

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

Financial statements for the year ended  
31 December 2013  
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 2013, 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 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Maliwan Phahuwattanakorn)  
Certified Public Accountant  
Registration Number 4701

NPS Siam Audit Limited  
Bangkok  
28 February 2014

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

**Statements of cash flows**

**For the year ended 31 December 2013**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2013	2012	2013	2012
			(Restated)		(Restated)
		<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>					
Profit (loss) for the year		79,094,606	(137,388,403)	74,566,202	(146,360,802)
<b><i>Adjustments for</i></b>					
Reversal of allowance for doubtful accounts		(16,441,202)	(600,000)	(19,821,202)	(600,000)
Doubtful debt expenses		15,337,418	52,233,583	21,363,912	56,985,947
Depreciation and amortization		119,486,523	93,624,481	127,199,379	96,533,920
Interest income		(8,635,433)	(6,705,326)	(8,461,357)	(6,617,049)
Interest expense		48,575,170	35,477,593	48,575,170	35,477,593
Gain on disposal and written off of equipment		(10,254,637)	(4,904,325)	(10,254,637)	(4,904,325)
Unrealized (gains) loss on exchange rate		1,138,526	(552,724)	1,138,526	(552,724)
Gain on sale of current investments		-	(398,438)	-	(398,438)
Loss on sale of available-for-sale investments		127,346,816	-	127,346,816	-
Allowance for impairment of assets		64,543	-	-	-
Share of (gain) loss of investments in associates		25,140	(363,083)	-	-
Provision for losses on constructions project		10,970,000	5,144,177	10,970,000	5,144,177
Withholding tax written off		-	5,777,259	-	5,777,259
Estimated loss under joint venture agreements (reversal)		-	-	3,568,979	(747,942)
Expense of employee benefits		15,327,865	14,585,644	15,145,284	14,585,644
Income tax expense (income)		(8,097,220)	5,199,714	(8,097,220)	5,199,714
		<u>373,938,115</u>	<u>61,130,152</u>	<u>383,239,852</u>	<u>59,522,974</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade accounts receivables		(95,215,604)	146,299,668	(95,215,604)	146,299,668
Other receivables		(12,115,214)	(133,563)	(19,672,633)	(6,651,007)
Retention receivables under					
construction contracts		27,263,349	(128,738,487)	27,263,349	(128,738,487)
Unbilled construction in progress		332,450,235	(255,437,633)	332,450,235	(255,437,633)
Inventories		29,340,155	115,546,640	29,533,738	115,546,640
Advance payments to subcontractors		(4,310,219)	46,223,652	(4,310,219)	46,223,652
Withholding income tax paid		(196,639,722)	(142,385,905)	(196,391,254)	(142,385,029)
Withholding income tax returned		142,198,333	278,993,464	142,198,333	278,993,464
Other non-current assets		15,092,408	(12,950,755)	15,109,744	(12,950,755)
Trade accounts payable		6,582,459	100,299,335	4,557,547	109,264,097
Other payables		201,994,162	(106,597,900)	197,069,204	(106,575,249)
Advances received from customers					
under construction contracts		142,936,756	(80,280,976)	142,936,756	(80,280,976)
Retention payable from subcontractors		58,343,659	28,575,970	58,281,298	28,460,473
Other current liabilities		(13,155,765)	6,942,939	(13,155,765)	6,942,939
Payment of short-term provisions		(5,144,177)	-	(5,144,177)	-
Payment of employee benefits		(599,500)	(772,825)	(599,500)	(772,825)
<b>Net cash provided by operating activities</b>		<u><b>1,002,959,430</b></u>	<u><b>56,713,776</b></u>	<u><b>998,150,904</b></u>	<u><b>57,461,946</b></u>

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 2013

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
		(in Baht)			
<b>Cash flows from investing activities</b>					
Interest received		8,589,744	6,661,353	8,415,668	6,573,077
Purchase of current investments		(1,410,108,284)	(280,000,000)	(1,410,108,284)	(280,000,000)
Proceeds from current investments		1,410,172,701	270,349,222	1,410,172,701	270,349,222
Proceeds from available - for sale investments		332,170,546	-	332,170,546	-
Proceeds from sale of investment in subsidiary		-	-	350,000	-
Purchase of investment in subsidiary		-	-	(48,699,400)	(52,000,000)
Purchase of other long-term investments		(200,000,000)	(35,000,000)	(200,000,000)	(35,000,000)
Purchase of property, plant and equipment		(429,173,503)	(261,369,361)	(305,278,204)	(189,678,437)
Purchase of leasehold right		(395,000,000)	-	(395,000,000)	-
Purchase of intangible assets		(391,200)	(1,253,417)	(391,200)	(1,253,417)
Sales of equipment		16,257,448	63,676,347	16,257,448	63,676,347
Sales of intangible assets		40,000	-	40,000	-
Pledged deposits at bank		2,642,157	47,723,743	2,642,157	47,723,743
<b>Net cash used in investing activities</b>		<b>(664,800,391)</b>	<b>(189,212,113)</b>	<b>(589,428,568)</b>	<b>(169,609,465)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(39,597,307)	(50,363,144)	(38,100,971)	(50,363,144)
Dividends paid to shareholders of the Company		-	(31,960,263)	-	(31,960,263)
Bank overdrafts		(10,585,847)	8,587,111	(11,473,835)	8,587,111
Proceeds from short-term loan from financial institutions		665,000,000	555,000,000	600,000,000	555,000,000
Payment of short-term loans from financial institutions		(810,000,000)	(40,000,000)	(810,000,000)	(40,000,000)
Payment of short-term loans from other parties		-	(462,000,000)	-	(462,000,000)
Proceeds from issuing of debentures		525,000,000	-	525,000,000	-
Proceeds from non-controlling interests		43,650,600	48,000,000	-	-
Finance lease payment		(49,447,821)	(51,722,649)	(49,447,821)	(51,722,649)
<b>Net cash provided by (used in) financing activities</b>		<b>324,019,625</b>	<b>(24,458,945)</b>	<b>215,977,373</b>	<b>(72,458,945)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>662,178,664</b>	<b>(156,957,282)</b>	<b>624,699,709</b>	<b>(184,606,464)</b>
Cash and cash equivalents at					
beginning of year	7	246,854,275	403,811,557	217,972,833	402,579,297
<b>Cash and cash equivalents at end of year</b>	7	<b>909,032,939</b>	<b>246,854,275</b>	<b>842,672,542</b>	<b>217,972,833</b>
<b>Non-cash transactions</b>					
Purchase of machinery and vehicle under					
finance lease agreements	20	-	73,738,821	-	73,738,821
Interest expense capitalized in cost of					
construction in progress	20, 44	1,687,774	-	-	-

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 2013

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in Baht)</i>							
<b>Current assets</b>							
Cash and cash equivalents	7	909,032,939	246,854,275	403,811,557	842,672,542	217,972,833	402,579,297
Current investments	8	60,108,284	60,172,701	50,123,485	60,108,284	60,172,701	50,123,485
Trade accounts receivable	9	643,789,615	545,599,822	688,455,175	620,789,395	522,599,602	665,454,955
Other receivables	6, 10	55,198,524	54,237,350	85,872,317	56,500,439	50,628,343	477,589,007
Retention receivables under construction							
contracts	11	545,925,508	564,620,728	444,262,088	513,996,436	532,691,656	412,333,015
Unbilled construction work in progress	12	752,538,246	1,094,701,483	839,263,850	752,538,246	1,094,701,483	839,263,850
Inventories	13	110,909,248	140,249,403	255,796,043	110,715,665	140,249,403	255,796,043
Advance payments to subcontractors	14	40,066,195	35,755,976	81,979,628	40,066,195	35,755,976	81,979,628
Other current assets		391,323	391,323	391,323	-	-	-
<b>Total current assets</b>		<b>3,117,959,882</b>	<b>2,742,583,061</b>	<b>2,849,955,466</b>	<b>2,997,387,202</b>	<b>2,654,771,997</b>	<b>3,185,119,280</b>
<b>Non-current assets</b>							
Investment in subsidiary	6, 15	-	-	-	100,349,400	52,000,000	-
Investments in associates	6, 16	383,660	408,800	45,717	-	-	-
Other long-term investments	6, 17	277,764,458	292,481,601	220,698,515	277,764,458	292,481,601	220,698,515
Long-term loans	6, 18	-	-	-	-	-	-
Investment properties	19	101,560,072	102,299,946	103,039,820	101,560,072	102,299,946	103,039,820
Property, plant and equipment	6, 20, 40, 44, 52	1,113,051,961	798,794,460	611,347,119	910,703,142	729,741,568	616,894,591
Leasehold right	21	390,741,900	-	-	390,741,900	-	-
Intangible assets	22, 40	1,343,748	5,171,482	8,140,730	1,343,748	5,171,482	8,140,730
Withholding tax		196,640,712	142,263,866	284,648,682	196,391,310	142,198,388	284,584,084
Pledged deposits at the banks	24, 52	152,700,639	155,342,796	203,066,539	152,700,639	155,342,795	203,066,539
Deferred tax assets	4, 23	6,008,432	29,684,139	29,528,243	6,008,432	29,684,139	29,528,243
Other non-current assets	25	90,660,731	105,753,139	92,802,383	77,734,797	92,844,542	79,893,786
<b>Total non-current assets</b>		<b>2,330,856,313</b>	<b>1,632,200,229</b>	<b>1,553,317,748</b>	<b>2,215,297,898</b>	<b>1,601,764,461</b>	<b>1,545,846,308</b>
<b>Total Assets</b>		<b>5,448,816,195</b>	<b>4,374,783,290</b>	<b>4,403,273,214</b>	<b>5,212,685,100</b>	<b>4,256,536,458</b>	<b>4,730,965,588</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 2013

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in Baht)</i>							
<b>Current liabilities</b>							
Bank overdrafts and short-term loans							
from financial institutions	26	398,989,411	554,575,258	30,988,148	333,101,423	554,575,258	30,988,148
Trade accounts payable	6, 27	429,775,668	423,193,209	322,893,874	381,126,787	376,569,240	267,305,143
Other payables	6, 28	341,894,190	139,708,589	246,306,489	278,478,708	81,409,503	187,984,752
Current portion of creditor under							
rehabilitation plan	29	29,659,671	28,521,146	29,073,870	29,659,671	28,521,146	29,073,870
Short-term loans	30	-	-	462,000,000	-	-	462,000,000
Current portion of finance lease liabilities	32	39,737,805	49,447,821	38,261,153	39,737,805	49,447,821	38,261,153
Advances received from customers							
under construction contracts	12	547,689,717	404,752,961	485,033,937	547,689,717	404,752,961	485,033,937
Retention payables from subcontractors		248,477,329	190,133,669	161,557,698	247,965,165	189,683,866	161,223,393
Undue value added tax		97,249,910	112,558,015	105,652,524	91,895,709	107,203,814	100,298,323
Short-term provisions	34	10,970,000	5,144,177	-	10,970,000	5,144,177	-
Other current liabilities		7,110,829	5,249,838	5,399,531	7,110,829	5,249,838	5,399,531
<b>Total current liabilities</b>		<b>2,151,554,530</b>	<b>1,913,284,683</b>	<b>1,887,167,224</b>	<b>1,967,735,814</b>	<b>1,802,557,624</b>	<b>1,767,568,250</b>
<b>Non-current liabilities</b>							
Debentures	31	525,000,000	-	-	525,000,000	-	-
Finance lease liabilities	32	114,168,417	153,906,222	143,076,717	114,168,417	153,906,222	143,076,717
Deferred tax liabilities	4, 23	7,472,442	39,245,369	33,889,759	7,472,442	39,245,369	33,889,759
Employee benefit obligations	33	85,994,066	71,265,701	57,452,882	85,811,485	71,265,701	57,452,882
Long-term provisions	5, 34	-	-	-	42,632,072	39,063,093	436,901,815
<b>Total non-current liabilities</b>		<b>732,634,925</b>	<b>264,417,292</b>	<b>234,419,358</b>	<b>775,084,416</b>	<b>303,480,385</b>	<b>671,321,173</b>
<b>Total liabilities</b>		<b>2,884,189,455</b>	<b>2,177,701,975</b>	<b>2,121,586,582</b>	<b>2,742,820,230</b>	<b>2,106,038,009</b>	<b>2,438,889,423</b>
<b>Equity</b>							
Share capital	35						
Authorized share capital		1,600,000,000	1,600,000,000	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	1,600,000,000	1,600,000,000
Premium on shares							
Premium on ordinary shares	36	23,744	23,744	23,744	23,744	23,744	23,744
Retained earnings							
Appropriated							
Legal reserve	36	61,281,102	57,552,792	57,552,792	61,281,102	57,552,792	57,552,792
Unappropriated		871,661,777	794,790,642	964,036,555	866,903,178	796,065,286	974,426,088
Other components of equity	6, 17, 36	(58,343,154)	(303,143,373)	(339,926,459)	(58,343,154)	(303,143,373)	(339,926,459)
<b>Total equity attributable to owners of the Company</b>		<b>2,474,623,469</b>	<b>2,149,223,805</b>	<b>2,281,686,632</b>	<b>2,469,864,870</b>	<b>2,150,498,449</b>	<b>2,292,076,165</b>
Non-controlling interests		90,003,271	47,857,510	-	-	-	-
<b>Total equity</b>		<b>2,564,626,740</b>	<b>2,197,081,315</b>	<b>2,281,686,632</b>	<b>2,469,864,870</b>	<b>2,150,498,449</b>	<b>2,292,076,165</b>
<b>Total liabilities and equity</b>		<b>5,448,816,195</b>	<b>4,374,783,290</b>	<b>4,403,273,214</b>	<b>5,212,685,100</b>	<b>4,256,536,458</b>	<b>4,730,965,588</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 2013

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2013	2012	2013	2012
			(Restated)		(Restated)
		(in Baht)			
<b>Revenues</b>					
Revenue from construction		6,176,588,171	4,856,715,622	6,176,588,171	4,856,715,622
Revenue from room service		22,755,075	-	22,755,075	-
Interest income		8,635,433	6,705,326	8,461,357	6,617,049
Reversal of allowance for doubtful accounts	9, 10, 11	16,441,202	600,000	19,821,202	600,000
Gain on disposal and write-off of equipment		10,254,637	4,904,325	10,254,637	4,904,325
Reversal of estimated loss under					
joint venture agreements	34	-	747,942	-	747,942
Other income	6, 38	4,466,184	10,325,838	7,894,937	3,213,356
<b>Total revenues</b>		<b>6,239,140,702</b>	<b>4,879,999,053</b>	<b>6,245,775,379</b>	<b>4,872,798,294</b>
<b>Expenses</b>					
Cost of construction	20, 33, 41	5,671,513,602	4,655,249,621	5,680,707,799	4,658,159,062
Cost of room service	6, 21	15,434,750	-	19,432,988	-
Selling expenses	39	1,414,666	1,469,050	1,229,216	1,469,050
Administrative expenses	6, 19, 20, 22, 33, 40, 41	288,495,754	268,120,978	277,081,517	261,867,730
Loss on sale of available-for-sale					
investments	6, 17	127,346,816	-	127,346,816	-
Other expenses	43	15,337,418	52,233,583	24,932,891	56,985,947
Finance costs	44	48,575,170	35,477,593	48,575,170	35,477,593
<b>Total expenses</b>		<b>6,168,118,176</b>	<b>5,012,550,825</b>	<b>6,179,306,397</b>	<b>5,013,959,382</b>
Share of gain (loss) of investments					
in associates	6, 16	(25,140)	363,083	-	-
<b>Profit (loss) before income tax expense</b>		<b>70,997,386</b>	<b>(132,188,689)</b>	<b>66,468,982</b>	<b>(141,161,088)</b>
Income tax expense (income)	4, 23, 45	(8,097,220)	5,199,714	(8,097,220)	5,199,714
<b>Profit (loss) for the year</b>		<b>79,094,606</b>	<b>(137,388,403)</b>	<b>74,566,202</b>	<b>(146,360,802)</b>
<b>Other comprehensive income (loss)</b>					
Profit (loss) in fair value of available-for-sale	17	(58,343,154)	36,783,086	(58,343,154)	36,783,086
Other comprehensive income (loss) for the year		(58,343,154)	36,783,086	(58,343,154)	36,783,086
<b>Total comprehensive income (loss) for the year</b>		<b>20,751,452</b>	<b>(100,605,317)</b>	<b>16,223,048</b>	<b>(109,577,716)</b>
<b>Profit (loss) attributable to :-</b>					
Owners of the parent		80,599,445	(137,245,913)	74,566,202	(146,360,802)
Non - controlling interests		(1,504,839)	(142,490)	-	-
		<b>79,094,606</b>	<b>(137,388,403)</b>	<b>74,566,202</b>	<b>(146,360,802)</b>
<b>Total comprehensive income (loss) attributable to :-</b>					
Owners of the parent		22,256,291	(100,462,827)	16,223,048	(109,577,716)
Non - controlling interests		(1,504,839)	(142,490)	-	-
		<b>20,751,452</b>	<b>(100,605,317)</b>	<b>16,223,048</b>	<b>(109,577,716)</b>
<b>Earnings (loss) per share</b>					
Basic	46	<b>0.05</b>	<b>(0.09)</b>	<b>0.05</b>	<b>(0.09)</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 2013**

		<b>Consolidated financial statements</b>							
		Issued and paid-up share capital	Premium on ordinary shares	<i>Retained earnings</i>		<i>Other components</i> of equity	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 Baht)</i>									
	<b>Balance at 1 January 2012 - as reported</b>	<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>968,398,071</b>	<b>(339,926,459)</b>	<b>2,286,048,148</b>	<b>-</b>	<b>2,286,048,148</b>
	Cumulative effect of change in accounting policy regarding accounting for income tax	-	-	-	(4,361,516)	-	(4,361,516)	-	(4,361,516)
4, 23		-	-	-	(4,361,516)	-	(4,361,516)	-	(4,361,516)
	<b>Balance at 1 January 2012 - restated</b>	<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>964,036,555</b>	<b>(339,926,459)</b>	<b>2,281,686,632</b>	<b>-</b>	<b>2,281,686,632</b>
	Non-controlling interests	-	-	-	-	-	-	48,000,000	48,000,000
	Dividends	-	-	-	(32,000,000)	-	(32,000,000)	-	(32,000,000)
47		-	-	-	(32,000,000)	-	(32,000,000)	-	(32,000,000)
	Comprehensive income (loss) for the year (restated)	-	-	-	(137,245,913)	36,783,086	(100,462,827)	(142,490)	(100,605,317)
	<b>Balance at 31 December 2012</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>
	<b>Balance at 1 January 2013 - as reported</b>	<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>804,351,872</b>	<b>(303,143,373)</b>	<b>2,158,785,035</b>	<b>47,857,510</b>	<b>2,206,642,545</b>
	Cumulative effect of change in accounting policy regarding accounting for income tax	-	-	-	(9,561,230)	-	(9,561,230)	-	(9,561,230)
4, 23		-	-	-	(9,561,230)	-	(9,561,230)	-	(9,561,230)
	<b>Balance at 1 January 2013 - restated</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
	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)	-	-	-	-
36		-	-	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>

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 2013**

	Note	Separate financial statements				Other components of equity Net change in fair value of available-for-sale investments	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	<i>Retained earnings</i>			
				Legal reserve	Unappropriated		
				<i>(in Baht)</i>			
<b>Balance at 1 January 2012 - as reported</b>		<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>978,787,604</b>	<b>(339,926,459)</b>	<b>2,296,437,681</b>
Cumulative effect of change in accounting policy regarding accounting for income tax	4, 23	-	-	-	(4,361,516)	-	(4,361,516)
<b>Balance at 1 January 2012 - restated</b>		<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>974,426,088</b>	<b>(339,926,459)</b>	<b>2,292,076,165</b>
Dividends	47	-	-	-	(32,000,000)	-	(32,000,000)
Comprehensive income (loss) for the year (restated)		-	-	-	(146,360,802)	36,783,086	(109,577,716)
<b>Balance at 31 December 2012</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>Balance at 1 January 2013 - as reported</b>		<b>1,600,000,000</b>	<b>23,744</b>	<b>57,552,792</b>	<b>805,626,516</b>	<b>(303,143,373)</b>	<b>2,160,059,679</b>
Cumulative effect of change in accounting policy regarding accounting for income tax	4, 23	-	-	-	(9,561,230)	-	(9,561,230)
<b>Balance at 1 January 2013 - restated</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>
Net change in fair value of available-for-sale investments decreased		-	-	-	-	303,143,373	303,143,373
Transfer to legal reserve	36	-	-	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>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

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**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 28 February 2014.

**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.

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 27 December 2013 and 2012 were as follows:

	2013	2012
	<i>(% of total paid-up share capital)</i>	
Phahusuth Group and Taneehiranrat	15.17	13.68
Subandit Group	6.64	6.64
Thai NVDR Company Limited	2.80	2.52

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 2013 and 2012 were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
<b><i>Direct subsidiary</i></b>				
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	-
3) Natural Ville Service Apartment and Management Co., Ltd. (Formerly : SAM HR Co., Ltd.)	Management personnel for hotel, service apartment and other properties	Thailand	99.97	-

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
<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 2013 were as follows:

<b>TFRS</b>	<b>Topic</b>
<b>TAS</b>	
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
<b>TFRS</b>	
<b>TSIC</b>	
TSIC 10	Government Assistance – No Specific Relation to Operating Activities
TSIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
FAP’S Announcement 34/2555	Accounting Guidance for Transfers of Financial Assets

The adoption of these new and revised TFRS has resulted in changes in the Group’s / Company’s accounting policies. The effects of these changes are disclosed in note 4.

In addition to the above new and revised TFRS as at 31 December 2013, the FAP had issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. These new and revised TFRS which relevant to the Group/Company’s operations are disclosed in note 53.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**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 15, 16 and 17 Allowance for impairment of investments*

*Notes 4, 23 and 45 Income tax for the current period and deferred tax*

*Note 32 Lease classification*

*Note 33 Discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate.*

*Notes 34 Estimated construction project costs, provision for losses on construction projects and estimated loss under joint venture agreement*

*Note 48 Valuation of financial instruments*

*Note 50 Contingent liabilities and litigation*

**Significant judgments and estimates are summarized as follows:**

***Impairment of investments in securities***

The 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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

***Estimated construction project costs***

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

***Provision for losses on construction projects***

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

***Estimated loss under joint venture agreement***

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

***Employee benefits obligation***

The 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 33 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 2013 and 2012 included the investments and share of profit (loss) of investments in an associate, which had been accounted for by equity method of Baht (0.03) million and Baht 0.36 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 2013 and 2012 in the amount of Baht 10 million and Baht 10 million, respectively in the separate financial statements. Please also see note 16 to the financial statements. However, the values of the investments in the associate are not significant.



**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes in accounting policies as described in notes 4 to the financial statements.

**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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

*Transactions eliminated on consolidation*

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

**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. Foreign exchange differences arising on translation are recognised in profit or loss.

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.

**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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

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

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

**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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

*Investments in other debt and equity securities*

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

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

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

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

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

*Disposal of investments*

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**  
**For the year ended 31 December 2013**

**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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

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

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

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

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

### **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**

*Short – term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

*Post – employment benefit plans*

*Defined contribution plans*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under the labor law. The Company treats these severance payment obligations as a post – employment benefit plan.

The obligation under the post-employment benefits 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 33 to the financial statements.

Actuarial gains and losses arising from post – employment benefits are recognized immediately in profit or loss.

**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



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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 Share capital**

*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

**3.19 Revenues**

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

*Revenue from construction*

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

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

*Sale of construction materials*

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

*Sale of rendering of service*

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

*Interest and dividend income*

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

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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.

**3.20 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.

**3.21 Income tax**

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

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

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

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/ 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.

**3.22 Earnings (loss) per share**

Basic earnings (loss) 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 Changes in accounting policies**

Since 1 January 2013, the adoption of these new and revised TFRS and The FAP's Announcement as described in note 2 to the financial statements, the Group/the Company have change in accounting policies in the following areas :

**4.1 Accounting for income tax**

The principal change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the financial statements.

Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or assets for tax purposes : and the carry forward of unused tax losses. The accounting policy for deferred tax is described in note 3.21

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The Group/Company adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognized retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	<b>Consolidated and separate financial statements</b>		
	31 December 2013	31 December 2012	1 January 2012
	<i>(in million Baht)</i>		
<b><i>Statement of financial position</i></b>			
Increase in deferred tax assets	6	30	30
Increase in deferred tax liabilities	7	39	34
Decrease in retained earnings	<u>(1)</u>	<u>(9)</u>	<u>(4)</u>
Decrease in shareholders' equity	<u>(1)</u>	<u>(9)</u>	<u>(4)</u>

	<b>Consolidated and separate financial statements</b>	
	2013	2012
	<i>(in million Baht)</i>	
<b><i>Statement of comprehensive income for the year ended 31 December</i></b>		
(Increase) decrease in income tax expense	<u>8</u>	<u>(5)</u>
Increase (decrease) in profit for the period	<u>8</u>	<u>(5)</u>
Increase (decrease) in earnings per share - Basic earnings per share (in Baht)	<u>0.005</u>	<u>(0.003)</u>

**4.2 Accounting for the effects of changes in foreign exchange rates**

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 from 1 January 2013 has not had a significant impact on the Group/the Company's reported assets, liabilities or retained earnings.

**4.3 Presentation of information on operating segments**

From 1 January 2013, the Group/Company has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segment has been applied retrospectively and segment information included in the 2012 financial statements, which are included in the Group's / Company's 2013 interim financial statements for comparative purpose, has been re-presented accordingly.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in Group/the Company's financial statements.

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**5 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:-

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 28 February 2014, the Company has been in the process of request the amount of retention from National Housing Authority and please see note 50 to the financial statements.

As of 28 February 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 statement of financial position information of Syntec - Mivan Joint Venture as at 31 December 2013 and 2012 were as follows:

	2013	2012
	<i>(in million Baht)</i>	
<b>Information of statement of financial position</b>		
Current assets	88	93
Non-current assets	20	20
<b>Total assets</b>	<b>108</b>	<b>113</b>
Current liabilities	787	783
Deficit in ventures’ equity	(679)	(670)
<b>Total liabilities net deficit in ventures’ equity</b>	<b>108</b>	<b>113</b>

Summary of statements of comprehensive income information of Syntec – Mivan Joint Venture for the years ended 31 December 2013 and 2012 were as follows:

	2013	2012
	<i>(in million Baht)</i>	
<b>Information of statements of income</b>		
Total revenues	-	11
Total expenses	(9)	(9)
<b>Profit (loss) for the year</b>	<b>(9)</b>	<b>2</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

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complete. In addition, the above related company entered into an acknowledged debt agreement on liable debts. As at 31 December 2013 and 2012, the Company recognized the estimated loss under joint venture agreement amounted to Baht 43 million and Baht 39 million, respectively in the separate financial statements as described in note 34 to the financial statements.

**6 Related party transactions and balances**

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:

	<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. (Formerly: SAM HR Co., Ltd.)	Thailand	Subsidiary, 99.97% shareholding and some common directors
8.	Bangkok Metro Plc.	Thailand	Related company, 1.18 % shareholding, in 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

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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
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
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
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 2013 and 2012 were summarized as follows:

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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>
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>Revenue</b>				
<b>Subsidiary</b>				
Sale of steel and others	-	-	3,430,599	-
<b>Expenses</b>				
<b>Subsidiaries</b>				
Service apartment management expense	-	-	11,574,216	-
Administrative expenses	1,778,318	-	1,778,318	-
<b>Key management personnel</b>				
<b>Management benefit expenses</b>				
Short-term benefits	33,020,410	29,135,799	31,553,000	29,135,799
Post-employment benefits	1,198,036	1,913,923	1,198,036	1,913,923
	<u>34,218,446</u>	<u>31,049,722</u>	<u>32,751,036</u>	<u>31,049,722</u>

Balance as at 31 December 2013 and 2012 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>
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b><i>Other receivables and advances</i></b>				
<b>Joint ventures</b>				
SVK Joint Venture	5,455,519	5,449,451	11,133,712	11,121,329
Syntec – Mivan Joint Venture	214,848,376	213,423,341	613,852,502	609,780,973
<b>Subsidiaries</b>				
SCR Asset Management Co., Ltd.	-	-	975,477	-
Syntec Asset Management Co., Ltd.	-	-	7,763	-
Natural Ville Service Apartment and Management Co., Ltd. (Formerly : SAM HR Co., Ltd.)	-	-	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	<u>20,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Total	226,994,556	218,882,792	638,304,043	620,902,302
<b>Less Allowance for doubtful</b>				
Accounts	<u>(218,742,995)</u>	<u>(217,317,960)</u>	<u>(621,800,705)</u>	<u>(617,729,176)</u>
<b>Net</b>	<u><b>8,251,561</b></u>	<u><b>1,564,832</b></u>	<u><b>16,503,338</b></u>	<u><b>3,173,126</b></u>



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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>Key management personnel</b>				
Advance to project managers	<u>3,184,752</u>	<u>4,014,484</u>	<u>3,184,752</u>	<u>4,014,484</u>

As at 31 December 2013 and 2012, advance to project managers in the amount of Baht 3.18 million and Baht 4.01 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 15 and 16 to financial statements.

***Other long-term investments***

	<b>Consolidated and separate financial statements</b>			
	2013		2012	
	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.	301,107,612	242,764,458	560,624,974	257,481,601
<i>Less allowance for devaluation of investments</i>	<i>(58,343,154)</i>	<i>-</i>	<i>(303,143,373)</i>	<i>-</i>
<b>Net</b>	<b><u>242,764,458</u></b>	<b><u>242,764,458</u></b>	<b><u>257,481,601</u></b>	<b><u>257,481,601</u></b>

Movements of available-for-sale investments for the years ended 31 December 2013 and 2012 were as follows:

	<b>Consolidated and Separate financial statements</b>	
	2013	2012
	<i>(in Baht)</i>	
At 1 January	560,624,974	560,624,974
Purchases during the year	200,000,000	-
Sales during the year	<i>(459,517,362)</i>	<i>-</i>
<b>At 31 December</b>	<b><u>301,107,612</u></b>	<b><u>560,624,974</u></b>

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*Long-term loans - related parties*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>Joint ventures</b>				
Siam Syntec – Wattana Engineering Co., Ltd.	-	12,180,598	-	12,180,598
<b>Other related company</b>				
Gentech Engineering Co., Ltd.	4,956,268	4,956,268	4,956,268	4,956,268
<b>Total</b>	<b>4,956,268</b>	<b>17,136,866</b>	<b>4,956,268</b>	<b>17,136,866</b>
<i>Less Allowance for doubtful accounts</i>	<i>(4,956,268)</i>	<i>(17,136,866)</i>	<i>(4,956,268)</i>	<i>(17,136,866)</i>
<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 years ended 31 December 2013 and 2012 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
At 1 January	17,136,866	17,136,866	17,136,866	17,136,866
Write of to bad debt	(12,180,598)	-	(12,180,598)	-
<b>At 31 December</b>	<b>4,956,268</b>	<b>17,136,866</b>	<b>4,956,268</b>	<b>17,136,866</b>

*Trade accounts payable – related parties*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>Other related parties</b>				
Tate Enterprise Co., Ltd.	498,000	-	498,000	-
<b>Venturer</b>				
Mivan (Thailand) Co., Ltd.	41,885,425	41,885,425	-	-
<b>Total</b>	<b>42,383,425</b>	<b>41,885,425</b>	<b>498,000</b>	<b>-</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.

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*Other accounts payable – related parties*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>Subsidiaries</b>				
Natural Ville Service Apartment and Management Co., Ltd (Formerly : SAM HR Co., Ltd.)	-	-	6,583,012	-
<b>Related persons</b>				
Key management personnel	20,000	-	-	-
<b>Total</b>	<b>20,000</b>	<b>-</b>	<b>6,583,012</b>	<b>-</b>

Details of provisions were described in note 34 to the financial statements.

*The commitments with related parties*

The Ordinary General Meeting of Shareholders held on 29 April 2013 and 27 April 2012 resolved the approval of directors' remunerations for the year 2013 and 2012 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.

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 among the Company and related parties as details mentioned in note 5 to the financial statements.

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.

On 18 October 2013, the Company had entered into a service agreement with Natural Ville Service Apartment and Management Co., Ltd (Formerly : SAM HR 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 28 December 2012, SCR Asset Management Co., Ltd. ("the subsidiary") had entered into a service agreement with the Company to provide other services for service apartment project for the period of 3 months from 1 January 2013 to 31 March 2013 with a monthly management fee of Baht 50,000. Subsequently, on 1 April 2013, the Subsidiary had renew the agreement to 12 months from 1 April 2013 to 31 March 2014 with a monthly management fee of Baht 200,000.

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**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Cash	105,181	12,028	12,000	12,000
Cash on hand	1,520,932	-	120,049	-
Cash at banks – current accounts	64,341,319	29,773,877	61,142,665	26,034,734
Cash at banks – savings accounts	823,930,006	194,634,714	762,262,327	169,492,443
Highly liquid short-term	19,135,501	22,433,656	19,135,501	22,433,656
<b>Total</b>	<b>909,032,939</b>	<b>246,854,275</b>	<b>842,672,542</b>	<b>217,972,833</b>

Cash and cash equivalents of the Group/the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**8 Current investments**

	<b>Consolidated and separate financial statements</b>			
	2013		2012	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
<b>Current investments</b>				
Bills of exchange	60,108,284	60,108,284	60,172,701	60,172,701
<b>Total</b>	<b>60,108,284</b>	<b>60,108,284</b>	<b>60,172,701</b>	<b>60,172,701</b>

Movements for the years ended 31 December 2013 and 2012 were as follows:

	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	2013	2012
	<i>(in Baht)</i>	
<b>Bills of exchange</b>		
At 1 January	60,172,701	30,000,000
Purchases during the year	1,410,108,284	280,000,000
Sales during the year	(1,410,172,701)	(249,827,299)
<b>At 31 December</b>	<b>60,108,284</b>	<b>60,172,701</b>
<b>Open fund</b>		
<i>Cost</i>		
At 1 January	-	20,000,000
Sales during the year	-	(20,000,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>

Current investments of the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**9 Trade accounts receivable**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<i>Comprising:</i>				
Trade accounts receivable - other parties	736,668,451	642,854,717	713,668,231	619,854,497
Less allowance for doubtful accounts	(92,878,836)	(97,254,895)	(92,878,836)	(97,254,895)
<b>Net</b>	<b><u>643,789,615</u></b>	<b><u>545,599,822</u></b>	<b><u>620,789,395</u></b>	<b><u>522,599,602</u></b>
Doubtful debts expense for the year	1,715,661	-	1,715,661	-
Bad debts for the year	(1,401,869)	-	(1,401,869)	-
Reversal of allowance for doubtful accounts for the year	(4,689,851)	(3,444,314)	(4,689,851)	(3,444,314)
<b>Total</b>	<b><u>(4,376,059)</u></b>	<b><u>(3,444,314)</u></b>	<b><u>(4,376,059)</u></b>	<b><u>(3,444,314)</u></b>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Within credit terms	433,724,761	290,518,321	433,724,761	290,518,321
Still installment	29,627,910	35,160,603	29,627,910	35,160,603
Overdue:				
- Less than 3 months	90,192,919	135,415,612	90,192,919	135,415,612
- Over 3 months to 6 months	607,939	3,518,785	607,939	3,518,785
- Over 6 months to 12 months	17,443,227	55,012,461	17,443,227	55,012,461
- Over 12 months	165,071,695	123,228,935	142,071,475	100,228,715
	<u>273,315,780</u>	<u>317,175,793</u>	<u>250,315,560</u>	<u>294,175,573</u>
<b>Total</b>	<b><u>736,668,451</u></b>	<b><u>642,854,717</u></b>	<b><u>713,668,231</u></b>	<b><u>619,854,497</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 2013 and 2012 were denominated entirely in Thai Baht.

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**10 Other Receivables**

Other receivables as at 31 December 2013 and 2012 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Other receivables	23,772,632	16,224,467	28,262,380	16,224,467
Accrued income	3,635,908	1,368,063	3,635,908	1,368,063
Prepaid expenses	23,190,850	31,207,142	21,949,025	30,544,920
Advances	225,625,772	226,102,159	630,245,855	628,121,669
Prepaid value added tax	3,657,830	5,182,393	149,450	627,314
<b>Total</b>	<b>279,882,992</b>	<b>280,084,224</b>	<b>684,242,618</b>	<b>676,886,433</b>
<i>Less</i> allowance for doubtful accounts	<i>(224,684,468)</i>	<i>(225,846,874)</i>	<i>(627,742,179)</i>	<i>(626,258,090)</i>
<b>Net</b>	<b>55,198,524</b>	<b>54,237,350</b>	<b>56,500,439</b>	<b>50,628,343</b>
Related parties	226,994,556	218,882,792	638,304,043	620,902,302
Key management personnel	3,184,752	4,014,484	3,184,752	4,014,484
Other parties	49,703,684	57,186,948	42,753,823	51,969,647
<b>Total</b>	<b>279,882,992</b>	<b>280,084,224</b>	<b>684,242,618</b>	<b>676,886,433</b>
<i>Less</i> allowance for doubtful accounts	<i>(224,684,468)</i>	<i>(225,846,874)</i>	<i>(627,742,179)</i>	<i>(626,258,090)</i>
<b>Net</b>	<b>55,198,524</b>	<b>54,237,350</b>	<b>56,500,439</b>	<b>50,628,343</b>
Doubtful debts expense for the year	3,245,036	45,950,109	9,271,532	51,450,415
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>(1,162,406)</b>	<b>45,950,109</b>	<b>1,484,089</b>	<b>51,450,415</b>

**11 Retentions receivable under construction contracts**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Other parties	580,473,580	607,736,929	548,544,508	575,807,857
<i>Less</i> allowance for doubtful accounts	<i>(34,548,072)</i>	<i>(43,116,201)</i>	<i>(34,548,072)</i>	<i>(43,116,201)</i>
<b>Net</b>	<b>545,925,508</b>	<b>564,620,728</b>	<b>513,996,436</b>	<b>532,691,656</b>
Doubtful debts expense for the year	663,717	8,739,846	663,717	8,739,846
Reversal of allowance for doubtful accounts for the year	(9,231,846)	(360,000)	(9,231,846)	(360,000)
<b>Total</b>	<b>(8,568,129)</b>	<b>8,379,846</b>	<b>(8,568,129)</b>	<b>8,379,846</b>

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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>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Within credit terms	384,875,035	417,030,052	384,875,035	417,030,052
Still installment	14,976,398	25,004,030	14,976,398	25,004,030
Overdue:				
- Less than 1 year	-	40,636,082	-	18,338,190
- Over 1 year to 2 year	77,779,200	90,864,617	55,481,308	81,233,437
- Over 2 year to 3 year	62,861,481	-	62,861,481	-
- Over 3 year	39,981,466	34,202,148	30,350,286	34,202,148
	<u>180,622,147</u>	<u>165,702,847</u>	<u>148,693,075</u>	<u>133,773,775</u>
<b>Total</b>	<b><u>580,473,580</u></b>	<b><u>607,736,929</u></b>	<b><u>548,544,508</u></b>	<b><u>575,807,857</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 2013 and 2012 amounted to Baht 32 million has been in the process of following up for collectible. Please also see note 5 to the financial statements.

Retentions receivable under construction contracts of the Group/the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**12 Unbilled construction work in progress**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Other parties	791,251,248	1,123,701,483	791,251,248	1,123,701,483
Less allowance for doubtful accounts	(38,713,002)	(29,000,000)	(38,713,002)	(29,000,000)
<b>Net</b>	<b><u>752,538,246</u></b>	<b><u>1,094,701,483</u></b>	<b><u>752,538,246</u></b>	<b><u>1,094,701,483</u></b>
<b>Doubtful debts expense for the year</b>	<b><u>9,713,002</u></b>	<b><u>-</u></b>	<b><u>9,713,002</u></b>	<b><u>-</u></b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Construction project contracts amount	<u>24,126</u>	<u>22,427</u>	<u>24,126</u>	<u>22,427</u>
Contract revenue recognized as revenue since commencing date to present	19,154	15,060	19,154	15,060
Less progress billings (as invoices)	<u>(18,392)</u>	<u>(13,965)</u>	<u>(18,392)</u>	<u>(13,965)</u>
Unbilled construction work in progress	762	1,095	762	1,095
Unbilled construction work in progress (before year 2000)	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>
Unbilled construction work in progress at the end of year	791	1,124	791	1,124
Less allowance for doubtful accounts	<u>(39)</u>	<u>(29)</u>	<u>(39)</u>	<u>(29)</u>
<b>Net</b>	<b><u>752</u></b>	<b><u>1,095</u></b>	<b><u>752</u></b>	<b><u>1,095</u></b>
Excess of progress billing over work in progress	<u>(548)</u>	<u>(405)</u>	<u>(548)</u>	<u>(405)</u>
<b>Net</b>	<b><u>204</u></b>	<b><u>690</u></b>	<b><u>204</u></b>	<b><u>690</u></b>

**13 Inventories**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Construction materials	102,008,747	131,912,702	102,008,747	131,912,702
Spare parts and supplies	9,744,585	9,180,785	9,551,002	9,180,785
Less allowance for decline in value of inventories	<u>(844,084)</u>	<u>(844,084)</u>	<u>(844,084)</u>	<u>(844,084)</u>
Net	<u>8,900,501</u>	<u>8,336,701</u>	<u>8,706,918</u>	<u>8,336,701</u>
<b>Total</b>	<b><u>110,909,248</u></b>	<b><u>140,249,403</u></b>	<b><u>110,715,665</u></b>	<b><u>140,249,403</u></b>

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cost of inventories was recognized in expense and included in cost of construction	<u>1,343</u>	<u>1,319</u>	<u>1,343</u>	<u>1,319</u>



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Inventories as at 31 December 2013 and 2012 amounted to Baht 111 million and Baht 140 million, respectively, were expected to utilize as follows:

	2013	2012
	<i>(in million Baht)</i>	
Expected to utilize within 1 year	110	139
Expected to utilize over 1 year	1	1
<b>Total</b>	<b>111</b>	<b>140</b>

**14 Advance payments to subcontractors**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Other non-related parties	40,066,195	35,755,976	40,066,195	35,755,976
<b>Total</b>	<b>40,066,195</b>	<b>35,755,976</b>	<b>40,066,195</b>	<b>35,755,976</b>

Advance payments to subcontractors of the Group/the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**15 Investments in subsidiaries**

Movements for the year ended 31 December 2013 and 2012 were as follows:

	<b>Separate financial statements</b>	
	2013	2012
	<i>(in Baht)</i>	
As at 1 January	52,000,000	-
Acquisition	48,699,400	52,000,000
Sale of investment	(350,000)	-
<b>At 31 December</b>	<b>100,349,400</b>	<b>52,000,000</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Investments in subsidiaries as at 31 December 2013 and 31 December 2012 were as follows:

	Ownership interest		Paid-up capital		Separate financial statements				At cost - net		Dividend received	
	2013	2012	2013	2012	Cost method		Impairment		2013	2012	2013	2012
	(%)				2013	2012	2013	2012				
	<i>(in million Baht)</i>											
<b><i>Direct subsidiary</i></b>												
SCR Asset Management Co., Ltd.	52.00	52.00	190	100	98,800,000	52,000,000	-	-	98,800,000	52,000,000	-	-
Syntec Asset Management Co., Ltd.	54.97	-	1	-	549,700	-	-	-	549,700	-	-	-
Natural Ville Service apartment and Management Co., Ltd (Formerly :SAM HR Co., Ltd.)	99.97	-	1	-	999,700	-	-	-	999,700	-	-	-
<b>Total</b>					<b>100,349,400</b>	<b>52,000,000</b>	<b>-</b>	<b>-</b>	<b>100,349,400</b>	<b>52,000,000</b>	<b>-</b>	<b>-</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**16 Investments in associates**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
At 1 January	29,710,800	29,347,717	38,677,000	38,677,000
Share of net profit (losses) of equity - accounted	<u>(25,140)</u>	<u>363,083</u>	<u>-</u>	<u>-</u>
	29,685,660	29,710,800	38,677,000	38,677,000
Less allowance for valuation	<u>(29,302,000)</u>	<u>(29,302,000)</u>	<u>(38,677,000)</u>	<u>(38,677,000)</u>
<b>At 31 December</b>	<b><u>383,660</u></b>	<b><u>408,800</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Investments in associates as at 31 December 2013 and 2012 were as follows:

	<b>Consolidated financial statements</b>											
	Percentage of shareholding		Paid-up share capital		Cost method		Equity method		Impairment		At equity - net	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(%)				(in million Baht)							
<b>Associates</b>												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	0.38	0.41	-	-	0.38	0.41
Beauconcept Development Co., Ltd	25	25	RM 12	RM 12	29	29	-	-	(29)	(29)	-	-
<b>Total</b>					<b>39</b>	<b>39</b>	<b>0.38</b>	<b>0.41</b>	<b>(29)</b>	<b>(29)</b>	<b>0.38</b>	<b>0.41</b>
	<b>Separate financial statements</b>											
	Percentage of shareholding		Paid-up share capital		Cost method		Impairment		At cost - net		Dividend received	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(%)				(in million Baht)							
<b>Associates</b>												
Natural Hotel Sukhumvit Co.,Ltd.	25	25	41	41	10	10	(10)	(10)	-	-	-	-
Beauconcept Development Co., Ltd	25	25	RM 12	RM 12	29	29	(29)	(29)	-	-	-	-
<b>Total</b>					<b>39</b>	<b>39</b>	<b>(39)</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>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>
<b>2012</b>					
Natural Hotel Sukhumvit Co., Ltd.	25	<u>1.66</u>	<u>0.03</u>	<u>1.56</u>	<u>1.45</u>
<b>Total</b>		<b><u>1.66</u></b>	<b><u>0.03</u></b>	<b><u>1.56</u></b>	<b><u>1.45</u></b>

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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>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>
<b>2012</b>										
SVK Joint Venture	51	1	-	1	6	-	6	-	-	-
Syntec – Mivan Joint Ventures	65	61	13	74	509	-	509	8	7	1
<b>Total</b>		<b>62</b>	<b>13</b>	<b>75</b>	<b>515</b>	<b>-</b>	<b>515</b>	<b>8</b>	<b>7</b>	<b>1</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**17 Other long-term investments**

	<b>Consolidated and separate financial statements</b>			
	Cost		Fair value	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
General investments	55,788,000	55,788,000	-	-
Available-for-sale investments	301,107,612	560,624,974	242,764,458	257,481,601
Debt securities held to maturity	35,000,000	35,000,000	35,000,000	35,000,000
<b>Total</b>	<b><u>391,895,612</u></b>	<b><u>651,412,974</u></b>	<b><u>277,764,458</u></b>	<b><u>292,481,601</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	(55,788,000)	(55,788,000)	(55,788,000)	(55,788,000)
<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	301,107,612	560,624,974	242,764,458	257,481,601
Less unrealized loss on valuation adjustment	(58,343,154)	(303,143,373)	-	-
<b>Net</b>	<b><u>242,764,458</u></b>	<b><u>257,481,601</u></b>	<b><u>242,764,458</u></b>	<b><u>257,481,601</u></b>
<b>Total</b>	<b><u>242,764,458</u></b>	<b><u>257,481,601</u></b>	<b><u>242,764,458</u></b>	<b><u>257,481,601</u></b>
<b>Unrealized gain (loss) on valuation adjustment for the year recognized directly in equity</b>	<b><u>(58,343,154)</u></b>	<b><u>36,783,086</u></b>	<b><u>(58,343,154)</u></b>	<b><u>36,783,086</u></b>
<b><i>Debt securities held to maturity</i></b>				
Debenture	35,000,000	35,000,000	35,000,000	35,000,000

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

	<b>Consolidated and separate financial statements</b>	
	2013	2012
	<i>(in Baht)</i>	
<b>General investments</b>		
At 1 January	55,788,000	55,788,000
Valuation adjustment	<u>(55,788,000)</u>	<u>(55,788,000)</u>
<b>At 31 December</b>	<u>-</u>	<u>-</u>
<b>Available-for-sale investments</b>		
At 1 January	257,481,601	220,698,515
Purchase during the period	200,000,000	-
Sale during the period	(156,373,989)	-
Valuation adjustment	<u>(58,343,154)</u>	<u>36,783,086</u>
<b>At 31 December</b>	<u><b>242,764,458</b></u>	<u><b>257,481,601</b></u>
<b>Debt securities held to maturity</b>		
At 1 January	35,000,000	-
Purchases during the period	<u>-</u>	<u>35,000,000</u>
<b>At 31 December</b>	<u><b>35,000,000</b></u>	<u><b>35,000,000</b></u>

As at 31 December 2012, investment in Bangkok Metro Pcl., of 204,564,858 shares with fair value of Baht 143 million were used as collateral for bank overdrafts, loans and issuance of letters of guarantee from a domestic commercial in unlimited credit as the details described in note 52 to the financial statements.

As at 31 December 2013 and 2012, 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.

**18 Long-term loans**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Related parties	4,956,268	17,136,866	4,956,268	17,136,866
Other parties	<u>3,000,200</u>	<u>3,000,200</u>	<u>3,000,200</u>	<u>3,000,200</u>
	7,956,468	20,137,066	7,956,468	20,137,066
<i>Less allowance for doubtful accounts</i>	<u>(7,956,468)</u>	<u>(20,137,066)</u>	<u>(7,956,468)</u>	<u>(20,137,066)</u>
<b>Net</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



**Syntec Construction Public Company Limited and its Subsidiaries**  
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Long-term loans to other parties as at 31 December, 2013 and 2012 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 2013 and 2012 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
At 1 January	3,000,200	180,756,235	3,000,200	180,756,235
Write - off	-	(177,756,035)	-	(177,756,035)
<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>

On 27 December 2012, the Board of Directors Meeting of the Company unanimously resolved to write - off a debtor on long term loan to bad debt of Baht 177.76 million because the Central Bankruptcy Court ordered such debtor to be bankrupt on 4 December 2012.

Long-term loans of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**19 Investment properties**

	<b>Consolidated and separate financial statements</b>		
	Land	Condominium	Total
	<i>(in Baht)</i>		
<b>Cost</b>			
At 1 January 2012	99,643,500	5,649,570	105,293,070
No changes during the year	-	-	-
<b>At 31 December 2012 and 1 January 2013</b>	<b><u>99,643,500</u></b>	<b><u>5,649,570</u></b>	<b><u>105,293,070</u></b>
No changes during the year	-	-	-
<b>At 31 December 2013</b>	<b><u>99,643,500</u></b>	<b><u>5,649,570</u></b>	<b><u>105,293,070</u></b>
<b>Accumulated depreciation</b>			
At 1 January 2012	-	2,253,250	2,253,250
Depreciation charge for the year	-	739,874	739,874
<b>At 31 December 2012 and 1 January 2012</b>	<b>-</b>	<b><u>2,993,124</u></b>	<b><u>2,993,124</u></b>
Depreciation charge for the year	-	739,874	739,874
<b>At 31 December 2013</b>	<b>-</b>	<b><u>3,732,998</u></b>	<b><u>3,732,998</u></b>
<b>Net book value</b>			
<b>At 31 December 2012</b>	<b><u>99,643,500</u></b>	<b><u>2,656,446</u></b>	<b><u>102,299,946</u></b>
<b>At 31 December 2013</b>	<b><u>99,643,500</u></b>	<b><u>1,916,572</u></b>	<b><u>101,560,072</u></b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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	<b>Consolidated and separate financial statements</b>	
	2013	2012
	<i>(in Baht)</i>	
Depreciation charge for the year was included in: -		
administrative expenses	<u>739,874</u>	<u>739,874</u>
<b>Total</b>	<b><u>739,874</u></b>	<b><u>739,874</u></b>

Investment properties as at 31 December 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 155 million as the appraisal report 16 January 2014, and condominium with book value amounted to Baht 1.92 million represented the appraisal value which was appraised by the appraiser based on market price of Baht 5.50 million as the appraisal report 24 January 2014.

The Boards of Directors Meeting of the Company held on 28 October 2013 approved to mortgage land totaled area of 55 Rai, 1 Ngan, 43 square wah, totalling 6 title deeds, (located at Min Buri and Khlong Sam Wa districts, Bangkok) with existing structures and/or thereon as collateral for a bank guarantee with a domestic commercial bank in the amount of Baht 700 million.

On 8 November 2013, the Company registered to mortgage 6 title deed of land presented in the investment properties, cost value of Baht 99.60 million, with a domestic commercial bank in the amount of Baht 700 million.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**20 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 2012	57,702,316	253,448,454	965,393,471	499,294,620	90,693,815	132,034,423	-	1,998,567,099
Additions	68,753,020	-	200,644,324	-	13,010,497	11,203,335	41,497,006	335,108,182
Transfers	-	6,547,280	2,597,398	-	-	-	(9,144,678)	-
Disposals	-	-	(67,854,986)	-	(3,937,541)	(6,367,808)	-	(78,160,335)
<b>At 31 December 2012 and 1 January 2012</b>	<b>126,455,336</b>	<b>259,995,734</b>	<b>1,100,780,207</b>	<b>499,294,620</b>	<b>99,766,771</b>	<b>136,869,950</b>	<b>32,352,328</b>	<b>2,255,514,946</b>
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</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>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

	<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 2012	-	109,080,789	693,296,075	432,748,917	62,471,918	89,622,281	-	1,387,219,980
Depreciation charge for the year	-	17,980,651	44,167,487	3,396,553	13,334,418	9,782,833	-	88,661,942
Disposals	-	-	(9,844,306)	-	(3,807,140)	(5,509,990)	-	(19,161,436)
<b>At 31 December 2012 and 1 January 2013</b>	<b>-</b>	<b>127,061,440</b>	<b>727,619,256</b>	<b>436,145,470</b>	<b>71,999,196</b>	<b>93,895,124</b>	<b>-</b>	<b>1,456,720,486</b>
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</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>
<b><i>Net book value</i></b>								
Owned assets	126,455,336	132,934,294	204,795,816	63,149,150	27,767,575	12,345,395	32,352,328	599,799,894
Assets under finance leases	-	-	168,365,135	-	-	30,629,431	-	198,994,566
<b>Total at 31 December 2012</b>	<b>126,455,336</b>	<b>132,934,294</b>	<b>373,160,951</b>	<b>63,149,150</b>	<b>27,767,575</b>	<b>42,974,826</b>	<b>32,352,328</b>	<b>798,794,460</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>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2013**

	Land	Buildings and building improvement	Construction machinery and equipment	Separate financial statements		Vehicles	Construction in progress	Total
				Aluminium lining boards (formwork)	Furniture, fixtures and equipment			
<i>Cost</i>								
At 1 January 2012	57,702,316	253,448,454	962,550,891	508,727,874	90,659,690	132,034,423	-	2,005,123,648
Additions	-	-	200,644,324	-	13,010,497	11,203,335	38,559,102	263,417,258
Transfers	-	6,547,280	2,597,398	-	-	-	(9,144,678)	-
Disposals	-	-	(67,854,987)	-	(3,937,541)	(6,367,808)	-	(78,160,336)
<b>At 31 December 2012 and 1 January 2013</b>	<b>57,702,316</b>	<b>259,995,734</b>	<b>1,097,937,626</b>	<b>508,727,874</b>	<b>99,732,646</b>	<b>136,869,950</b>	<b>29,414,424</b>	<b>2,190,380,570</b>
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</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>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

				<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>Accumulated depreciation</b>								
At 1 January 2012	-	109,080,789	690,453,495	436,634,699	62,437,793	89,622,281	-	1,388,229,057
Depreciation charge for the year	-	17,980,651	44,167,486	6,305,993	13,334,418	9,782,833	-	91,571,381
Disposals	-	-	(9,844,306)	-	(3,807,140)	(5,509,990)	-	(19,161,436)
<b>At 31 December 2012 and 1 January 2013</b>	<b>-</b>	<b>127,061,440</b>	<b>724,776,675</b>	<b>442,940,692</b>	<b>71,965,071</b>	<b>93,895,124</b>	<b>-</b>	<b>1,460,639,002</b>
At 1 January 2013								
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</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>
<b>Net book value</b>								
Owned assets	57,702,316	132,934,294	204,795,816	65,787,182	27,767,575	12,345,395	29,414,424	530,747,002
Assets under finance leases	-	-	168,365,135	-	-	30,629,431	-	198,994,566
<b>Total at 31 December 2012</b>	<b>57,702,316</b>	<b>132,934,294</b>	<b>373,160,951</b>	<b>65,787,182</b>	<b>27,767,575</b>	<b>42,974,826</b>	<b>29,414,424</b>	<b>729,741,568</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>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Depreciation was included in: -

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht )</i>			
Cost of construction	96,534,328	74,360,674	104,247,926	77,270,113
Administrative expenses	13,735,288	14,301,268	13,734,546	14,301,268
<b>Total</b>	<b><u>110,269,616</u></b>	<b><u>88,661,942</u></b>	<b><u>117,982,472</u></b>	<b><u>91,571,381</u></b>

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

Interest capitalized for the year	1,687,774	-	-	-
Accumulated interest capitalized	1,687,774	-	-	-
Capitalization rate (% per annum)	MLR – 1.5	-	-	-

As at 31 December 2013 and 2012, the gross amount of the Group’s fully depreciated buildings and equipment that was still in use amounted to Baht 1,218 million and Baht 1,192 million, respectively.

As at 31 December 2013 and 2012, land, buildings and building improvement in the amount of Baht 153 million and Baht 58 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 52 to the financial statement.

On 5 April 2012, SCR Asset Management Co., Ltd. (“the subsidiary”) had entered into an agreement to purchase land of 11 title deeds, located at Sriracha district, Chonburi province, with a public company amounted to Baht 69 million (including acquisition costs) in order to construct the apartment for anyone interested, both Thai and foreign customers, for use as accommodation. The Extraordinary General Meeting of Shareholders held on 3 April 2012 approved the capital received from shareholders to pay the cost of land.

On 23 January 2013, SCR Asset Management Co., Ltd (“the subsidiary”) had entered into an agreement to buy and to sell land of 2 plots with 2 other persons, located at Sriracha district, Chonburi province, totaled area 1 Rai 2 Ngan 47.3 square wah, amounted to Baht 92.9 million. Advance payment was already paid on the date of agreement amounted to Baht 10 million, balance amounted to Baht 82.9 million.

The Extraordinary General Meeting of Shareholders of SCR Asset Management Co., Ltd. (“the subsidiary”) held on 6 July 2013 resolved unanimously the following matters:

- To purchase of land (without construction) of 2 plots from 2 other persons, located at Sriracha district, Chonburi province, totaled area 1 Rai 2 Ngan 47.3 square wah, amounted to Baht 92.9 million.
- To mortgage the above 2 plots of lands with a local bank to obtain the credit facility for purchasing land for construction of service apartments in the amount of Baht 65 million.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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On 12 July 2013, the subsidiary had paid the remaining cost of land of Baht 82.9 million together with registering the transfer of ownership of land. Please also see note 26 to the financial statements.

**21 Leasehold right**

	<b>Consolidated and separate financial statements</b>
	<i>(in Baht)</i>
<i>Cost</i>	
Additions	395,000,000
<b>At 31 December 2013</b>	<b><u>395,000,000</u></b>
 <i>Accumulated amortization</i>	
Amortization charge for the year	4,258,100
<b>At 31 December 2013</b>	<b><u>4,258,100</u></b>
 <i>Net book value</i>	
<b>At 31 December 2013</b>	<b><u><u>390,741,900</u></u></b>
 Amortization for the year 2013 was included in cost of room service	4,258,100
<b>Total</b>	<b><u><u>4,258,100</u></u></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.



**Syntec Construction Public Company Limited and its Subsidiaries**  
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- The objective of lease is use in the rental business as the residences and sub-lease in a single time within the lease period.
- Lessee agrees to pay fee of transferring the right of leasehold in the amount of Baht 10,648,000.
- Lessee agrees to pay monthly rental a rate of Baht 1.06 million – Baht 1.89 million.
- Lease agreement has certain conditions regarding lessee such as not disposal/transfer of the right under the agreement to another person or use the leasehold as a security for repayment etc.

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

**22 Intangible assets**

	<b>Consolidated and separate financial statements</b>	
	Software license	Total
	<i>(in Baht)</i>	
<b>Cost</b>		
At 1 January 2012	22,779,871	22,779,871
Additions	1,253,417	1,253,417
<b>At 31 December 2012 and 1 January 2013</b>	<b>24,033,288</b>	<b>24,033,288</b>
Additions	391,200	391,200
Deduction	(437,383)	(437,383)
<b>At 31 December 2013</b>	<b>23,987,105</b>	<b>23,987,105</b>
<b>Accumulated amortization</b>		
At 1 January 2012	14,639,141	14,639,141
Amortization charge for the year	4,222,665	4,222,665
<b>At 31 December 2012 and 1 January 2013</b>	<b>18,861,806</b>	<b>18,861,806</b>
Amortization charge for the year	4,218,933	4,218,933
Deduction	(437,382)	(437,382)
<b>At 31 December 2013</b>	<b>22,643,357</b>	<b>22,643,357</b>
<b>Net book value</b>		
<b>At 31 December 2012</b>	<b>5,171,482</b>	<b>5,171,482</b>
<b>At 31 December 2013</b>	<b>1,343,748</b>	<b>1,343,748</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**Consolidated and separate  
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*(in Baht)*

Amortization for the year was included in administrative expenses	4,218,933	4,222,665
<b>Total</b>	<b>4,218,933</b>	<b>4,222,665</b>

**23 Deferred income tax**

Movements of deferred tax assets and liabilities during the year ended 31 December 2013 and 2012 were as follows:

*For the year ended 31 December 2013*

	<b>Consolidated and separate financial statements</b> (Charged) / credited to		
	<b>At 1 January 2013</b>	Profit or loss <i>(in million Baht)</i>	<b>At 31 December 2013</b>
<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	-	4	4
<b>Total</b>	<b>30</b>	<b>(24)</b>	<b>6</b>
<b><i>Deferred tax liabilities</i></b>			
Property, plant and equipment	-	6	6
Financial lease liabilities	39	(38)	1
<b>Total</b>	<b>39</b>	<b>(32)</b>	<b>7</b>
<b>Net</b>	<b>(9)</b>	<b>8</b>	<b>(1)</b>

*For the year ended 31 December 2012*

	<b>Consolidated and separate financial statements</b> (Charged) / credited to		
	<b>At 1 January 2012</b>	Profit or loss <i>(in million Baht)</i>	<b>At 31 December 2012</b>
<b><i>Deferred tax assets</i></b>			
Trade accounts receivable	11	(1)	10
Other receivables	-	2	2
Retention receivable under construction contracts	2	(1)	1
Unbilled construction in progress	7	-	7
Long-term loans	-	1	1
Long-term provisions	10	(1)	9
<b>Total</b>	<b>30</b>	<b>-</b>	<b>30</b>
<b><i>Deferred tax liabilities</i></b>			
Financial lease liabilities	34	5	39
<b>Total</b>	<b>34</b>	<b>5</b>	<b>39</b>
<b>Net</b>	<b>(4)</b>	<b>(5)</b>	<b>(9)</b>

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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</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 December	31 December	31 December
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Deductible temporary differences	165	287	165	287
Tax losses	79	96	-	-
<b>Total</b>	<b>244</b>	<b>383</b>	<b>165</b>	<b>287</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 year ended 31 December 2013 and 2012 were summary as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
		(restated)		(restated)
	<i>(in million Baht)</i>			
<b>Income tax expenses for the period</b>				
The interim income tax expense	-	-	-	-
<b>Deferred tax expense (revenue)</b>				
Deferred tax expense (revenue) concern deductible temporary difference with initial recognized and reversed	(7)	5	(7)	5
Deferred tax expense (revenue) of decreasing income tax rate	(1)	-	(1)	-
<b>Income tax expense (revenue) represented in statements of comprehensive income</b>	<b>(8)</b>	<b>5</b>	<b>(8)</b>	<b>5</b>

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**24 Pledged deposits at banks**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Cash at banks – savings accounts	50,258,419	70,266,156	50,258,419	70,266,155
Cash at banks – fixed deposit accounts	<u>102,442,220</u>	<u>85,076,640</u>	<u>102,442,220</u>	<u>85,076,640</u>
<b>Total</b>	<b><u>152,700,639</u></b>	<b><u>155,342,796</u></b>	<b><u>152,700,639</u></b>	<b><u>155,342,795</u></b>

Pledged deposit at banks of the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**25 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>Deposits</b>	<b><u>90,660,731</u></b>	<b><u>105,753,139</u></b>	<b><u>77,734,797</u></b>	<b><u>92,844,542</u></b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Bank overdrafts	3,989,411	14,575,258	3,101,423	14,575,258
Short-term loans from financial institutions	<u>395,000,000</u>	<u>540,000,000</u>	<u>330,000,000</u>	<u>540,000,000</u>
<b>Total</b>	<b><u>398,989,411</u></b>	<b><u>554,575,258</u></b>	<b><u>333,101,423</u></b>	<b><u>554,575,258</u></b>

Movements of short-term loans from financial institutions for the years ended 31 December 2013 and 2012 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
At 1 January	540,000,000	25,000,000	540,000,000	25,000,000
Additions	665,000,000	555,000,000	600,000,000	555,000,000
Deductions	<u>(810,000,000)</u>	<u>(40,000,000)</u>	<u>(810,000,000)</u>	<u>(40,000,000)</u>
<b>At 31 December</b>	<b><u>395,000,000</u></b>	<b><u>540,000,000</u></b>	<b><u>330,000,000</u></b>	<b><u>540,000,000</u></b>

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As at 31 December 2013 and 2012, short term loans from financial institutions in the amount of Baht 330 million and Baht 540 million, respectively, in the consolidated and separate financial statements represented the bill of exchange, due on 3 March 2014 to 6 June 2014 and 18 June 2013 to 24 June 2013, respectively. Interest rate was charged at 4.5% - 5.4% per annum and 5% 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.

Bank overdrafts and short-term loans from financial institutions of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

As at 31 December 2013, the Group and the Company had unutilized credit facilities provided by a financial institutions totaling Baht\_ 1,441 million.

**27 Trade accounts payable**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Related parties	42,383,425	41,885,425	498,000	-
Other parties	<u>387,392,243</u>	<u>381,307,784</u>	<u>380,628,787</u>	<u>376,569,240</u>
<b>Total</b>	<b><u>429,775,668</u></b>	<b><u>423,193,209</u></b>	<b><u>381,126,787</u></b>	<b><u>376,569,240</u></b>

Trade accounts payable of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**28 Other payables**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Related parties	20,000	-	6,583,012	-
Other parties	<u>341,874,190</u>	<u>139,708,589</u>	<u>271,895,696</u>	<u>81,409,503</u>
<b>Total</b>	<b><u>341,894,190</u></b>	<b><u>139,708,589</u></b>	<b><u>278,478,708</u></b>	<b><u>81,409,503</u></b>
<i>Other parties</i>				
Other payables	70,922,889	59,793,290	3,228,749	1,618,035
Accrued value added tax	28,529,147	4,485,703	28,087,761	4,485,703
Accrued withholding tax	9,618,622	7,216,703	9,408,754	7,194,320
Other accrued expenses	<u>232,803,532</u>	<u>68,212,893</u>	<u>231,170,432</u>	<u>68,111,445</u>
<b>Total</b>	<b><u>341,874,190</u></b>	<b><u>139,708,589</u></b>	<b><u>271,895,696</u></b>	<b><u>81,409,503</u></b>

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Other payables of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Creditors under the rehabilitation plan	<u>29,659,671</u>	<u>28,521,146</u>	<u>29,659,671</u>	<u>28,521,146</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Thai Baht (THB)	12,462,769	12,528,688	12,462,769	12,528,688
United States Dollars (USD)	<u>17,196,902</u>	<u>15,992,458</u>	<u>17,196,902</u>	<u>15,992,458</u>
<b>Total</b>	<b><u>29,659,671</u></b>	<b><u>28,521,146</u></b>	<b><u>29,659,671</u></b>	<b><u>28,521,146</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.

**30 Short-term loans**

Movements of short-term loans for the years ended 31 December 2012 were as follows:

	<b>Consolidated and Separate financial statements</b>
	<i>(in Baht)</i>
At 1 January 2012	462,000,000
Paid	<u>(462,000,000)</u>
<b>As at 31 December 2012</b>	<b><u>-</u></b>

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**31 Debentures**

	<b>Consolidated and separate financial statements</b>	
	31 December 2013	
	Number <i>(in unit)</i>	Amount <i>(in Baht)</i>
Unsubordinated and unsecured debentures No. 1/2013	350,000	350,000,000
Unsubordinated and unsecured debentures No. 2/2013	175,000	175,000,000
<b>Total</b>	<b><u>525,000</u></b>	<b><u>525,000,000</u></b>

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
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
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

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Underwriting cost Baht 0.62 million, which is not significant amount, therefore, it is recognized as an expense in full.

Movements for the year ended 31 December 2013 was as follows:

	<b>Consolidated and separate financial statements</b> <i>(in Baht)</i>
At 1 January 2013	-
Additions	525,000,000
<b>At 31 December 2013</b>	<b><u>525,000,000</u></b>

**32 Finance lease liabilities**

	<b>Consolidated and Separate financial statements</b>					
	2013			2012		
	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	47,897,202	8,159,397	39,737,805	60,437,673	10,989,852	49,447,821
After one year but within five years	<u>121,735,582</u>	<u>7,567,165</u>	<u>114,168,417</u>	<u>169,632,784</u>	<u>15,726,562</u>	<u>153,906,222</u>
<b>Total</b>	<b><u>169,632,784</u></b>	<b><u>15,726,562</u></b>	<b><u>153,906,222</u></b>	<b><u>230,070,457</u></b>	<b><u>26,716,414</u></b>	<b><u>203,354,043</u></b>

As at 31 December 2013 and 2012, finance lease liabilities of Baht 154 million and Baht 203 million, respectively, represented the creditors under the hire purchase agreements on machinery, and vehicles with 5 other companies and 7 other companies, respectively, for 57 agreements and 65 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.

**33 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.

Movement in the present value of the defined benefit obligations

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>For the year ended 31 December</b>				
Defined benefit obligations at 1 January	71,265,701	57,452,882	71,265,701	57,452,882
Current service costs and interest	15,327,865	14,585,644	15,145,284	14,585,644
Payment of employee benefits	<u>(599,500)</u>	<u>(772,825)</u>	<u>(599,500)</u>	<u>(772,825)</u>
<b>Defined benefit obligations at 31 December</b>	<b><u>85,994,066</u></b>	<b><u>71,265,701</u></b>	<b><u>85,811,485</u></b>	<b><u>71,265,701</u></b>



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Expense recognized in profit or loss

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Current service costs	12,719,408	12,499,336	12,536,827	12,499,336
Interest on obligation	2,608,457	2,086,308	2,608,457	2,086,308
<b>Total</b>	<b>15,327,865</b>	<b>14,585,644</b>	<b>15,145,284</b>	<b>14,585,644</b>

The above expense is recognized in the following line items:

*For the years ended 31 December 2013 and 2012*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Cost of construction	11,100,297	9,878,040	11,100,297	9,878,040
Administrative expenses	4,227,568	4,707,604	4,044,987	4,707,604
<b>Total</b>	<b>15,327,865</b>	<b>14,585,644</b>	<b>15,145,284</b>	<b>14,585,644</b>

Principal actuarial assumptions at the reporting date

	2013 (%)	2012 (%)
Discount rate	3.65 - 3.75	3.75
Salary increase rate	6.00 - 8.00	6.00 - 8.00
Staff turnover rate	0 - 18.00	0 - 18.00
Mortality rate (Thai Mortality Ordinary Table 1997 and 2008)	TMO 1997, 2008	TMO 1997
Disability rate	5% of mortality rate	5% of mortality rate

### **34 Provisions**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Provision for losses on construction project	10,970,000	5,144,177	10,970,000	5,144,177
Estimated loss under joint venture agreement	-	-	42,632,072	39,063,093
<b>Total</b>	<b>10,970,000</b>	<b>5,144,177</b>	<b>53,602,072</b>	<b>44,207,270</b>
<b>As at 31 December</b>				
Current	10,970,000	5,144,177	10,970,000	5,144,177
Non-current	-	-	42,632,072	39,063,093
<b>Total</b>	<b>10,970,000</b>	<b>5,144,177</b>	<b>53,602,072</b>	<b>44,207,270</b>

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Movements for the years ended 31 December 2013 and 2012 were as follows:

	<b>Consolidated financial statements</b>					
	Provision for losses on Construction project		Estimated loss under joint venture agreement		Total	
	2013	2012	2013	2012	2013	2012
	<i>(in Baht)</i>					
<b>At 1 January</b>	5,144,177	-	-	-	5,144,177	-
Provision made	10,970,000	5,144,177	-	-	10,970,000	5,144,177
Used in provision	(5,144,177)	-	-	-	(5,144,177)	-
<b>At 31 December</b>	<b><u>10,970,000</u></b>	<b><u>5,144,177</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>10,970,000</u></b>	<b><u>5,144,177</u></b>

  

	<b>Separate financial statements</b>					
	Provision for losses on Construction project		Estimated loss under joint venture agreement		Total	
	2013	2012	2013	2012	2013	2012
	<i>(in Baht)</i>					
At 1 January	5,144,177	-	39,063,093	436,901,815	44,207,270	436,901,815
Provision made	10,970,000	5,144,177	3,568,979	-	14,538,979	5,144,177
Transfer to allowance for doubtful account	-	-	-	(397,090,780)	-	(397,090,780)
Provision reversed	-	-	-	(747,942)	-	(747,942)
Used in provision	(5,144,177)	-	-	-	(5,144,177)	-
<b>At 31 December</b>	<b><u>10,970,000</u></b>	<b><u>5,144,177</u></b>	<b><u>42,632,072</u></b>	<b><u>39,063,093</u></b>	<b><u>53,602,072</u></b>	<b><u>44,207,270</u></b>

**Provision for losses on Construction project**

As at 31 December 2013 and 2012, the Company recognized loss on construction project in the amount of Baht 10.97 million and Baht 5.14 million, respectively, in the consolidated and separate financial statements.

**Estimated losses under joint venture agreement**

As at 31 December 2013 and 2012, 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>	
	2013	2012
	<i>(in Baht)</i>	
Syntec –Mivan Joint venture	42,632,072	39,063,093
<b>Total</b>	<b><u>42,632,072</u></b>	<b><u>39,063,093</u></b>

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**35 Share capital**

	<i>Par value (Baht)</i>	Number	Consolidated and separate financial statements		
			2013	2012	
			Amount	Number	Amount
			<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>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>
<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>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>

**Issue of ordinary shares**

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 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.

**36 Reserves**

Reserves comprise :

Appropriation of profit and / or retained earnings.

***Legal reserve***

Section 116 of the Public Companies Act B.E. 2535 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 2013 amounting to Baht 3.7 million.

***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.

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**37 Segment information**

Segment information is presented in respect of the Group/Company's business and geographical segments. The primary format, business segments/geographical segments, is based on the Group/Company's management and internal reporting structure.

*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.

**Business segment results**

	Segment 1		Segment 2		Segment 3		Eliminations		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>									
Revenue from construction	6,177	4,857	-	-	-	-	-	-	6,177	4,857
Revenue from service apartment	-	-	23	-	-	-	-	-	23	-
Management income	-	-	-	-	12	-	(12)	-	-	-
Other income	45	23	-	-	-	-	(6)	-	39	23
<b>Total revenues</b>	<b>6,222</b>	<b>4,880</b>	<b>23</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>(18)</b>	<b>-</b>	<b>6,239</b>	<b>4,880</b>
Cost of construction	5,681	4,655	-	-	-	-	(9)	-	5,672	4,655
Cost of service apartment	-	-	7	-	8	-	-	-	15	-
Management expense	-	-	12	-	-	-	(12)	-	-	-
Other expense	485	358	4	-	4	-	(12)	-	481	358
<b>Total expenses</b>	<b>6,166</b>	<b>5,013</b>	<b>23</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>(33)</b>	<b>-</b>	<b>6,168</b>	<b>5,013</b>
Profit (loss) from business segment before tax income	64	(132)	-	-	-	-	8	-	72	(132)
Income tax expenses (revenues)	(8)	5	-	-	-	-	-	-	(8)	5
Losses non- controlling interest	-	-	-	-	-	-	(1)	-	(1)	-
<b>Profit (loss) attributable to owners of the parent</b>	<b>72</b>	<b>(137)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>81</b>	<b>(137)</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**Business segment financial position**

	Segment 1		Segment 2		Segment 3		Eliminations		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>									
Assets segment	4,262	3,548	97	28	15	-	(429)	-	3,945	3,576
Investment in subsidiaries	100	52	-	-	-	-	(100)	(52)	-	-
Leasehold rights	-	-	391	-	-	-	-	-	391	-
Property, plant and equipment	906	727	202	72	-	-	5	-	1,113	799
<b>Total assets</b>	<b>5,268</b>	<b>4,327</b>	<b>690</b>	<b>100</b>	<b>15</b>	<b>-</b>	<b>(524)</b>	<b>(52)</b>	<b>5,449</b>	<b>4,375</b>
Liabilities segment	3,248	2,178	500	-	13	-	(877)	-	2,884	2,178
<b>Total liabilities</b>	<b>3,248</b>	<b>2,178</b>	<b>500</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>(877)</b>	<b>-</b>	<b>2,884</b>	<b>2,178</b>
<b>Capital expenses</b>										
Depreciation and amortization	122	94	5	-	-	-	(8)	-	119	94
Gain on disposal and written off of equipment	10	5	-	-	-	-	-	-	10	5

**38 Other income**

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Gain from compromise of debts	-	7,092,083	-	-
Others	4,464,338	3,233,755	7,894,937	3,213,356
<b>Total</b>	<b>4,464,338</b>	<b>10,325,838</b>	<b>7,894,937</b>	<b>3,213,356</b>

**39 Selling expenses**

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Tendering cost	1,414,666	1,469,050	1,229,216	1,469,050
<b>Total</b>	<b>1,414,666</b>	<b>1,469,050</b>	<b>1,229,216</b>	<b>1,469,050</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**40 Administrative expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Personnel	176,074,099	115,019,958	175,110,855	115,019,958
Consulting and professional	18,901,865	15,058,401	18,029,446	15,029,332
Entertainment	16,398,421	11,038,615	16,077,230	11,038,615
Depreciation and amortization	18,694,095	19,263,808	18,693,353	19,263,808
Travelling	561,750	661,439	519,301	661,439
Vehicle	11,337,015	2,233,990	11,332,595	2,233,990
Bank charge	4,158,804	2,474,229	3,853,387	2,422,885
Foreign exchange loss	1,138,525	-	1,138,525	-
Damage from severe flooding of Thailand	-	60,612,536	-	60,612,536
Others	41,231,180	41,758,002	32,326,825	35,585,167
<b>Total</b>	<b>288,495,754</b>	<b>268,120,978</b>	<b>277,081,517</b>	<b>261,867,730</b>

**41 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<b>Management</b>				
Salaries and bonuses	31,190,410	27,745,799	29,723,000	27,745,799
Others	3,028,036	3,303,923	3,028,036	3,303,923
	<u>34,218,446</u>	<u>31,049,722</u>	<u>32,751,036</u>	<u>31,049,722</u>
<b>Other employees</b>				
Salaries wages and bonuses	411,803,210	349,984,684	410,412,637	349,984,684
Others	27,904,064	13,377,441	26,940,819	13,377,441
	<u>439,707,274</u>	<u>363,362,125</u>	<u>437,353,456</u>	<u>363,362,125</u>
<b>Total</b>	<b>473,925,720</b>	<b>394,411,847</b>	<b>470,104,492</b>	<b>394,411,847</b>

Partial employee benefit expenses were included in cost of construction.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2013**

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>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Cost of construction	13,042,000	12,292,000	13,042,000	12,292,000
Cost of room service	1,467,410	-	-	-
Administrative expenses	19,709,036	18,757,722	19,709,036	18,757,722
<b>Total</b>	<b><u>34,218,446</u></b>	<b><u>31,049,722</u></b>	<b><u>32,751,036</u></b>	<b><u>31,049,722</u></b>

**42 Expenses by nature**

Certain accounts included in calculating profit (loss) from operations for the years ended 31 December 2013 and 2012 have been classified by nature as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Raw material and consumables used	1,348	1,319	1,348	1,319
Cost of room service	15	-	15	-
Subcontractor cost	2,503	1,900	2,500	1,896
Employee and workers expenses	1,375	1,079	1,375	1,079
Depreciation and amortization expenses	119	94	127	96
Management benefit expenses	34	31	33	31
Bad and doubtful debts expenses	15	52	21	57
Loss on sale of available-for-sale investments	127	-	127	-
Estimated loss under joint venture agreements	-	-	4	-
Other expenses	583	503	580	501
Finance costs	49	35	49	35
<b>Total</b>	<b><u>6,168</u></b>	<b><u>5,013</u></b>	<b><u>6,179</u></b>	<b><u>5,014</u></b>

**43 Other expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Doubtful debts expense	15,337,418	52,233,583	21,363,912	56,985,947
Estimated loss under joint venture agreements	-	-	3,568,979	-
<b>Total</b>	<b><u>15,337,418</u></b>	<b><u>52,233,583</u></b>	<b><u>24,932,891</u></b>	<b><u>56,985,947</u></b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**44 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
Interest expense				
- Non-related parties	-	4,973,116	-	4,973,116
- Financial institutions	50,262,944	30,504,477	48,575,170	30,504,477
<b>Total interest expense</b>	<b>50,262,944</b>	<b>35,477,593</b>	<b>48,575,170</b>	<b>35,477,593</b>
<i>Less amounts included in the cost of qualifying assets:</i>				
- Construction contracts work in progress	(1,687,774)	-	-	-
<b>Net</b>	<b>48,575,170</b>	<b>35,477,593</b>	<b>48,575,170</b>	<b>35,477,593</b>

**45 Income tax expense (income)**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2013
	<i>(in million Baht)</i>			
<b>Current tax expense</b>				
Current year	-	-	-	-
<b>Deferred tax expense (income)</b>				
Change of temporary differences	(7)	5	(7)	5
Reduction of income tax rate	(1)	-	(1)	-
	<b>(8)</b>	<b>5</b>	<b>(8)</b>	<b>5</b>
<b>Total income tax expense (income)</b>	<b>(8)</b>	<b>5</b>	<b>(8)</b>	<b>5</b>

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	Rate %	2013 <i>(in million Baht)</i>	Rate %	2012 <i>(in million Baht)</i>
Profit (loss) before income tax expense	20	71	23	(132)
Income tax using the Thai corporation tax rate		14		(30)
Income tax reduction		(1)		-
Taxable income		-		4
Increased taxable expenses		(13)		(15)
Expenses not deductible for tax		14		19
Current year losses for which no deferred tax asset was recognized		4		22
Others		(26)		5
<b>Total</b>		<b>(8)</b>		<b>5</b>



**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

	<b>Separate financial statements</b>			
	Rate %	2013 <i>(in million Baht)</i>	Rate %	2012 <i>(in million Baht)</i>
Profit (loss) before income tax expense	<u>20</u>	<u>66</u>	<u>23</u>	<u>(141)</u>
Income tax using the Thai corporation tax rate		13		(32)
Income tax reduction		(1)		-
Taxable income		-		4
Increased taxable expenses		(13)		(15)
Expenses not deductible for tax		15		21
Current year losses for which no deferred tax asset was recognized		4		22
Others		(26)		5
<b>Total</b>		<u><b>(8)</b></u>		<u><b>5</b></u>

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.

#### **46 Earnings (loss) per share**

Basic earnings (loss) per share for the years ended 31 December 2013 and 2012 were calculated as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
Profit (loss) attributable to equityholders of the Company (basic) (Baht)	80,599,445	(137,245,913)	74,566,202	(146,360,802)
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>0.05</b>	<b>(0.09)</b>	<b>0.05</b>	<b>(0.09)</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

**47 Dividends**

The Annual Ordinary General Meeting of the Shareholders of the Company held on 27 April 2012 approved the allocation of dividends of Baht 0.02 per share amounting to Baht 32 million. The dividends were already paid to shareholders during the year 2012.

**48 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.

*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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

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 <i>(in million Baht)</i>	After 5 years	
<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
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>1,438</b>	<b>827</b>	<b>-</b>	<b>2,265</b>
<b>2012</b>					
<b>Current</b>					
Cash and cash equivalents	0.63	247	-	-	247
Current investments	2.18	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	6.53	555	-	-	555
Creditors under rehabilitation plan	-	29	-	-	29
Finance lease liabilities	5.91	49	-	-	49
<b>Non current</b>					
Debt securities held to maturity	2.82	-	35	-	35
Pledged deposits at the banks	1.42	-	155	-	155
Finance lease liabilities	5.91	-	154	-	154
<b>Total</b>		<b>940</b>	<b>344</b>	<b>-</b>	<b>1,284</b>

**Syntec Construction Public Company Limited and its Subsidiaries**  
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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>					
<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
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>1,306</b>	<b>827</b>	<b>-</b>	<b>2,133</b>
<b>2012</b>					
<b>Current</b>					
Cash and cash equivalent	0.63	218	-	-	218
Current investments	2.18	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	6.53	555	-	-	555
Creditors under rehabilitation plan	-	29	-	-	29
Finance lease liabilities	5.91	49	-	-	49
<b>Non current</b>					
Debt securities held to maturity	2.82	-	35	-	35
Pledged deposits at the banks	1.42	-	155	-	155
Finance lease liabilities	5.91	-	154	-	154
<b>Total</b>		<b>911</b>	<b>344</b>	<b>-</b>	<b>1,255</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 2013 and 2012, the Company had creditors denominated in the following currencies: -

**Syntec Construction Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2013**

	2013	2012
	<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 3 to the financial statement. However, due to the large number of parties comprising the Group's / Company's customer base, management does not anticipate material losses from its debt collection.

***Liquidity risk***

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

***Determination of fair values***

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.

**Syntec Construction Public Company Limited and its Subsidiaries**  
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Fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position sheets at 31 December 2013 and 2012 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Fair value	Book value	Fair value	Book value
<i>(in million Baht)</i>				
<b>2013</b>				
<b>Current</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>Non-current</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>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Fair value	Book value	Fair value	Book value
<i>(in million Baht)</i>				
<b>2012</b>				
<b>Current</b>				
Deposit at the financial institutions	247	247	218	218
Current investments	60	60	60	60
Trade accounts receivable	546	546	523	523
Other receivables	54	54	51	51
Retention receivables under construction contracts	565	565	533	533
Unbilled construction in progress	1,095	1,095	1,095	1,095

**Syntec Construction Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
Advance payments to subcontractors	36	36	36	36
Bank overdrafts and short-term loans from financial institutions	(555)	(555)	(555)	(555)
Trade accounts payable	(423)	(423)	(377)	(377)
Other payables	(140)	(140)	(81)	(81)
Creditors under rehabilitation plan	(29)	(29)	(29)	(29)
Finance lease liabilities	(49)	(49)	(49)	(49)
Advances received from customers under construction contracts	(405)	(405)	(405)	(405)
Retentions payables from subcontractors	(190)	(190)	(190)	(190)
Undue value added tax	(113)	(113)	(107)	(107)
<b>Non-current</b>				
Other equity securities	292	292	292	292
Withholding tax	142	142	142	142
Pledged deposits at the banks	155	155	155	155
Finance lease liabilities	(154)	(154)	(154)	(154)
Employee benefit obligations	(71)	(71)	(71)	(71)
<b>Total</b>	<b>1,063</b>	<b>1,063</b>	<b>1,087</b>	<b>1,087</b>

**49 Commitments with non-related parties**

As at 31 December 2013, 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>Capital commitments</b>		
<i>Not provide for</i>		
Condominium	4	4
Camp and other buildings	6	6
Cost of construction building for lease	118	-
<b>Other commitments</b>		
Pursuant to subcontractor agreement for the outstanding construction project	1,283	1,283
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,888	1,619
<b>Total</b>	<b>3,299</b>	<b>2,912</b>

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On 30 November 2012, the subsidiary had entered into a hire agreement with other company to act as the management who managed the room service for the period of 10 years.

As at 31 December 2013, the subsidiary had cost of construction building for apartment service which did not contract amounting to Baht 746 million.

## **50 Contingent liabilities**

As at 31 December 2013, 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 82 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.
- On 28 June 2011, the black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million. The Court made an appointment for agreement on 20 August 2012. Subsequently, the Court ordered dispose this case and on 7 September 2012, as black case no. 2206/2555, the Company sued National Housing Authority to the Federal Administrative Court. The sued amount was Baht 874 million. As of 28 February 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 other public company regarding false of agreement in the amount of Baht 12.13 million while Joint venture was sued by that public company to claim a compensation in the amount of Baht 31.80 million. Subsequently, on 13 February 2013, the Court of First Instance adjudged the Joint venture to settle to this public company. Subsequently, on 11 April 2013, the Company appealed to the Court and as of 28 February 2014, the result has not been finalized. However, the legal adviser of the Company believes that the Appeal Court will adjudge this public company pay debt to the Joint venture and the case will be dismissed. If the Company will pay such claim, the Company can recover from the sub-contractor in full amount.

## **51 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.



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On 30 March 2001, the Central Bankruptcy Court ordered the appointment of Siam Syntech Planner Company Limited as the Company's Plan Administrator and the Company implemented under the rehabilitation. On 28 April 2003, the Central Bankruptcy Court ordered to cancel the Company's rehabilitation in accordance with the Bankruptcy Act. Therefore, the responsibility for managing the business operations and the debtors' assets were devolved to the debtors' management. The debtors' shareholders had legal rights from the announcement in the Government Gazette dated 1 July 2003 onwards. Pursuant to the rehabilitation plan requiring a period of 7 year, the Company had reached to the term of plan but the payment has not been complete. The outstanding creditors comprised Group 3 to certain Group 9 because the majority of creditors have not contacted for receiving claims.

**52 Pledged assets**

As at 31 December 2013 and 2012, the Company's cash at banks of Baht 153 million and Baht 155 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 2012, available for sale investments amounted to 205 million shares, their fair value of Baht 143 million, were used as collateral for bank overdrafts, long-term loans and issuance of letters of guarantee from a domestic commercial bank.

As at 31 December 2013 and 2012, land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 153 million and Baht 58 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.

**54 Financial Reporting Standards (IFRS) not yet adopted**

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

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TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of Financial Statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interest in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reporting	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share – Based Payments	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 5 (revised 2012)	Non – Current Assets Hold for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economics	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
<b>TSIC</b>		
TSIC 15	Operating Leases-Incentives	2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TSIC 29	Service Concession Arrangements : Disclosures	2014
TSIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the 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.

## **55 Reclassification of accounts**

Certain accounts in the 2012 financial statements have been reclassified to conform to the presentation in the 2013 financial statements. These reclassification have principally been made following changes in accounting policies consequent to the adoption of these new or revised TFRS as described in note 4 to the financial statements. There were no other significant reclassification of accounts.