

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

Interim financial statements  
for the three-month and nine-month periods ended  
30 September 2014

and

Independent auditor's report  
on review of interim financial information

## **Independent Auditor's Report on Review of Interim Financial Information**

### **To the Board of Directors of Syntec Construction Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively as at 30 September 2014, the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, changes in equity and cash flows for the nine-month periods then ended and condensed notes, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### **Scope of Review**

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

#### **Conclusion**

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

## **Other Matters**

The consolidated and separate statements of financial position of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited , respectively, as at 31 December 2013, which are included as a comparative information, were audited by another auditor who expressed an unqualified opinion on those financial statements in her report dated 28 February 2014. The consolidated and separate statements of comprehensive income for the three-month and nine month periods ended 30 September 2013, and the related statements of changes in equity and cash flows for the nine-month periods ended 30 September 2013, which are included as a comparative information, were reviewed by another auditor whose report dated 14 November 2013 stated that nothing has come to her attention that causes her to believe that the accompanying interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34, Interim Financial Reporting and drew attention in relation to the effect of the Company's adoption of certain new accounting policies

(Manit Warakitjaporn)  
Certified Public Accountant  
Registration Number 7326

NPS Siam Audit Limited  
Bangkok  
11 November 2014

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

**Statements of financial position**

**As at 30 September 2014**

<b>Assets</b>	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		30 September	31 December	30 September	31 December
		2014	2013	2014	2013
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b><i>Current assets</i></b>					
Cash and cash equivalents		510,460	909,033	495,941	842,673
Current investments	7	827,818	60,108	827,818	60,108
Trade accounts receivable	8	726,280	643,790	703,280	620,789
Other receivables	6, 9	53,558	55,199	54,656	56,501
Retention receivable under construction					
contracts	10	604,084	545,926	572,154	513,996
Unbilled construction in progress	11	666,242	752,538	666,242	752,538
Inventories		178,948	110,909	178,948	110,716
Advance payments to subcontractors		46,344	40,066	46,344	40,066
Other current assets		391	391	-	-
<b>Total current assets</b>		<b>3,614,125</b>	<b>3,117,960</b>	<b>3,545,383</b>	<b>2,997,387</b>
<b><i>Non-current assets</i></b>					
Investment in subsidiary	12	-	-	127,349	100,349
Investment in associate	13	361	384	-	-
Other long-term investments	6, 14	341,440	277,764	341,440	277,764
Long-term loans	6, 15	-	-	-	-
Investment properties	16	101,005	101,560	101,005	101,560
Property, plant and equipment	17	1,266,723	1,113,052	921,903	910,703
Leasehold right	18	375,645	390,742	375,645	390,742
Intangible assets	19	1,113	1,344	1,113	1,344
Withholding tax		64,493	196,641	62,826	196,392
Pledged deposit at bank		195,752	152,701	195,752	152,701
Deferred tax assets	20	-	6,008	-	6,008
Other non-current assets		91,115	90,660	77,940	77,735
<b>Total non-current assets</b>		<b>2,437,647</b>	<b>2,330,856</b>	<b>2,204,973</b>	<b>2,215,298</b>
<b>Total Assets</b>		<b>6,051,772</b>	<b>5,448,816</b>	<b>5,750,356</b>	<b>5,212,685</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 30 September 2014

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2014 (Unaudited)	31 December 2013	30 September 2014 (Unaudited)	31 December 2013
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	21	236,736	398,989	170,000	333,101
Trade accounts payable	22	549,597	429,776	503,031	381,127
Other payables	23	335,888	341,894	264,181	278,479
Current portion of creditors under rehabilitation plan		29,433	29,660	29,433	29,660
Current portion of financial lease liabilities		44,923	39,738	44,923	39,738
Advances received from customers under construction contracts	11	710,018	547,690	710,018	547,690
Retention payables from subcontractors		277,189	248,477	276,825	247,965
Undue value added tax		96,652	97,250	91,297	91,895
Short-term provisions	26	53,599	10,970	53,599	10,970
Other current liabilities		14,546	7,111	14,547	7,111
<b>Total current liabilities</b>		<b>2,348,581</b>	<b>2,151,555</b>	<b>2,157,854</b>	<b>1,967,736</b>
<b>Non-current liabilities</b>					
Long-term loans	24	566,911	525,000	525,000	525,000
Financial lease liabilities		81,800	114,168	81,800	114,168
Deferred tax liabilities	20	10,798	7,472	10,798	7,472
Employee benefit obligations	25	99,049	85,994	98,250	85,812
Long-term provisions	26	45,848	-	89,625	42,632
<b>Total non-current liabilities</b>		<b>804,406</b>	<b>732,634</b>	<b>805,473</b>	<b>775,084</b>
<b>Total liabilities</b>		<b>3,152,987</b>	<b>2,884,189</b>	<b>2,963,327</b>	<b>2,742,820</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 30 September 2014**

<b>Liabilities and equity</b>	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		30 September 2014 (Unaudited)	31 December 2013	30 September 2014 (Unaudited)	31 December 2013
<i>(in thousand Baht)</i>					
<b>Equity</b>					
Share capital	27				
Authorized share capital		<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
Issued and paid-up share capital		1,600,000	1,600,000	1,600,000	1,600,000
Additional paid-in capital					
Premium on ordinary shares		24	24	24	24
Retained earnings					
Appropriated					
Legal reserve	28	75,034	61,281	75,034	61,281
Unappropriated	29	1,014,643	871,662	1,016,217	866,903
Other components of equity	6, 14	<u>95,754</u>	<u>(58,343)</u>	<u>95,754</u>	<u>(58,343)</u>
<b>Total equity attributable to owners of the Company</b>		<u><b>2,785,455</b></u>	<u><b>2,474,624</b></u>	<u><b>2,787,029</b></u>	<u><b>2,469,865</b></u>
Non-controlling interests		<u>113,330</u>	<u>90,003</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u><b>2,898,785</b></u>	<u><b>2,564,627</b></u>	<u><b>2,787,029</b></u>	<u><b>2,469,865</b></u>
<b>Total liabilities and equity</b>		<u><b>6,051,772</b></u>	<u><b>5,448,816</b></u>	<u><b>5,750,356</b></u>	<u><b>5,212,685</b></u>

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 three-month period ended 30 September 2014 (Unaudited)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from construction		1,822,402	1,730,840	1,822,402	1,730,840
Revenue from room service		26,448	-	26,448	-
Interest income		8,130	2,134	8,130	2,134
Gain on sale of available-for-sale securities		34,210	-	34,210	-
Gain on sale of equipment		-	7,392	-	7,392
Reversal of allowance for doubtful accounts	8, 10	7,189	12,557	7,189	12,557
Reversal of estimated loss under join venture agreements	26	-	-	(76)	(10)
Other income	6	828	535	4,054	535
<b>Total revenues</b>		<b>1,899,207</b>	<b>1,753,458</b>	<b>1,902,357</b>	<b>1,753,448</b>
<b>Expenses</b>					
Cost of construction	6, 26	1,588,481	1,592,490	1,588,482	1,592,489
Cost of room service		19,831	-	21,611	-
Selling expenses		272	819	222	819
Administrative expenses		79,316	61,196	76,205	57,811
Other expenses	9, 11, 26	32,497	1,415	34,666	3,237
Finance cost		11,230	12,770	11,230	12,770
<b>Total expenses</b>		<b>1,731,627</b>	<b>1,668,690</b>	<b>1,732,416</b>	<b>1,667,126</b>
Share of loss of investments in associate	13	(8)	(7)	-	-
<b>Profit before income tax expense</b>		<b>167,572</b>	<b>84,761</b>	<b>169,941</b>	<b>86,322</b>
Income tax expense	20	49,488	(97)	49,488	(97)
<b>Profit for the period</b>		<b>118,084</b>	<b>84,858</b>	<b>120,453</b>	<b>86,419</b>
<b>Other comprehensive income (loss)</b>					
Profit (loss) on measurement of available-for-sale investment, net of tax	14	62,407	(29,427)	62,407	(29,427)
Other comprehensive income for the period		62,407	(29,427)	62,407	(29,427)
<b>Total comprehensive income for the period</b>		<b>180,491</b>	<b>55,431</b>	<b>182,860</b>	<b>56,992</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 three-month period ended 30 September 2014 (Unaudited)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<b>Profit (loss) attributable to :-</b>					
Owners of the Company		<b>118,639</b>	<b>85,552</b>	<b>120,453</b>	<b>86,419</b>
Non - controlling interests		<b>(555)</b>	<b>(694)</b>	-	-
		<b><u>118,084</u></b>	<b><u>84,858</u></b>	<b><u>120,453</u></b>	<b><u>86,419</u></b>
<b>Total comprehensive income (loss) attributable to :-</b>					
Owners of the Company		<b>181,046</b>	<b>56,125</b>	<b>182,860</b>	<b>56,992</b>
Non - controlling interests		<b>(555)</b>	<b>(694)</b>	-	-
		<b><u>180,491</u></b>	<b><u>55,431</u></b>	<b><u>182,860</u></b>	<b><u>56,992</u></b>
<b>Earning per share</b>					
Basic (in Baht)	<i>31</i>	<b><u>0.07</u></b>	<b><u>0.05</u></b>	<b><u>0.08</u></b>	<b><u>0.05</u></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 nine-month period ended 30 September 2014 (Unaudited)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenue from construction		5,015,538	4,458,369	5,015,538	4,458,369
Revenue from room service		69,361	-	69,361	-
Interest income		16,674	5,280	16,602	5,231
Gain on sale of available-for-sale securities		34,210	-	34,210	-
Gain on sale of equipment		-	7,392	-	7,392
Reversal of allowance for doubtful accounts	8, 10	8,807	12,977	8,807	12,977
Reversal of estimated loss under join venture agreements	26	-	-	342	-
Other income	6	4,222	1,532	16,778	1,532
<b>Total revenues</b>		<b>5,148,812</b>	<b>4,485,550</b>	<b>5,161,638</b>	<b>4,485,501</b>
<b>Expenses</b>					
Cost of construction	6, 26	4,410,986	4,134,229	4,416,188	4,141,942
Cost of room service		60,061	-	70,406	-
Selling expenses		986	1,091	533	1,091
Administrative expenses		241,150	195,937	227,370	188,821
Other expenses	9, 11, 26	55,895	14,460	60,424	19,656
Finance cost		36,449	34,540	36,449	34,540
<b>Total expenses</b>		<b>4,805,527</b>	<b>4,380,257</b>	<b>4,811,370</b>	<b>4,386,050</b>
Share of loss of investments in associate	13	(23)	(22)	-	-
<b>Profit before income tax expense</b>		<b>343,262</b>	<b>105,271</b>	<b>350,268</b>	<b>99,451</b>
Income tax expense	20	75,201	1,333	75,201	1,333
<b>Profit for the period</b>		<b>268,061</b>	<b>103,938</b>	<b>275,067</b>	<b>98,118</b>
<b>Other comprehensive income (loss)</b>					
Profit on measurement of available-for-sale investment, net of tax	14	154,097	114,027	154,097	114,027
Other comprehensive income for the period		154,097	114,027	154,097	114,027
<b>Total comprehensive income for the period</b>		<b>422,158</b>	<b>217,965</b>	<b>429,164</b>	<b>212,145</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 nine-month period ended 30 September 2014 (Unaudited)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<b>Profit (loss) attributable to :-</b>					
Owners of the Company		<b>268,734</b>	<b>104,737</b>	<b>275,067</b>	<b>98,118</b>
Non - controlling interests		<b>(673)</b>	<b>(799)</b>	<b>-</b>	<b>-</b>
		<b><u>268,061</u></b>	<b><u>103,938</u></b>	<b><u>275,067</u></b>	<b><u>98,118</u></b>
<b>Total comprehensive income (loss) attributable to :-</b>					
Owners of the Company		<b>422,831</b>	<b>218,764</b>	<b>429,164</b>	<b>212,145</b>
Non - controlling interests		<b>(673)</b>	<b>(799)</b>	<b>-</b>	<b>-</b>
		<b><u>422,158</u></b>	<b><u>217,965</u></b>	<b><u>429,164</u></b>	<b><u>212,145</u></b>
<b>Earning per share</b>					
Basic (in Baht)	<i>31</i>	<b><u>0.17</u></b>	<b><u>0.07</u></b>	<b><u>0.17</u></b>	<b><u>0.06</u></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 nine-month period ended 30 September 2014 (Unaudited)**

		<b>Consolidated financial statements</b>							
		Issued and paid-up share capital	Premium on ordinary shares	<u>Retained earnings</u>		<u>Other components of equity</u>	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
<i>Note</i>				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments			
<i>(in thousand Baht)</i>									
<b>Balance at 1 January 2013</b>		<b>1,600,000</b>	<b>24</b>	<b>57,553</b>	<b>794,790</b>	<b>(303,143)</b>	<b>2,149,224</b>	<b>47,857</b>	<b>2,197,081</b>
Non-controlling interests		-	-	-	-	-	-	24,000	24,000
Transfer to legal reserve	28	-	-	4,906	(4,906)	-	-	-	-
Comprehensive income (loss) for the period		-	-	-	104,737	114,027	218,764	(799)	217,965
<b>Balance at 30 September 2013</b>		<b>1,600,000</b>	<b>24</b>	<b>62,459</b>	<b>894,621</b>	<b>(189,116)</b>	<b>2,367,988</b>	<b>71,058</b>	<b>2,439,046</b>
<b>Balance at 1 January 2014</b>		<b>1,600,000</b>	<b>24</b>	<b>61,281</b>	<b>871,662</b>	<b>(58,343)</b>	<b>2,474,624</b>	<b>90,003</b>	<b>2,564,627</b>
Non-controlling interests		-	-	-	-	-	-	24,000	24,000
Transfer to legal reserve	28	-	-	13,753	(13,753)	-	-	-	-
Dividends	29	-	-	-	(112,000)	-	(112,000)	-	(112,000)
Comprehensive income (loss) for the period		-	-	-	268,734	154,097	422,831	(673)	422,158
<b>Balance at 30 September 2014</b>		<b>1,600,000</b>	<b>24</b>	<b>75,034</b>	<b>1,014,643</b>	<b>95,754</b>	<b>2,785,455</b>	<b>113,330</b>	<b>2,898,785</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 nine-month period ended 30 September 2014 (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Note</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	268,061	103,938	275,067	98,118
<b><i>Adjustments for</i></b>				
Reversal of allowance for doubtful accounts	(8,807)	(12,977)	(8,807)	(12,977)
Doubtful debt	4,122	14,460	8,939	18,857
Depreciation and amortization	131,847	79,263	131,706	86,977
Interest income	(16,674)	(5,280)	(16,602)	(5,231)
Interest expense	36,449	34,540	36,449	34,540
Gain on revaluation of current investments	(61)	-	(61)	-
Loss on sale of equipment	10,360	(7,392)	10,360	(7,392)
Unrealized (gain) loss on exchange rate	(227)	396	(227)	396
Gain on sale of available - for-sale securities	(34,210)	-	(34,210)	-
Share of loss from investments in associate	23	22	-	-
Allowance for impairment of asset	-	99	-	-
Provision for losses on litigations	45,848	-	45,848	-
Provision for losses on constructions project	42,629	-	42,629	-
Reversal of estimated loss under joint venture agreements	-	-	1,145	799
Expense of employee benefits	13,055	11,359	12,438	11,359
Income tax expense	75,201	1,333	75,201	1,333
	<u>567,616</u>	<u>219,761</u>	<u>579,875</u>	<u>226,779</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	(82,490)	105,380	(82,490)	105,380
Other receivables	4,257	(4,495)	(352)	(8,561)
Retention receivable under construction contract	(49,351)	33,972	(49,351)	33,972
Unbilled construction in progress	85,480	101,827	85,480	101,827
Inventories	(68,039)	17,747	(68,232)	17,747
Advance payments to subcontractors	(6,277)	3,360	(6,277)	3,360
Return on withholding tax	196,388	-	196,388	-
Other non-current assets	(412)	(33,721)	(210)	(33,703)
Trade accounts payable	119,820	79,850	121,904	78,935
Advance received under construction contracts	162,328	(50,697)	162,328	(50,697)
Retention payable from subcontractors	28,712	36,607	28,860	36,561
Other payables	(6,014)	95,244	(14,304)	93,012
Undue value added tax	(598)	(13,255)	(598)	(13,255)
Other current liabilities	7,436	755	7,436	755
Payment of short-term provisions	-	(5,144)	-	(5,144)
Payment of employee benefit liabilities	-	(600)	-	(600)
Cash generated from operating activities	<u>958,856</u>	<u>586,591</u>	<u>960,457</u>	<u>586,368</u>
Withholding tax paid	<u>(154,089)</u>	<u>(135,915)</u>	<u>(152,625)</u>	<u>(135,880)</u>
<b>Net cash provided by operating activities</b>	<b><u>804,767</u></b>	<b><u>450,676</u></b>	<b><u>807,832</u></b>	<b><u>450,488</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 nine-month period ended 30 September 2014 (Unaudited)**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>					
Interest received		13,955	5,268	13,878	5,218
Purchase of current investments		(972,949)	(660,000)	(972,949)	(660,000)
Proceeds from current investments		240,300	478,869	240,300	478,869
Proceeds from available-for-sale securities		113,570	-	113,570	-
Purchase of investment in subsidiary		-	-	(27,000)	(26,000)
Pledged deposit at bank		(43,051)	37,085	(43,051)	37,085
Purchase of property, plant and equipment		(289,674)	(329,234)	(147,062)	(223,484)
Purchase of intangible assets		(769)	(231)	(769)	(231)
Sales of equipment		10,447	10,789	10,447	10,789
<b>Net cash used in investing activities</b>		<b>(928,171)</b>	<b>(457,454)</b>	<b>(812,636)</b>	<b>(377,754)</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(39,651)	(28,286)	(39,651)	(28,286)
Dividends paid		(111,993)	-	(111,993)	-
Bank overdrafts		(2,254)	9,441	(3,101)	9,441
Proceeds from short-term loan from financial institutions		270,000	455,000	270,000	390,000
Payment of short-term loans from financial institutions		(430,000)	(550,000)	(430,000)	(550,000)
Proceed from long-term loan		41,911	-	-	-
Proceeds from issuing of debentures		-	350,000	-	350,000
Proceeds from non-controlling interests		24,000	24,000	-	-
Finance lease payment		(27,182)	(39,714)	(27,182)	(39,714)
<b>Net cash provided by (used in) financing activities</b>		<b>(275,169)</b>	<b>220,441</b>	<b>(341,927)</b>	<b>131,441</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(398,573)</b>	<b>213,663</b>	<b>(346,731)</b>	<b>204,175</b>
Cash and cash equivalents at 1 January		909,033	246,854	842,672	217,973
<b>Cash and cash equivalents at 30 September</b>		<b>510,460</b>	<b>460,517</b>	<b>495,941</b>	<b>422,148</b>
<b>Non - cash transactions</b>					
Interest expense capitalized in cost of construction in progress	<i>17</i>	2,891	-	-	-

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

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

The interim financial statements were authorized for issue by the Board of Directors on 11 November 2014.

**1 General information**

Syntec Construction Public Company Limited (“the Company”) is incorporated in Thailand and has its registered head office at 555/7-11 Sukhumvit Soi 63 (Ekamai), Sukhumvit Road, Kwang Klontong Nua, Khet Wattana, Bangkok and a branch office located at 61 Langsuan Road, Kwang 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 September 2014.

	<i>(%) of total paid-up share capital</i>
Phahusuth Group and Taneehiranrat Group	18.87
Subandit Group	6.64

The principal business of the Company is construction.

Details of the Company’s subsidiary and joint ventures were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2014	31 December 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 Assets 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
<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



**Syntec Construction Public Company Limited and its Subsidiaries**  
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**2 Basis of preparation of interim financial statements**

**2.1 Statement of compliance**

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

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2012) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP); and related applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2013. The financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and the subsidiary for the year ended 31 December 2013.

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

<b>TFRS</b>	<b>Topic</b>
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 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
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

**Syntec Construction Public Company Limited and its Subsidiaries**  
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<b>TFRS</b>	<b>Topic</b>
TFRIC 5	Right to Interests Arising from Decommissioning, Restoration and Environmental Funds
TFRIC 7	Applying the restatement Approach under IAS 29 Financial reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
SIC 15	Operating Leases - Incentives
SIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
SIC 29	Service Concession Arrangements: Disclosures
SIC 32	Intangible Assets - Web Site Costs

The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation and financial performance or position of the Group/Company.

In addition to the above new and revised TFRS as at 30 September 2014, the FAP had issued a number of new TFRS which are effective for financial statements beginning on or after 1 January 2015 and have not been adopted in the preparation of these interim financial statements as disclosed in notes 35.

## **2.2 *Functional and presentation currency***

The interim 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 thousand/million unless otherwise stated.

## **2.3 *Use of estimates and judgments***

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

In preparing these interim financial statements, the significant judgments made by management in applying the Group/the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2013.

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:

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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<i>Notes 12, 13 and 14</i>	<i>Allowance for impairment of investments</i>
<i>Notes 20</i>	<i>Income tax for the current period and deferred tax</i>
<i>Note 25</i>	<i>Discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate.</i>
<i>Notes 26</i>	<i>Estimated construction project costs, provision for losses on construction projects and estimated loss under joint venture agreement</i>
<i>Note 33</i>	<i>Contingent liabilities and litigation</i>

- 2.4** The consolidated and separate financial statements for the three-month and nine-month periods ended 30 September 2014 and 2013 included the investments and share of loss of investments in an associate, which had been accounted for by equity method amounted to Baht (0.01) million and Baht (0.01) million and Baht (0.02) million and Baht (0.02) million, respectively, in the consolidated financial statements, based on financial statements of such associate, which had been reviewed by the other auditor. In addition, the Company had no obligation under the guarantee for such associate and an allowance for impairment of investments in the abovementioned associate was set up as at 30 September 2014 and 31 December 2013 in the amount of Baht 10 million and Baht 10 million, respectively, in the separate financial statements. Please also see note 13 to the financial statements. However, the values of the investments in the associate were not significant.

**3 Significant accounting policies**

The Group/the Company have significant accounting policies and methods of computation applied in these interim financial statements for the three-month and nine-month period ended 30 September 2014, are consistent with those applied in the financial statements for the year ended 31 December 2013, except the Group/Company has adopted all new and revised TFRS which become effective for accounting periods beginning on or after 1 January 2014.

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

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

Syntec – Mivan Joint Venture had already finished its own construction and 3 projects amounted to 8,582 units were inspected by National Housing Authority. The retention for dilapidation of those projects was due in March 2012. As of 11 November 2014, the Company has been in the process of requesting the amount of retention from National Housing Authority and please see note 33 to the financial statements.

As of 11 November 2014, 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 statements of financial position information of Syntec – Mivan Joint Venture as at 30 September 2014 and 31 December 2013 were as follows:

**Syntec Construction Public Company Limited and its Subsidiaries**  
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	30 September 2014	31 December 2013
	<i>(in million Baht)</i>	
<b>Information of statement of financial position</b>		
Current assets	86	88
Non-current assets	20	20
<b>Total assets</b>	<b>106</b>	<b>108</b>
Current liabilities	792	787
Deficit in venturers' equity	(686)	(679)
<b>Total liabilities net deficit in venturers' equity</b>	<b>106</b>	<b>108</b>

Summary of statements of comprehensive income information of Syntec – Mivan Joint Venture for the three-month and nine-month periods ended 30 September 2014 and 2013 were as follows:

	2014		2013	
	For the period		For the period	
	3 month	9 month	3 month	9 month
	<i>(in million Baht)</i>			
<b>Information of statement of comprehensive income</b>				
Total revenues	-	-	-	-
Total expenses	(3)	(7)	(3)	(8)
<b>Loss for the period</b>	<b>(3)</b>	<b>(7)</b>	<b>(3)</b>	<b>(8)</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 30 September 2014 and 31 December 2013, the Company recognized the estimated loss under joint venture agreement amounted to Baht 44 million and Baht 43 million, respectively in the separate financial statements as described in note 26 to the financial statements.

## **5 Seasonal operations**

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

## **6 Related party transactions and balances**

For the purposes of these financial statements, parties are considered to be related to the Group/the Company if the Group/the 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/the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Relationships with related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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 % shareholding
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. 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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Name of entities	Country of incorporation/ nationality	Nature of relationships
16. 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)
Service apartment management expense	Contract price
Service expenses	Contract price
Administrative expenses	Market price
Directors benefit expenses represent meeting allowance and director bonus	Approval from the Company's directors and shareholders
Directors and management benefit expenses represent salary and bonus	Approval from the Company's directors and shareholders

Significant transactions for the three-month and nine-month periods ended 30 September 2014 and 2013 with related parties were summarized as follows:

	<b>Consolidated financial statements</b>		<b>Separate Financial statements</b>	
	For the three-month 2014	2013	For the three-month 2014	2013
<i>(in thousand Baht)</i>				
<b>Revenue</b>				
<b>Subsidiary</b>				
Sale of steel	-	-	-	-
Revenue for other service	-	-	3,303	-
<b>Expenses</b>				
<b>Subsidiaries</b>				
Service apartment management expense	-	-	6,023	-
<b>Related company</b>				
Other service expense	3,280	-	3,280	-
<b>Key management personnel</b>				
Management personnel compensation				
Short-term employee benefits	4,692	4,481	4,692	4,481
Post-employment benefits	545	300	545	300
Total key management personnel compensation	<u>5,237</u>	<u>4,781</u>	<u>5,237</u>	<u>4,781</u>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**For the three-month and nine-month periods ended 30 September 2014 (Unaudited)**

	<b>Consolidated financial statements</b>		<b>Separate Financial statements</b>	
	For the nine-month 2014	2013	For the nine-month 2014	2013
<i>(in thousand Baht)</i>				
<b>Revenue</b>				
<b>Subsidiary</b>				
Sale of steel	-	-	5,201	-
Revenue for other service	-	-	8,079	-
<b>Expenses</b>				
<b>Subsidiaries</b>				
Service apartment management expense	-	-	30,377	-
<b>Related company</b>				
Other service expense	4,692	-	4,692	-
<b>Key management personnel</b>				
Management personnel compensation				
Short-term employee benefits	14,574	13,931	14,574	13,931
Post-employment benefits	1,633	899	1,633	899
Total key management personnel compensation	<u>16,207</u>	<u>14,830</u>	<u>16,207</u>	<u>14,830</u>

Balance as at 30 September 2014 and 31 December 2013 with related parties were as follows:

**Other receivables - related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
<i>(in thousand Baht)</i>				
<b>Other receivables and advances</b>				
<b>Joint ventures</b>				
SVK Joint Venture	5,459	5,456	11,140	11,134
Syntec – Mivan Joint Venture	216,574	214,848	618,784	613,853
<b>Subsidiary</b>				
SCR Asset Management Co.,Ltd.	-	-	2,008	975
Syntec Assets Management Co., Ltd.	-	-	8	8
Natural Will Service Apartment and Management Co., Ltd.	-	-	12,712	6,037
<b>Other related company</b>				
UOB Apartment Property Fund I (Leasehold)	-	6,671	-	6,297
<b>Person related</b>				
Key management personnel	20	20	-	-
Total	<u>222,053</u>	<u>226,995</u>	<u>644,652</u>	<u>638,304</u>
Less Allowance for doubtful accounts	<u>(222,033)</u>	<u>(218,743)</u>	<u>(629,924)</u>	<u>(621,801)</u>
<b>Net</b>	<u><b>20</b></u>	<u><b>8,252</b></u>	<u><b>14,728</b></u>	<u><b>16,503</b></u>
<b>Key management personnel</b>				
Advance to project managers	<u>4,153</u>	<u>3,185</u>	<u>4,153</u>	<u>3,185</u>

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As at 30 September 2014 and 31 December 2013, advance to project managers in the amount of Baht 4.15 million and Baht 3.18 million, respectively, represented the petty cash for construction projects in the amount of Baht 50,000 to Baht 100,000 per a project.

Details of investments in subsidiary and investments in associates were described in notes 12 and 13 to financial statements.

***Other long-term investments***

	<b>Consolidated and separate financial statements</b>	
	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>	
<i>Available – for sale securities</i>		
<b>Other related company</b>		
Bangkok Metro Plc.	221,747	301,107
Add (less) valuation adjustment	119,693	(58,343)
<b>Net</b>	<b>341,440</b>	<b>242,764</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
<b>Other related company</b>				
Gentech Engineering Co., Ltd.	4,956	4,956	4,956	4,956
Total	4,956	4,956	4,956	4,956
Less allowance for doubtful accounts	(4,956)	(4,956)	(4,956)	(4,956)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Movements of long-term loans to related parties for the nine-month periods ended 30 September 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	4,956	17,137	4,956	17,137
No movement during the period	-	-	-	-
<b>At 30 September</b>	<b>4,956</b>	<b>17,137</b>	<b>4,956</b>	<b>17,137</b>



**Syntec Construction Public Company Limited and its Subsidiaries**  
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*Trade accounts payable - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Tate Enterprise Co., Ltd.	-	498	-	498
<b>Joint venturer</b>				
Mivan (Thailand) Co., Ltd.	41,885	41,885	-	-
<b>Total</b>	<b>41,885</b>	<b>42,383</b>	<b>-</b>	<b>498</b>

*Other accounts payable – related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Natural Ville Service Apartment and Management Co., Ltd	-	-	9,922	6,583
<b>Related persons</b>				
Key management personnel	-	20	-	-
<b>Total</b>	<b>-</b>	<b>20</b>	<b>9,922</b>	<b>6,583</b>

Details of provisions were described in note 26 to the financial statements.

*The commitments with related parties*

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

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

*Significant agreements with related parties*

The information and other significant events pursuant to the memorandum among the Company and related parties as detailed in note 4 to the financial statements.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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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 disbursement to be approved by the Company.

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

Please also see note 34 to the financial statements.

**7 Current Investments**

	<b>Consolidated and separate financial statements</b>	
	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Bills of exchange	692,755	60,108
Mutual fund – Debt Securities	100,063	-
Debt securities due within one year	35,000	-
<b>Total</b>	<b><u>827,818</u></b>	<b><u>60,108</u></b>

Movements during the nine-month periods ended 30 September 2014 and 2013 were as follows:

	<b>Consolidated and separate financial statements</b>	
	2014	2013
	<i>(in thousand Baht)</i>	
<b>Bills of exchange</b>		
At 1 January	60,108	60,173
Purchases during the period	792,947	660,000
Sales during the period	(160,300)	(478,869)
<b>At 30 September</b>	<b><u>692,755</u></b>	<b><u>241,304</u></b>
<b>Mutual Fund – Debt Securities</b>		
At 1 January	-	-
Purchases during the period	180,002	-
Sales during the period	(80,000)	-
Valuation adjustment	61	-
<b>At 30 September</b>	<b><u>100,063</u></b>	<b><u>-</u></b>
<b>Debt securities due within one year</b>		
At 1 January	-	-
Increase -transfer during the period	35,000	-
<b>At 30 September</b>	<b><u>35,000</u></b>	<b><u>-</u></b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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**8 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
<i>Comprising:</i>				
Trade accounts receivable - other parties	819,159	736,669	796,159	713,668
Less allowance for doubtful accounts	<u>(92,879)</u>	<u>(92,879)</u>	<u>(92,879)</u>	<u>(92,879)</u>
<b>Net</b>	<b><u>726,280</u></b>	<b><u>643,790</u></b>	<b><u>703,280</u></b>	<b><u>620,789</u></b>
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Reversal of allowance doubtful accounts</b>				
For the three-month period ended 30 September	-	(3,667)	-	(3,667)
For the nine-month period ended 30 September	-	(3,817)	-	(3,817)

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Within credit terms	447,073	433,725	447,073	433,725
Still installment	29,628	29,628	29,628	29,628
Overdue:				
- Less than 3 months	154,771	90,193	154,771	90,193
- Over 3 months to 6 months	5,486	608	5,486	608
- Over 6 months to 12 months	-	17,443	-	17,443
- Over 12 months	<u>182,201</u>	<u>165,072</u>	<u>159,201</u>	<u>142,071</u>
	<u>342,458</u>	<u>273,316</u>	<u>319,458</u>	<u>250,315</u>
<b>Total</b>	<b><u>819,159</u></b>	<b><u>736,669</u></b>	<b><u>796,159</u></b>	<b><u>713,668</u></b>

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

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**9 Other receivables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht )</i>			
Other receivables	13,556	23,773	27,588	28,262
Accrued income	6,546	3,636	6,546	3,636
Prepaid expenses	20,589	23,191	20,353	21,949
Advance	228,651	225,626	635,873	630,246
Prepaid value added tax	12,190	3,657	161	150
<b>Total</b>	<b>281,532</b>	<b>279,883</b>	<b>690,521</b>	<b>684,243</b>
<i>Less</i> allowance for doubtful accounts	<i>(227,974)</i>	<i>(224,684)</i>	<i>(635,865)</i>	<i>(627,742)</i>
<b>Net</b>	<b>53,558</b>	<b>55,199</b>	<b>54,656</b>	<b>56,501</b>
Related parties	222,053	226,995	644,652	638,304
Key management personnel	4,153	3,185	4,153	3,185
Other parties	55,326	49,703	41,716	42,754
<b>Total</b>	<b>281,532</b>	<b>279,883</b>	<b>690,521</b>	<b>684,243</b>
<i>Less</i> allowance for doubtful accounts	<i>(227,974)</i>	<i>(224,684)</i>	<i>(635,865)</i>	<i>(627,742)</i>
<b>Net</b>	<b>53,558</b>	<b>55,199</b>	<b>54,656</b>	<b>56,501</b>
	2014	2013	2014	2013
	<i>(in thousand Baht )</i>			
<b>Doubtful debts expense</b>				
For the three-month period ended 30 September	1,890	551	4,123	1,575
For the nine-month period ended 30 September	3,290	2,367	8,123	6,765

**10 Retentions receivable under construction contracts**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Other parties	629,825	580,474	597,895	548,544
<i>Less</i> allowance for doubtful accounts	<i>(25,741)</i>	<i>(34,548)</i>	<i>(25,741)</i>	<i>(34,548)</i>
<b>Net</b>	<b>604,084</b>	<b>545,926</b>	<b>572,154</b>	<b>513,996</b>

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht )</i>			
<b>Reversal of allowance for doubtful accounts</b>				
For the three-month period ended 30 September	(7,189)	(7,913)	(7,189)	(7,913)
For the nine-month period ended 30 September	(8,807)	(8,183)	(8,807)	(8,183)

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within credit terms	460,297	384,875	460,297	384,875
Still installment	14,226	14,976	14,226	14,976
Overdue:				
- Over 1 year to 2 year	43,643	77,779	43,643	55,481
- Over 2 year to 3 year	79,817	62,862	57,520	62,862
- Over 3 year	31,842	39,982	22,209	30,350
	<u>155,302</u>	<u>180,623</u>	<u>123,372</u>	<u>148,693</u>
<b>Total</b>	<b><u>629,825</u></b>	<b><u>580,474</u></b>	<b><u>597,895</u></b>	<b><u>548,544</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 30 September 2014 amounted to Baht 32 million has been in the process of following up for collectible. Please also see note 4 to the financial statements.

## **11 Unbilled construction in progress**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other parties	705,771	791,251	705,771	791,251
Less allowance for doubtful accounts	(39,529)	(38,713)	(39,529)	(38,713)
<b>Net</b>	<b><u>666,242</u></b>	<b><u>752,538</u></b>	<b><u>666,242</u></b>	<b><u>752,538</u></b>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in million Baht)</i>			
Construction project contracts amount	<u>27,485</u>	<u>24,126</u>	<u>27,485</u>	<u>24,126</u>
Contract revenue recognized as revenue since commencing date to present	20,773	19,154	20,773	19,154
Less progress billings (as invoices)	<u>(20,096)</u>	<u>(18,392)</u>	<u>(20,096)</u>	<u>(18,392)</u>
Unbilled construction in progress	677	762	677	762
Unbilled construction in progress (before 2000)	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>
Unbilled construction in progress at the end of period	706	791	706	791
Less allowance for doubtful accounts	<u>(40)</u>	<u>(39)</u>	<u>(40)</u>	<u>(39)</u>
<b>Net</b>	<b><u>666</u></b>	<b><u>752</u></b>	<b><u>666</u></b>	<b><u>752</u></b>
Excess of progress billing over work in progress	<u>(710)</u>	<u>(548)</u>	<u>(710)</u>	<u>(548)</u>
<b>Net</b>	<b><u>(44)</u></b>	<b><u>204</u></b>	<b><u>(44)</u></b>	<b><u>204</u></b>
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b>Doubtful debts expense</b>				
For the three-month period ended 30 September	-	-	-	-
For the nine-month period ended 30 September	816	9,713	816	9,713

**12 Investments in subsidiary**

Movements during the nine-month period ended 30 September 2014 and 2013 was as follows:

	<b>Separate financial statements</b>	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 January	100,349	52,000
Purchase investment	<u>27,000</u>	<u>26,000</u>
<b>At 30 September</b>	<b><u>127,349</u></b>	<b><u>78,000</u></b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Investments in subsidiary as at 30 September 2014 and 31 December 2013 were as follows:

	<b>Separate financial statements</b>											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend received	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	( <i>%</i> )		( <i>in million Baht</i> )		( <i>in thousand Baht</i> )							
<b>Direct subsidiary</b>												
<i>Investment :</i>												
SCR Asset Management Co., Ltd.	52.00	52.00	240	190	124,800	98,800	-	-	124,800	98,800	-	-
Syntec Asset Management Co., Ltd.	54.97	54.97	1	1	549	549	-	-	549	549	-	-
Natural Ville Service apartment and Management Co., Ltd	99.97	99.97	2	1	2,000	1,000	-	-	2,000	1,000	-	-
<b>Total</b>					<b>127,349</b>	<b>100,349</b>	<b>-</b>	<b>-</b>	<b>127,349</b>	<b>100,349</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.

**13 Investments in associates**

Movements during the nine-month periods ended 30 September 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	29,686	29,711	38,677	38,677
Share of loss of investments from equity method	(23)	(22)	-	-
	<u>29,663</u>	<u>29,689</u>	<u>38,677</u>	<u>38,677</u>
Less allowance for valuation of investments	(29,302)	(29,302)	(38,677)	(38,677)
<b>At 30 September</b>	<b><u>361</u></b>	<b><u>387</u></b>	<b><u>-</u></b>	<b><u>-</u></b>







**Syntec Construction Public Company Limited and its Subsidiaries**  
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For the nine-month periods ended 30 September 2014 and 2013, long-term loans no movement during in the period.

**16 Investment properties**

Acquisitions, disposals and transfers of investment properties during the nine-month periods ended 30 September 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Net book value at 1 January	101,560	102,300	101,560	102,300
Depreciation for the period	(555)	(555)	(555)	(555)
<b>Net book value at 30 September</b>	<b><u>101,005</u></b>	<b><u>101,745</u></b>	<b><u>101,005</u></b>	<b><u>101,745</u></b>

On 30 September 2014, the investment properties which are land 6 title deeds, cost value of Baht 99.60 million were mortgaged with a domestic commercial bank in the amount of Baht 700 million.

**17 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Net book value at 1 January	1,113,052	798,794	910,703	729,742
Acquisition and transfer in - at cost	289,674	329,234	147,062	223,484
Disposal and transfer out				
- net book value	(20,808)	(3,616)	(20,808)	(3,616)
Depreciation for the period	(115,195)	(75,542)	(115,054)	(83,256)
<b>Net book value at 30 September</b>	<b><u>1,266,723</u></b>	<b><u>1,048,870</u></b>	<b><u>921,903</u></b>	<b><u>866,354</u></b>

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

Interest capitalized for the nine - month period	2,891	-	-	-
Accumulated interest capitalized	4,549	-	-	-
Capitalization rate (% per annum)	MLR – 1.5	-	-	-

As at 30 September 2014, land, buildings and building improvement in the amount of Baht 41 million including indemnity from fire insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**18 Leasehold right**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Net book value at 1 January	390,742	-	390,742	-
Amortization for the period	(15,097)	-	(15,097)	-
<b>Net book value at 30 September</b>	<b>375,645</b>	<b>-</b>	<b>375,645</b>	<b>-</b>

**19 Intangible assets**

Acquisitions, disposals and transfers of intangible assets during the nine-month periods ended 30 September 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Net book value at 1 January	1,344	5,171	1,344	5,171
Acquisition and transfer in - at cost	769	231	769	231
Amortisation charge for the period	(1,000)	(3,166)	(1,000)	(3,166)
<b>Net book value at 30 September</b>	<b>1,113</b>	<b>2,236</b>	<b>1,113</b>	<b>2,236</b>

**20 Deferred income tax**

Movements of deferred tax assets and liabilities during the nine-month periods ended 30 September 2014 and 2013 were as follows:

**For the nine-month period ended 30 September 2014**

	<b>Consolidated and separate financial statements</b>			<b>At 30 September 2014</b>
	<b>At 1 January 2014</b>	<b>Charged / credited to</b>		
		<b>Profit (loss)</b>	<b>Other comprehensive income (loss)</b>	
		<i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></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><i>Deferred tax liabilities</i></b>				
property, plant and equipment	6	(2)	-	4
Financial lease liabilities	1	-	-	1
Profit in fair value of investment available –for-sale securities	-	-	24	24
<b>Total</b>	<b>7</b>	<b>(2)</b>	<b>24</b>	<b>29</b>
<b>Net</b>	<b>(1)</b>	<b>14</b>	<b>(24)</b>	<b>(11)</b>

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**For the nine-month period ended 30 September 2013**

	<b>Consolidated and separate financial statements</b>			<b>At 30 September 2013</b>
	<b>At 1 January 2013</b>	<u>Charged / credited to</u>		
		Profit (loss)	Other comprehensive income (loss)	
		<i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></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	-	20	-	20
<b>Total</b>	<b>30</b>	<b>(8)</b>	<b>-</b>	<b>22</b>
<b><i>Deferred tax liabilities</i></b>				
Financial lease liabilities	39	9	-	30
<b>Total</b>	<b>39</b>	<b>9</b>	<b>-</b>	<b>30</b>
<b>Net</b>	<b>(9)</b>	<b>1</b>	<b>-</b>	<b>(8)</b>

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>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in million Baht)</i>			
Deductible temporary differences	116	165	116	165
Tax losses	81	79	-	-
<b>Total</b>	<b>197</b>	<b>244</b>	<b>116</b>	<b>165</b>

The tax losses expire in 2014 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 three-month and nine-month periods ended 30 September 2014 and 2013 were summary as follows:

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For three-month 2014	2013	For three-month 2014	2013
	<i>(in million Baht)</i>			
<b>Current income tax expense for the period</b>				
The interim income tax expenses	44	3	44	3
<b>Deferred tax expense (income)</b>				
Deferred tax expense (income) concern deductible temporary difference with initial recognized and reversed	5	-	5	-
Deferred tax of decreasing income tax rate	-	(3)	-	(3)
<b>Income tax expense (income) represented in statements of comprehensive income</b>	<b>49</b>	<b>-</b>	<b>49</b>	<b>-</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For nine-month 2014	2013	For nine-month 2014	2013
	<i>(in million Baht)</i>			
<b>Current income tax expense for the period</b>				
The interim income tax expenses	89	3	89	3
<b>Deferred tax expense (income)</b>				
Deferred tax expense (income) concern deductible temporary difference with initial recognized and reversed	(14)	-	(14)	-
Deferred tax of decreasing income tax rate	-	(2)	-	(2)
<b>Income tax expense (income) represented in statements of comprehensive income</b>	<b>75</b>	<b>1</b>	<b>75</b>	<b>1</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Bank overdrafts	1,736	3,989	-	3,101
Short-term loans from financial institutions	235,000	395,000	170,000	330,000
<b>Total</b>	<b>236,736</b>	<b>398,989</b>	<b>170,000</b>	<b>333,101</b>

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Movements of short-term loans from financial institutions during the nine-month periods ended 30 September 2014 and 2013 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	395,000	540,000	330,000	540,000
Addition	270,000	455,000	270,000	390,000
Deduction	(430,000)	(550,000)	(430,000)	(550,000)
<b>At 30 September</b>	<b>235,000</b>	<b>445,000</b>	<b>170,000</b>	<b>380,000</b>

As at 30 September 2014, the Company has short-term loans from financial institutions in the amount of Baht 170 million in the consolidated and separate financial statement, represented bills of exchange, due on 3 December 2014 to 15 December 2014 with interest rate charged at 4.30% per annum.

As at 30 September 2014, 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.

**22 Trade accounts payable**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Related parties	41,885	42,383	-	498
Others parties	507,712	387,393	503,031	380,629
<b>Total</b>	<b>549,597</b>	<b>429,776</b>	<b>503,031</b>	<b>381,127</b>

**23 Other payables**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Related parties	-	20	9,922	6,583
Others parties	335,888	341,874	254,259	271,896
<b>Total</b>	<b>335,888</b>	<b>341,894</b>	<b>264,181</b>	<b>278,479</b>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
<i>Other parties</i>				
Other payables	64,986	70,923	15,101	3,229
Accrued value added tax	12,315	28,529	12,122	28,088
Accrued withholding tax	12,418	9,619	11,372	9,409
Other accrued expenses	246,169	232,803	225,586	231,170
<b>Total</b>	<b>335,888</b>	<b>341,874</b>	<b>264,181</b>	<b>271,896</b>

**24 Long-term loans**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Long-term loans from financial institution	41,911	-	-	-
Unsubordinated and unsecured debentures No. 1/2013	350,000	350,000	350,000	350,000
Unsubordinated and unsecured debentures No. 2/2013	175,000	175,000	175,000	175,000
<b>Total</b>	<b>566,911</b>	<b>525,000</b>	<b>525,000</b>	<b>525,000</b>

Movement of long-term loans during the nine-month periods ended 30 September 2014 and 2013 was as follows:

	<b>Consolidated and separate financial statements</b>	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 January	525,000	-
Addition	41,911	350,000
Deduction	-	-
<b>At 30 September</b>	<b>566,911</b>	<b>350,000</b>

***Long-term 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 41.91 million and balanced Baht 182.09 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.



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***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.

Details of debentures are as follows:

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

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

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

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

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**25 Employee benefit obligations**

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 thousand Baht)</i>			
<b><i>For the nine-month period ended 30 September</i></b>				
Defined benefit obligations at				
1 January	85,994	71,266	85,812	71,266
Current service costs and interest	13,055	11,359	12,438	11,359
Payment of employee benefits	-	(600)	-	(600)
<b>Defined benefit obligations at 30 September</b>	<b><u>99,049</u></b>	<b><u>82,025</u></b>	<b><u>98,250</u></b>	<b><u>82,025</u></b>

Expense recognised in profit or loss

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b><i>For the three-month period ended 30 September</i></b>				
Current service costs	3,628	3,135	3,421	3,135
Interest on obligation	724	651	725	651
<b>Total</b>	<b><u>4,352</u></b>	<b><u>3,786</u></b>	<b><u>4,146</u></b>	<b><u>3,786</u></b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b><i>For the nine-month period ended 30 September</i></b>				
Current service costs	10,883	9,403	10,266	9,403
Interest on obligation	2,172	1,956	2,172	1,956
<b>Total</b>	<b><u>13,055</u></b>	<b><u>11,359</u></b>	<b><u>12,438</u></b>	<b><u>11,359</u></b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b><i>For the three-month period ended 30 September</i></b>				
Cost of construction	2,672	2,775	2,672	2,775
Administrative expenses	1,680	1,011	1,474	1,011
<b>Total</b>	<b><u>4,352</u></b>	<b><u>3,786</u></b>	<b><u>4,146</u></b>	<b><u>3,786</u></b>

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<b><i>For the nine-month period ended 30 September</i></b>				
Cost of construction	8,018	8,325	8,018	8,325
Administrative expenses	5,037	3,034	4,420	3,034
<b>Total</b>	<b>13,055</b>	<b>11,359</b>	<b>12,438</b>	<b>11,359</b>

Principal actuarial assumptions at the reporting date

	(%)
Discount rate	3.65 - 3.75
Salary increase rate	6.00 – 8.00
Staff turnover rate	0 – 18.00
Mortality rate (Thai Mortality Table 1997)	TMO 1997,2008
Disability rate	5% of mortality rate

**26 Provisions**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Provision losses on litigation	45,848	-	45,848	-
Provision for losses on construction project	53,599	10,970	53,599	10,970
Estimated loss under joint venture agreement	-	-	43,777	42,632
<b>Total</b>	<b>99,447</b>	<b>10,970</b>	<b>143,224</b>	<b>53,602</b>
Current	53,599	10,970	53,599	10,970
Non-current	45,848	-	89,625	42,632
<b>Total</b>	<b>99,447</b>	<b>10,970</b>	<b>143,224</b>	<b>53,602</b>

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Movements for the nine-month periods as at 30 September 2014 and 2013 were as follow:

	<b>Consolidated financial statements</b>							
	Provision losses on litigation		Provision losses on Construction project		Estimated loss under joint venture agreement		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
At 1 January	-	-	10,970	5,144	-	-	10,970	5,144
Provision made	45,848	-	42,629	-	-	-	88,477	-
Used in provision	-	-	-	(5,144)	-	-	-	(5,144)
<b>At 30 September</b>	<b>45,848</b>	<b>-</b>	<b>53,599</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,447</b>	<b>-</b>

	<b>Separate financial statements</b>							
	Provision losses on litigation		Provision losses on Construction project		Estimated loss under joint venture agreement		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
At 1 January	-	-	10,970	5,144	42,632	39,063	53,602	44,207
Provision made	45,848	-	42,629	-	1,487	799	89,964	799
Used in provision	-	-	-	(5,144)	-	-	-	(5,144)
Reversal provision	-	-	-	-	(342)	-	(342)	-
<b>At 30 September</b>	<b>45,848</b>	<b>-</b>	<b>53,599</b>	<b>-</b>	<b>43,777</b>	<b>39,862</b>	<b>143,224</b>	<b>39,862</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**Estimated losses under joint venture agreement**

As at 30 September 2014 and 31 December 2013, the Company recognized the estimated losses under joint venture agreement to outsider, which was based on the proportionate share of the entities, were summarized as follows:

	<b>Separate financial statements</b>	
	30 September 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Syntec – Mivan Joint venture	43,777	42,632
<b>Total</b>	<b>43,777</b>	<b>42,632</b>

**27 Share capital**

	<i>Par value (Baht)</i>	30 September 2014		31 December 2013	
		Number	Value	Number	Value
		<i>(in million shares / in million Baht)</i>			
<b><i>Authorized share capital</i></b>					
At the beginning of period					
- Ordinary shares	1	1,600	1,600	1,600	1,600
<b>At the end of period</b>					
- Ordinary shares	1	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b><i>Issued and paid up share capital</i></b>					
At the beginning of period					
- Ordinary shares	1	1,600	1,600	1,600	1,600
<b>At the end of period</b>					
- Ordinary shares	1	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>

**28 Legal reserve**

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

For the nine-month periods ended 30 September 2014 and 2013, the Company allocated as legal reserve at 5% of profit for the period in the amount of Baht 14 million and Baht 5 million, respectively.

**29 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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**30 Segment information**

*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.

*Business segments*

The Group presented the important business segments were 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.

Therefore, revenues, profit and total assets represented in the financial statement is relevant business segments and geographical segments as mentioned.

**Information about reportable segments:**

	Segment 1		Segment 2		Segment 3		Total reportable segment	
	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>							
<b>For the three-month period ended 30 September</b>								
External revenue	1,874	1,754	27	-	6	-	1,907	1,754
Inter – segment revenue	(2)	-	-	-	(6)	-	(8)	-
<b>Total segment revenue</b>	<b>1,872</b>	<b>1,754</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,899</b>	<b>1,754</b>
<b>Segment profit (loss) before income tax</b>	<b>169</b>	<b>85</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>85</b>
<b>For the nine-month period ended 30 September</b>								
External revenue	5,091	4,486	70	-	30	-	5,191	4,486
Inter – segment revenue	(12)	-	-	-	(30)	-	(42)	-
<b>Total segment revenue</b>	<b>5,079</b>	<b>4,486</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,149</b>	<b>4,486</b>
<b>Segment profit (loss) before income tax</b>	<b>352</b>	<b>105</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>105</b>
<b>Segment assets as at 30 September/ 31 December</b>	<b>5,229</b>	<b>4,744</b>	<b>806</b>	<b>690</b>	<b>17</b>	<b>15</b>	<b>6,052</b>	<b>5,449</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Reconciliation of reportable segment profit or loss and assets

	For three-month		For nine-month	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Profit or loss</b>				
Total profit for reportable segment	166	85	344	105
Elimination of inter-segment profits	1	-	(1)	-
<b>Profit before income tax</b>	<b>167</b>	<b>85</b>	<b>343</b>	<b>105</b>
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Assets</b>				
Total assets for reportable segments asset as reported	4,785	4,336	4,701	4,202
Investment in subsidiary	-	-	127	100
Property, plant and equipment	1,267	1,113	922	911
<b>Total assets</b>	<b>6,052</b>	<b>5,449</b>	<b>5,750</b>	<b>5,213</b>

### 31 Earnings per share

The calculation of basic earnings per share for the three-month and nine-month periods ended 30 September 2014 and 2013 was based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

	<b>Consolidated financial statements</b>			
	For three-month period		For nine-month period	
	2014	2013	2014	2013
Profit for the period attributable to equityholders of the Company (statement of comprehensive income) (basic) (in thousand Baht)	118,639	85,552	268,734	104,737
Number of ordinary shares outstanding (in thousand shares)	1,600,000	1,600,000	1,600,000	1,600,000
<b>Basic earning per share (in Baht)</b>	<b>0.07</b>	<b>0.05</b>	<b>0.17</b>	<b>0.07</b>
	<b>Separate financial statements</b>			
	For three-month period		For nine-month period	
	2014	2013	2014	2013
Profit for the period attributable to equityholders of the Company (statement of comprehensive income) (basic) (in thousand Baht)	120,453	86,419	275,067	98,118
Number of ordinary shares outstanding (in thousand shares)	1,600,000	1,600,000	1,600,000	1,600,000
<b>Basic earning per share (in Baht)</b>	<b>0.08</b>	<b>0.05</b>	<b>0.17</b>	<b>0.06</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**32 Commitments with non-related parties**

As at 30 September 2014, the Group/Company's commitments were as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in million Baht)</i>	
<b>Capital commitments</b>		
<i>Not provide for</i>		
Condominium	4	4
Camp and other buildings	4	4
Cost of construction building for lease	68	-
<b>Other commitments</b>		
Subcontractor agreements	1,038	1,038
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,951	1,682
<b>Total</b>	<b>3,065</b>	<b>2,728</b>

As at 30 September 2014, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 2,103 million.

As at 30 September 2014, the subsidiary had cost of construction building for apartment service which did not contract amounting to Baht 650 million.

**33 Contingent liabilities and assets**

As at 30 September 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 35 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 consideration on 6 November 2014.



# Syntec Construction Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and nine-month periods ended 30 September 2014 (Unaudited)

- On 28 June 2011, the black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million. The Court made an appointment for agreement on 20 August 2012. Subsequently, the Court ordered dispose this case and on 7 September 2012, as black case no. 2206/2555, the Company sued National Housing Authority to the Ferderal Administrative Court. The sued amount was Baht 874 million. As of 11 November 2014, 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 11 November 2014, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 30 September 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 11 November 2014, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 30 September 2014 the Company already recorded the provision on the above lawsuits amounting to Baht 14.05 million.

### 34 Events after the reporting period

The Board of Directors of the Company held on 22 October 2014 resolved the following matters:

- Increasing the amount of financial support to a subsidiary ("SCR Asset Management Co., Ltd.") from Baht 100 million to Baht 200 million for operations of the subsidiary.
- Entering the rental office space agreement with a related company ("N & J Assets Management Co., Ltd.") for use as the Company office, for a period of 3 years at the monthly rental of Baht 120,759.

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**35 Thai Financial Reporting Standards (TFRS) not yet adopted**

The Group/Company has not adopted the new interpretations that have been issued as of the reporting date but are not yet effective. The new interpretations that are applicable to the Group / Company, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

	<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
IFRS 4		Insurance Contracts	2016

Management expects to adopt and apply this new interpretations in accordance with the FAP's announcement and has made a preliminary assessment of the potential impact on the Group/ Company's financial statements of these new interpretations.