	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	<u>175,000,000</u>	<u>175,000,000</u>	<u>175,000,000</u>	<u>175,000,000</u>
<b>Total</b>	<u>702,286,100</u>	<u>525,000,000</u>	<u>525,000,000</u>	<u>525,000,000</u>
Less current portion of long-term loans	<u>(175,000,000)</u>	-	<u>(175,000,000)</u>	-
<b>Net</b>	<b><u>527,286,100</u></b>	<b><u>525,000,000</u></b>	<b><u>350,000,000</u></b>	<b><u>525,000,000</u></b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
At 1 January	525,000,000	-	525,000,000	-
Addition	177,286,100	525,000,000	-	525,000,000
Deduction	-	-	-	-
<b>At 31 December</b>	<b>702,286,100</b>	<b>525,000,000</b>	<b>525,000,000</b>	<b>525,000,000</b>

***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, drawdown amounted to Baht 177 million and balanced Baht 47 million, requiring monthly repayable principal with interest within 8 years and 6 months. The and first repayment is made nineteenth month of Baht 1.3 million to Baht 4 million. These loans were secured by 11 plots of land and buildings as collateral.

***Debentures***

The Ordinary General Meeting of Shareholders held on 29 April 2013 resolved the issuance and offer of the Company's bond in the amount not exceeding Baht 2,000 millions. The Boards of Directors Meeting held on 14 May 2013 resolved to hire a securities company to be an underwriter for the first issuance of the Company's debentures No. 1/2013 in the amount of Baht 350 millions and the Boards of Directors Meeting held on 20 September 2013 resolved the issuance and offer of the Company's debentures No. 2/2013 in the amount not exceeding Baht 175 millions.

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.

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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.

**30 Finance lease liabilities**

	<b>Consolidated and Separate financial statements</b>					
	<b>2014</b>			<b>2013</b>		
	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	51,063,259	4,977,909	46,085,350	47,897,202	8,159,397	39,737,805
After one year but within five years	66,335,807	2,589,255	63,746,552	121,735,582	7,567,165	114,168,417
<b>Total</b>	<b>117,399,066</b>	<b>7,567,164</b>	<b>109,831,902</b>	<b>169,632,784</b>	<b>15,726,562</b>	<b>153,906,222</b>

As at 31 December 2014 and 2013, finance lease liabilities of Baht 110 million and Baht 154 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 57 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.

**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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Movement in the present value of the defined benefit obligations

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b>For the year ended 31 December</b>				
Defined benefit obligations at 1 January	85,994,066	71,265,701	85,811,485	71,265,701
Current service costs and interest	17,406,571	15,327,865	16,584,248	15,145,284
Payment of employee benefits	-	(599,500)	-	(599,500)
Actuarial gains of defined benefit plans	(4,355,211)	-	(4,355,211)	-
<b>Defined benefit obligations at 31 December</b>	<b><u>99,045,426</u></b>	<b><u>85,994,066</u></b>	<b><u>98,040,522</u></b>	<b><u>85,811,485</u></b>

Expense recognized in profit or loss

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Current service costs	14,504,483	12,719,408	13,688,656	12,536,827
Interest on obligation	2,902,088	2,608,457	2,895,592	2,608,457
Actuarial gains of defined benefit plans	(4,355,211)	-	(4,355,211)	-
<b>Total</b>	<b><u>13,051,360</u></b>	<b><u>15,327,865</u></b>	<b><u>12,229,037</u></b>	<b><u>15,145,284</u></b>

The above expense is recognized in the following line items:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Cost of construction	10,691,083	11,100,297	10,691,083	11,100,297
Administrative expenses	6,715,488	4,227,568	5,893,165	4,044,987
Actuarial gains of defined benefit plans	(4,355,211)	-	(4,355,211)	-
<b>Total</b>	<b><u>13,051,360</u></b>	<b><u>15,327,865</u></b>	<b><u>12,229,037</u></b>	<b><u>15,145,284</u></b>

Principal actuarial assumptions at the reporting date



**Syntec Construction Public Company Limited and its Subsidiaries**  
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	Consolidated financial statements		(%)	Separate financial statements	
	2014	2013		2014	
Discount rate	3.56 - 3.75	3.65 - 3.75		3.61	3.65 - 3.75
Salary increase rate	4.00 - 8.00	6.00 - 8.00		7.05	6.00 - 8.00
Staff turnover rate	0 - 21.00	0 - 18.00		0 - 21.00	0 - 18.00
Mortality rate (Thai Mortality Ordinary Table 1997 and 2008)	TMO 2008 5% of mortality rate	TMO 1997, 2008 5% of mortality rate		TMO 2008 5% of mortality rate	TMO 1997, 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 2014	103	102	-	-
Year 2013	86	86	-	-
Year 2012	71	71	-	-
Year 2011	57	57	-	-
Year 2010	47	47	-	-

### 32 Provisions

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Provision for litigation	45,847,573	-	45,847,573	-
Provision for losses on construction project	66,518,164	10,970,000	66,518,164	10,970,000
Estimated loss under joint venture agreement	-	-	66,464,708	42,632,072
<b>Total</b>	<b>112,365,737</b>	<b>10,970,000</b>	<b>178,830,445</b>	<b>53,602,072</b>
<b>As at 31 December</b>				
Current	66,518,164	10,970,000	66,518,164	10,970,000
Non-current	45,847,573	-	112,312,281	42,632,072
<b>Total</b>	<b>112,365,737</b>	<b>10,970,000</b>	<b>178,830,445</b>	<b>53,602,072</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Movements for the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>								
	Provision for litigation		Provision for losses on Construction project		Estimated loss under joint venture agreement		Total		
	2014	2013	2014	2013	2014	2013	2014	2013	
<b>At 1 January</b>	-	-	10,970,000	5,144,177	-	-	10,970,000	5,144,177	
Provision made	45,847,573	-	61,708,164	10,970,000	-	-	107,555,737	10,970,000	
Used in provision	-	-	(6,160,000)	(5,144,177)	-	-	(6,160,000)	(5,144,177)	
<b>At 31 December</b>	<b>45,847,573</b>	<b>-</b>	<b>66,518,164</b>	<b>10,970,000</b>	<b>-</b>	<b>-</b>	<b>112,365,737</b>	<b>10,970,000</b>	
	<b>Separate financial statements</b>								
	Provision for litigation		Provision for losses on Construction project		Estimated loss under joint venture agreement		Total		
	2014	2013	2014	2013	2014	2013	2014	2013	
<b>At 1 January</b>	-	-	10,970,000	5,144,177	42,632,072	39,063,093	53,602,072	44,207,270	
Provision made	45,847,573	-	61,708,164	10,970,000	23,832,636	3,568,979	131,388,373	14,538,979	
Used in provision	-	-	(6,160,000)	(5,144,177)	-	-	(6,160,000)	(5,144,177)	
<b>At 31 December</b>	<b>45,847,573</b>	<b>-</b>	<b>66,518,164</b>	<b>10,970,000</b>	<b>66,464,708</b>	<b>42,632,072</b>	<b>178,830,445</b>	<b>53,602,072</b>	

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**Provision for losses on Construction project**

As at 31 December 2014 and 2013, the Company recognized loss on construction project in the amount of Baht 66.52 million and Baht 10.97 million, respectively, in the consolidated and separate financial statements.

**Estimated losses under joint venture agreement**

As at 31 December 2014 and 2013, 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:

	<b>Separate financial statements</b>	
	2014	2013
	<i>(in Baht)</i>	
Syntec –Mivan Joint venture	66,464,708	42,632,072
<b>Total</b>	<b><u>66,464,708</u></b>	<b><u>42,632,072</u></b>

Please also see note 48 to the financial statements.

**33 Share capital**

	<i>Par value</i>	<i>Number</i>	<b>Consolidated and separate financial statements</b>		
			2014	2013	
	<i>(Baht)</i>		<i>Amount</i>	<i>Number</i>	<i>Amount</i>
			<i>(in million shares / in million Baht)</i>		
<b><i>Authorized share capital</i></b>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
<b>At 31 December</b>					
- Ordinary shares	<i>1</i>	<b><u>1,600</u></b>	<b><u>1,600</u></b>	<b><u>1,600</u></b>	<b><u>1,600</u></b>
<b><i>Issued and paid up</i></b>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
<b>At 31 December</b>					
- Ordinary shares	<i>1</i>	<b><u>1,600</u></b>	<b><u>1,600</u></b>	<b><u>1,600</u></b>	<b><u>1,600</u></b>

**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**  
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**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 2014 and 2013 amounting to Baht 19.47 million and Baht 3.73 million, respectively.

*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.

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**  
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**Business segment results**

	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>For the year ended 31 December</b>	<i>(in million Baht)</i>							
External revenue	6,996	6,222	108	23	36	12	7,140	6,257
Inter-segment revenue	(16)	(6)	-	-	(36)	(12)	(52)	(18)
<b>Total revenues</b>	<b>6,980</b>	<b>6,216</b>	<b>108</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>7,088</b>	<b>6,239</b>
Interest income	23	8	-	-	-	-	23	8
Interest expense	47	49	-	-	-	-	47	49
Depreciation and amortization	178	119	-	-	-	-	178	119
<b>Profit (loss) segment before tax income</b>	<b>463</b>	<b>72</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462</b>	<b>72</b>
<b>Assets for reportable Property, plant and equipment</b>	<b>5,124</b>	<b>4,744</b>	<b>1,051</b>	<b>690</b>	<b>5</b>	<b>15</b>	<b>6,180</b>	<b>5,449</b>
<b>Leasehold right</b>	<b>909</b>	<b>911</b>	<b>618</b>	<b>202</b>	<b>1</b>	<b>-</b>	<b>1,528</b>	<b>1,113</b>
<b>Liabilities for reportable</b>	<b>-</b>	<b>-</b>	<b>371</b>	<b>391</b>	<b>-</b>	<b>-</b>	<b>371</b>	<b>391</b>
	<b>2,922</b>	<b>2,371</b>	<b>219</b>	<b>500</b>	<b>3</b>	<b>13</b>	<b>3,144</b>	<b>2,884</b>

Reconciliation of reportable segment profit or loss, assets and liabilities :

	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Profit or loss</b>				
Total profit for reportable segment	463	71	457	66
Elimination of inter-segment profits	-	-	-	-
<b>Profit before income tax</b>	<b>463</b>	<b>71</b>	<b>457</b>	<b>66</b>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Assets</b>				
Total assets for reportable segments asset as reported	4,652	4,336	4,759	4,202
Investment in subsidiary	-	-	127	100
Property, plant and equipment	1,528	1,113	930	911
<b>Total assets</b>	<b>6,180</b>	<b>5,449</b>	<b>5,816</b>	<b>5,213</b>
<b>Liabilities</b>				
Total liabilities for reportable segments liabilities as reported	3,144	2,844	2,903	2,743
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>3,144</b>	<b>2,844</b>	<b>2,903</b>	<b>2,743</b>

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*Major customers*

Revenue from one customer of the Company's segment 1 for the years 2014 and 2013 approximately Baht 866 million and Baht 1,008 million, respectively.

**36 Other income**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Revenue from service and other income	-	-	9,208,387	-
Bad debts recovery	21,449,377	-	21,449,377	-
Gain on revaluation of current investment	1,335,573	-	1,335,573	-
Others	6,778,202	4,464,184	12,597,696	7,894,937
<b>Total</b>	<b>29,563,152</b>	<b>4,464,184</b>	<b>44,591,033</b>	<b>7,894,937</b>

**37 Selling expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Tendering cost	1,033,573	1,414,666	561,856	1,229,216
<b>Total</b>	<b>1,033,573</b>	<b>1,414,666</b>	<b>561,856</b>	<b>1,229,216</b>

**38 Administrative expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Personnel	198,163,589	176,074,099	192,769,299	175,110,855
Consulting and professional	17,596,066	18,901,865	15,180,044	18,029,446
Entertainment	21,010,859	16,398,421	20,840,446	16,077,230
Depreciation and amortization	18,995,938	18,694,095	18,809,884	18,693,353
Travelling	384,019	561,750	346,647	519,301
Vehicle	3,101,454	11,337,015	3,078,849	11,332,595
Bank charge	3,124,819	4,158,804	2,844,585	3,853,387
Foreign exchange loss	85,865	1,138,525	85,865	1,138,525
Others	72,501,566	41,231,180	60,740,302	32,326,825
<b>Total</b>	<b>334,964,175</b>	<b>288,495,754</b>	<b>314,695,921</b>	<b>277,081,517</b>

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**39 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<b>Management</b>				
Salaries and bonuses	40,370,914	31,190,410	31,364,625	29,723,000
Others	3,831,116	3,028,036	3,831,116	3,028,036
	<u>44,202,030</u>	<u>34,218,446</u>	<u>35,195,741</u>	<u>32,751,036</u>
<b>Other employees</b>				
Salaries wages and bonuses	456,201,098	411,803,210	447,826,106	410,412,637
Others	36,647,511	27,904,064	33,529,305	26,940,819
	<u>492,848,609</u>	<u>439,707,274</u>	<u>481,355,411</u>	<u>437,353,456</u>
<b>Total</b>	<b><u>537,050,639</u></b>	<b><u>473,925,720</u></b>	<b><u>516,551,152</u></b>	<b><u>470,104,492</u></b>

Partial employee benefit expenses were included in cost of construction.

Management and directors benefit expenses were included in statements of comprehensive income as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Cost of construction	13,684,900	13,042,000	13,684,900	13,042,000
Cost of room service	9,006,289	1,467,410	-	-
Administrative expenses	21,510,841	19,709,036	21,510,841	19,709,036
<b>Total</b>	<b><u>44,202,030</u></b>	<b><u>34,218,446</u></b>	<b><u>35,195,741</u></b>	<b><u>32,751,036</u></b>

**40 Expenses by nature**

Certain accounts included in calculating profit (loss) from operations for the years ended 31 December 2014 and 2013 have been classified by nature as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Raw material and consumables used	1,638	1,348	1,638	1,348
Cost of room service	80	15	92	15
Subcontractor cost	2,576	2,503	2,576	2,500
Employee and workers expenses	1,289	1,375	1,277	1,375
Depreciation and amortization expenses	179	119	178	127
Management benefit expenses	44	34	35	33
Bad and doubtful debts expenses	6	15	12	21
Loss on sale of available-for-sale investment	-	127	-	127

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Provision for loss on litigation	46	-	46	-
Provision for loss on construction project	61	-	61	-
Estimated loss under joint venture agreements	-	-	24	4
Other expenses	656	583	657	580
Finance costs	47	49	47	49
<b>Total</b>	<b>6,622</b>	<b>6,168</b>	<b>6,643</b>	<b>6,179</b>

**41 Other expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Doubtful debts expense	6,266,106	15,337,418	12,384,219	21,363,912
Provision for loss on litigation	45,847,573	-	45,847,573	-
Estimated loss under joint venture agreements	-	-	23,832,636	3,568,979
<b>Total</b>	<b>52,113,679</b>	<b>15,337,418</b>	<b>82,064,428</b>	<b>24,932,891</b>

**42 Finance costs**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Interest expense				
- Financial institutions	51,995,492	50,262,944	47,444,923	48,575,170
<b>Total interest expense</b>	<b>51,995,492</b>	<b>50,262,944</b>	<b>47,444,923</b>	<b>48,575,170</b>
<i>Less amounts included in the cost of qualifying assets:</i>				
- Construction contracts work in progress	(4,550,569)	(1,687,774)	-	-
<b>Net</b>	<b>47,444,923</b>	<b>48,575,170</b>	<b>47,444,923</b>	<b>48,575,170</b>



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**43 Income tax expense (income)**

*Income tax expense (income) recognised in profit or loss*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Current tax expense</b>				
Current year	80	-	80	-
<b>Deferred tax expense (income)</b>				
Change of temporary differences	(12)	(7)	(12)	(7)
Reduction of income tax rate	-	(1)	-	(1)
	<u>(12)</u>	<u>(8)</u>	<u>(12)</u>	<u>(8)</u>
<b>Total income tax expense (income)</b>	<b><u>68</u></b>	<b><u>(8)</u></b>	<b><u>68</u></b>	<b><u>(8)</u></b>

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	Rate %	2014 <i>(in million Baht)</i>	Rate %	2013 <i>(in million Baht)</i>
Profit (loss) before income tax expense	20	462	20	71
Income tax using the Thai corporation tax rate		92		14
Income tax reduction		-		(1)
Taxable income		-		-
Increased taxable expenses		10		(13)
Expenses not deductible for tax		-		14
Current year losses for which no deferred tax asset was recognized		8		4
Others		(42)		(26)
<b>Total</b>		<b><u>68</u></b>		<b><u>(8)</u></b>

	<b>Separate financial statements</b>			
	Rate %	2014 <i>(in million Baht)</i>	Rate %	2013 <i>(in million Baht)</i>
Profit (loss) before income tax expense	20	457	20	66
Income tax using the Thai corporation tax rate		91		13
Income tax reduction		-		(1)
Taxable income		-		-
Increased taxable expenses		10		(13)
Expenses not deductible for tax		-		15
Current year losses for which no deferred tax asset was recognized		8		4
Others		(41)		(26)
<b>Total</b>		<b><u>68</u></b>		<b><u>(8)</u></b>

# Syntec Construction Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2014

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. 2014 dated 10 November 2014 grants a constant in the corporate income tax rate at 20% for the following accounting periods after 1 January 2015 until 31 December 2015.

The Group/Company's tax rate in 20% for accounting periods after on 31 December 2015.

#### 44 Earnings per share

Basic earnings per share for the years ended 31 December 2014 and 2013 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		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Profit (loss) attributable to equityholders of the Company (basic) (Baht)	396,628,658	80,599,445	389,350,521	74,566,202
Number of ordinary shares outstanding (shares)	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
<b>Basic earnings (loss) per share (Baht)</b>	<b>0.25</b>	<b>0.05</b>	<b>0.24</b>	<b>0.05</b>

#### 45 Dividends

The Ordinary General Meeting of Shareholders held on 29 April 2014 resolved approval to dividends from profit for the period from 1 January 2013 to 31 December 2013 and retain earning at the rate of Baht 0.05 per share amounting to Baht 80 million and the Company paid dividends to shareholders on 19 May 2014.

The Board of Directors Meeting held on 13 August 2014 resolved approval to interim dividends from profit for the period from 1 January 2014 to 30 June 2014 at the rate of Baht 0.02 per share amounting to Baht 32 million and the Company paid interim dividends 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

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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:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
<b>2014</b>					
<b>Current</b>					
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)
Finance lease liabilities	6.06	(46)	-	-	(46)
<b>Non current</b>					
Pledged deposits at the banks	1.40	-	179	-	179
Finance lease liabilities	6.06	-	(64)	-	(64)
Debentures	5.67	(175)	(527)	-	(702)
<b>Total</b>		<b>739</b>	<b>(412)</b>	<b>-</b>	<b>327</b>
<b>2013</b>					
<b>Current</b>					
Cash and cash equivalents	0.46	909	-	-	909
Current investments	5.83	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	5.38	(399)	-	-	(399)

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	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
		<i>(in million Baht)</i>			
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Finance lease liabilities	6.15	(40)	-	-	(40)
<b>Non current</b>					
Debt securities held to maturity	3.60	-	35	-	35
Pledged deposits at the banks	0.91	-	153	-	153
Finance lease liabilities	6.15	-	(114)	-	(114)
Debentures	5.18	-	(525)	-	(525)
<b>Total</b>		<b>500</b>	<b>(451)</b>	<b>-</b>	<b>49</b>
		Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		<i>(in million Baht)</i>			
<b>2014</b>					
<b>Current</b>					
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)
Finance lease liabilities	6.06	(46)	-	-	(46)
<b>Non current</b>					
Long-term loans	4.75	-	200	-	200
Pledged deposits at the banks	1.40	-	179	-	179
Finance lease liabilities	6.06	-	(64)	-	(64)
Debentures	5.67	(175)	(350)	-	(525)
<b>Total</b>		<b>716</b>	<b>(35)</b>	<b>-</b>	<b>681</b>
<b>2013</b>					
<b>Current</b>					
Cash and cash equivalent	0.47	843	-	-	843
Current investments	5.83	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	5.40	(333)	-	-	(333)

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	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Finance lease liabilities	6.15	(40)	-	-	(40)
<b>Non current</b>					
Debt securities held to maturity	3.60	-	35	-	35
Pledged deposits at the banks	0.91	-	153	-	153
Finance lease liabilities	6.15	-	(114)	-	(114)
Debentures	5.18	-	(525)	-	(525)
<b>Total</b>		<b>500</b>	<b>(451)</b>	<b>-</b>	<b>49</b>

***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 2014 and 2013, the Company had creditors denominated in the following currencies: -

	2014	2013
<i>(in million Baht)</i>		
<b>Foreign currencies</b>		
United States Dollars	0.52	0.52

***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.

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***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***

A number of the Group's/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity, which are held for trading, held for available-for-sale and held to maturity, is determined by reference to their quoted bid price at the reporting date.

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of debentures, the market rate of interest is determined by reference to similar liabilities. For finance lease, the market rate of interest is determined by reference to similar lease agreements.

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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
<b>2014</b>				
<b><i>Current</i></b>				
Deposit at the financial institutions	389	389	365	365
Current investments	761	761	761	761
Trade accounts receivable	836	836	813	813
Other receivables	53	53	53	53
Retention receivables under construction contracts	616	616	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	(544)	(544)	(484)	(484)
Other payables	(351)	(351)	(288)	(288)
Creditors under rehabilitation plan	(30)	(30)	(30)	(30)
Current portion of debentures	(175)	(175)	(175)	(175)
Finance lease liabilities	(46)	(46)	(46)	(46)

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
Advances received from customers				
under construction contracts	(624)	(624)	(624)	(624)
Retentions payables from subcontractors	(292)	(292)	(292)	(292)
Undue value added tax	(94)	(94)	(89)	(89)
<b><i>Non-current</i></b>				
Other equity securities	356	356	356	356
Withholding tax	128	128	127	127
Pledged deposits at the banks	179	179	179	179
Debentures	(527)	(527)	(350)	(350)
Finance lease liabilities	(64)	(64)	(64)	(64)
Employee benefit obligations	(99)	(99)	(98)	(98)
<b>Total</b>	<b>909</b>	<b>909</b>	<b>1,135</b>	<b>1,135</b>
<b>2013</b>				
<b><i>Current</i></b>				
Deposit at the financial institutions	909	909	843	843
Current investments	60	60	60	60
Trade accounts receivable	644	644	621	621
Other receivables	55	55	57	57
Retention receivables under				
construction contracts	546	546	514	514
Unbilled construction in progress	753	753	753	753
Advance payments to subcontractors	40	40	40	40
Bank overdrafts and short-term loans				
from financial institutions	(399)	(399)	(333)	(333)
Trade accounts payable	(430)	(430)	(381)	(381)
Other payables	(342)	(342)	(278)	(278)
Creditors under rehabilitation plan	(30)	(30)	(30)	(30)
Finance lease liabilities	(40)	(40)	(40)	(40)
Advances received from customers				
under construction contracts	(548)	(548)	(548)	(548)
Retentions payables from subcontractors	(248)	(248)	(248)	(248)
Undue value added tax	(97)	(97)	(92)	(92)
<b><i>Non-current</i></b>				
Other equity securities	278	278	278	278
Withholding tax	197	197	196	196
Pledged deposits at the banks	153	153	153	153
Debentures	(525)	(525)	(525)	(525)
Finance lease liabilities	(114)	(114)	(114)	(114)
Employee benefit obligations	(86)	(86)	(86)	(86)
<b>Total</b>	<b>776</b>	<b>776</b>	<b>840</b>	<b>840</b>

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**47 Commitments with non-related parties**

As at 31 December 2014, the Group's/the Company's commitments were as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in million Baht)</i>	
<b><i>Capital commitments</i></b>		
<i>Not provide for</i>		
Condominium	1	1
Camp and other buildings	4	4
Cost of construction building for service room	662	-
<b><i>Other commitments</i></b>		
Pursuant to subcontractor agreement for the outstanding construction project	958	958
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,922	1,653
<b>Total</b>	<b><u>3,547</u></b>	<b><u>2,616</u></b>

As at 31 December 2014, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 2,158 million.

**48 Contingent liabilities**

As at 31 December 2014, 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 32 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, then the Court had an appointment to consideration on 14 June 2013 but did not still agree. Subsequently, on 26 July 2013, the Court made an appointment for settlement of issue and taking of evidence from the plaintiff from 4 to 13 January 2014 and from the defendant on 25 to 28 March 2014. Subsequently, the Court adjourned the case and appointed to hear the negotiation on 9 March 2015.
- 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



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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 2 March 2015, 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 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 2 March 2015, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 31 December 2014 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 28 February 2015, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 31 December 2014 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 Syntec 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.

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**50 Pledged assets**

As at 31 December 2014 and 2013, the Company's cash at banks of Baht 179 million and Baht 153 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 and 2013, 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 2014 and 2013, 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 148 million and Baht 153 million, respectively, including of indemnity from fire insurance of those 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 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 26 January 2015, the Board of Directors Meeting approved to acquire land from the related persons for support the expansion of space to store equipment and machinery in the amount of Baht 13.50 million.

**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. The Company does not plan to adopt these TFRS early.

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 11 (revised 2014)	Construction Contracts	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015

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<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 2(revised 2014)	Share-based Payment	2015
TFRS 3(revised 2014)	Business Combinations	2015
TFRS 4 (revised 2014)	Insurance Contracts	2016
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 6(revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS 8(revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (revised 2014)	Intangible Assets—Web Site Costs	2015
TFRIC 1(revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29	2015
TFRIC 10 (revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015

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<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TFRIC 12 (revised 2014)	Service Concession Arrangements	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TFRIC 14	TAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners	2015
TFRIC 18 (revised 2014)	Transfers of Assets from Customers	2015
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	2015

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 :

***TAS 19 (revised 2014) – Employee Benefits***

TAS 19 (revised 2014) requires actuarial gains and losses to be recognised immediately in other comprehensive income, and no longer permits the use of the corridor method currently used by the Company. The Company will, accordingly change its accounting policy in this regard with retrospective effect. This change in accounting policy, the management estimates that the impact on the financial statements is profit for the year to be decreased approximately Baht 4 million.