



Annual Report 2014



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DREAM**

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In this regards, investors may obtain further information from form 56-1 at www.sec.or.th or www.synteccon.com



Corporate Information

Name	Syntec Construction Public Company Limited
Business Type	Construction Contracts and Civil Engineering Works
Headquarters Address	555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klong Ton Nua, Khet Wattana, Bangkok 10110 Thailand
Registered Number	0107535000184 (BOMOJO 51)
Telephone	(02) 381-6333
Fax	(02) 711- 4596
Home Page	http://www.synteccon.com
Investor Relation	(02) 711- 7423, (02) 381-6333 Ext. 5941 E-mail : compliance@synteccon.com
Registered Capital	1,600,000,000 Baht
Common Stock	1,600,000,000 shares
Par Value	1.00 Baht per share
Auditor	Mr. Manit Warakitjaporn C.P.A. (Thailand) Registration No. 7326 Miss Maliwan Phahuwattanakorn C.P.C. (Thailand) Registration No. 4701 NPS Siam Audit Limited 555/5-6, SSP Tower, 5th Floor, Soi Sukhumvit 63 (Ekamai), Sukhumvit Rd., Klongton Nue, Wattana, Bangkok Thailand 10110 Tel. (02) 711-5300 Fax. (02) 711-5866 E-mail : info@npssiam.co.th
Share Registrar	Thailand Securities Depository Company Limited 62 Rajchadapisek Road, Kwang Klongtoey, khet Klongtoey, Bangkok 10110 Tel. (02) 229-2800 Call Center (02) 229-2888

More than 10% of Share held by Juristic Persons

Company Name & Address	Business Type	No. of Entire Shares	No. of Shares Held by the Company	Paid-up Share Capital	Shares' Equity (%)	Shares' Equity via Subsidiaries	Type of Share
1. SCR Asset Management Co., Ltd. 555/7-11 Soi Sukhumvit63 (Ekamai), Sukhumvit Road, Kwang Klongton Nua, Khet Wattana, Bangkok 10110	Development in real estate for rent	2,400,000	1,248,000	1,248,000	52.00	-	Common
2. Natural Hotel Sukhumvit Co., Ltd. 555/5 Soi Sukhumvit63 (Ekamai), Sukhumvit Road, Kwang Klongton Nua, Khet Wattana, Bangkok 10110	Operation and Management for the business of Hotel & Service Apartment and other properties	1,500,000	375,000	375,000	25.00	-	Common
3. Syntec Asset Management Co., Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Kwang Klongton Nua, Khet Wattana, Bangkok 10110	Operation and Management for the business of Hotel & Service Apartment and other properties	10,000	5,497	5,497	54.97	-	Common
4. Natural Ville Service Apartment and Management Co.,Ltd. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Kwang Klongton Nua, Khet Wattana, Bangkok 10110	Human Resource operation and management for the business of Hotel & Service Apartment and other properties	20,000	19,997	19,997	99.985	-	Common
5. Syntec – Mivan Joint venture 555/5 Soi Sukhumvit63 (Ekamai), Sukhumvit Road, Kwang Klongton Nua, Khet Wattana, Bangkok 10110	Construction of residential housing projects to the National Housing Authority .	-	-	-	65.00	-	-

Other important information

Other information that may be necessary for decision by investors are shown under the heading risk factors and legal dispute mentioned above.

Financial Information

Consolidated Financial Statements

Unit: Million Baht

	2014	2013	2012
Total Assets	6,180.29	5,448.82	4,374.78
Total Liabilities	3,143.93	2,884.19	2,177.70
Total Shareholders' Equity	3,036.36	2,564.63	2,197.08
Revenue from construction	6,888.86	6,176.59	4,856.72
Total Revenues	7,083.69	6,239.14	4,880.00
Gross Profit	783.02	505.08	201.47
Net Profit (Loss)	394.19	79.09	-137.39

Company Financial Statements

Unit: Million Baht

	2014	2013	2012
Total Assets	5,816.00	5,212.69	4,256.54
Total Liabilities	2,903.25	2,742.82	2,106.04
Total Shareholders' Equity	2,912.75	2,469.86	2,150.50
Revenue from construction	6,888.86	6,176.59	4,856.72
Total Revenues	7,099.95	6,245.78	4,872.80
Gross Profit	783.02	495.88	198.56
Net Profit (Loss)	389.350	74.57	-146.36

Financial Ratios

	Consolidated - FS.			Company - FS.		
	2014	2013	2012	2014	2013	2012
Liquidity Ratio						
Current Ratio (times)	1.44	1.45	1.43	1.48	1.52	1.47
Quick Ratio (times)	0.83	0.75	0.45	0.86	0.77	0.44
Account Receivable Turnover (times)	8.40	8.24	7.87	8.64	8.5	8.18
Average Collection Period (Days)	43	44	46	42	42	45
Inventory Turnover (times)	42.40	45.16	23.51	42.51	45.27	23.52
Average Inventory Days (Days)	9	8	15	9	8	16

	Consolidated - FS.			Company – FS.		
	2014	2013	2012	2014	2013	2012
Account Payment Turnover (times)	12.70	13.3	12.48	14.33	14.99	14.47
Average Payment Period (Days)	29	27	29	25	24	25
Cash Cycle (Days)	23	25	33	25	26	35
<u>Profitability Ratio</u>						
Gross Profit Margin (%)	11.53%	8.18%	4.15%	11.37%	8.03%	4.09%
Operating Profit Margin (%)	6.60%	3.48%	-1.40%	6.53%	3.52%	-1.33%
Net Profit Margin (%)	5.52%	1.28%	-2.71%	5.48%	1.21%	-2.90%
Return on Equity (%)	14.49%	3.32%	-5.94%	14.47%	3.44%	-6.34%
<u>Efficiency Ratio</u>						
Return on Asset (%)	6.73%	1.61%	-2.22%	7.06%	1.57%	-2.37%
Return on Fixed Asset (%)	43.16%	10.23%	-8.45%	62.00%	11.37%	-9.14%
Total Asset Turnover (times)	1.22	2.53	1.12	1.29	1.32	1.09
<u>Leverage Ratio</u>						
Debt Ratio (times)	0.51	0.53	0.49	0.50	0.53	0.49
Debt to Equity (times)	1.07	1.12	0.99	1.00	1.11	0.96
Interest coverage ratio (times)	18.03	20.65	1.6	18.22	20.55	1.62

Message from Company's Committee

Dear Shareholders

It's been a second year that the growth rate of Thai economy continually decreases from 2.9% in 2013 to 0.7% in 2014 with causes of major factors such as confidence of consumers, political situations before the coup at the end of May 2014 and recovery factor of global economy etc. for growth rate of gross domestic product in term of production, construction industry, it shrank to 3.8% compared to 2013 that had expansion rate of 1.00%. However, if considering quarterly rate, it was found that the last quarter of 2014 had expansion to 3.7% and it was the first expansion in 6 quarters respectively. Nevertheless, the company realized such factor continually by adjusting strategy of operation to correspond to economic situation of the nation by holding operation under standard of construction quality that retains safety, responsibility to the relevant, enhance potential of personnel and competitiveness, supervise relevant capitals as well as provide monitoring tools so that the capital is not beyond budget including operate policy to expand other relevant businesses other than construction enterprise to increase channels of perceiving income such as Business of serviced apartment for rent and investment in real estate that runs the business of serviced apartment with potential and good location that is available and can earn income immediately. This is the chance to increase channels of income earning for the company to be more stable.

Under economic situation that is not facilitating, the company could operate business and gain impressive profit. The turnover in 2014 according to financial budget had net profit of 394.20 million Baht increasing from the same tranche in 2013 for 315.10 million Baht or 398.38%. The main income was from construction for 6,888.86 million Baht increasing from the same tranche of the year for 712.27 million Baht or 11.53%. For undelivered construction works in 2014, there were 34 projects with total value of 19,489 million Baht. The progression of construction was 45.25% with balance value of 10,670 million Baht including income from apartment service (apart from main income) for 104.89 million Baht increasing from the same tranche of the year for 82.13 million Baht or 360.95 % respectively.

Other than circumspect business operation, the company realized importance of business operation under good governance and social and environment responsibility; therefore, the company revised the policy of good governance and manual of business ethics in March 2015 to be corresponding to guidelines of supervisory institutes according to universal principle and operation of the company along with enhancing knowledge and understanding for employees and the relevant that participate in development for appropriate work procedures

On behalf of company's committee and board of directors, I am sincerely grateful to customers, shareholders, and trade partners that support and trust the business of the company incessantly and thank all colleagues who work with determination, perseverance and dedication that brings success to the company in 2014



Mr. Somchai Sirilertpaniich
(Managing Director)

Report of the Audit Committee

The Company's Audit Committee is appointed by the Board of Directors and consists of 3 independent directors who are acknowledged as experts from several fields such as law, accounting, finance etc. They can independently perform their functions within the scope as assigned from the Board. Their term of office shall be 3 years which will, for the current Audit Committee, expire on 18 November 2015. Members of the Audit Committee are as follows:

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

In the year of 2014, the Audit Committee regularly held 5 meetings for consideration and review on significant issues according to the Charter of the Audit Committee as follows.

1. Review of Financial Statements

The review was made on the Company's financial statements both of Quarterly Financial Statements and 2014 Annual Financial Statements of the Company and its subsidiaries, accuracy and completeness of financial report and requirement of other relevant laws, adequacy of information disclosure according to General Accepted Accounting Principles, internal control in relation to financial statement preparation, as well as consideration on observation from audit and review of the auditor's financial statement in order to propose to the Board of Directors for consideration. The Audit Committee also attended the meeting with the auditor in determined duration.

2. Connected Transactions or Transactions that may have conflict of interest

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

3. Good Corporate Governance

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

4. Internal Control System and Internal Audit

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

control system was evaluated for consideration by the Board of Directors.

5. External Auditor

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

The Audit Committee considered and nominated to appoint the Company's auditor and considered on proposing proper remuneration to be proposed to the Board of Directors in order to propose to the shareholders for consideration on appointment of NPS Siam Audit Company Limited as the Company's auditor for 2014.

6. Compliance with Relevant Regulations

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

Audit Committee had the opinion that financial report audited by Certified Public Accountant presented the reliable and material information with information disclosure that was sufficient and in line with General Accepted Accounting Principles. The information disclosure of connected transactions or transactions that may have conflict of interest adequately complied with Stock Exchange and Securities Law and other laws relevant to the Company's business. Moreover, the internal audit system was accurately and properly executed and consistent with business operation's environment under promotion on execution according to Good Corporate Governance Principle.



(Mr. Chaiwat Atsawintarakul)
Chairman of the Audit Committee

Board of Directors



Mr. Somchai Sirilertpanich

Acting Chairman, Vice Chairman, Director of Nomination and Remuneration Committee, Chairman of the Managing Committee, Managing Director and the authorized signatory.



Mr. Chaiwat Atsawintarangkul

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



Miss Benjawan Sinkuknakorn

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



Mrs. Angsana Munkongcharoen

Director, Director of the Nomination and Remuneration Committee, The authorized signatory, Company Secretary, Director of Human Resources and Administration Department



Dr. Arichai Ractham

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



Miss Yuvadee Nipattamanon

Director, Director of Risk Management Committee, The Authorized
Signatories and The Director of Account Department



Mr. Jiramote Phahusutr

Director, The authorized signatories and
the Director of Business Development Department



Mr. Tavee Kullertprasert

Director

Board of Directors

Name / Position	Education	Job Experience' 5 Years Backtracked		
		Term	Position	Company
Mr. Somchai Sirilertpanich - Chairman (Acting) - Vice Chairman of the Board - Director of Nomination and Remuneration Committee - Chairman of the Management Committee - Managing Director - The authorized signatories	MBA Operation Management, University of Scranton Pennsylvania, USA. - DAP No. 1/2003	2013 – Present 2013 – Present	- Director - Director	- Syntec Asset Management Co.,Ltd. - Natural Ville Service Apartment and Management Co., Ltd. - SCR Asset Management Co., Ltd. - Syntec Construction PCL. - Siam Syntec Planner Co.,Ltd. - Naraiphand Co.,Ltd. - Bangkok Metro PCL.
		2012 – Present 2004- Present 2000 - Present 2001 – 2011 2005 - 2009	- Director - Managing Director - Director - Director - Director	
Mr. Chaiwat Atsawintarakul - Independent Director & Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee	- Master of Education (Curriculum and Teaching Methodology), Beijing Languages and Cultural University - Master of Science in Business Administration, Thammasat University - Barrister-at-Law, The Barrister Association * DAP No. 24/2004 , DCP No. 81/2006 and ACP No. 12/2006	2005 – Present 2005 – Present 2004 – Present 2004 – Present 2005 – Present 2004 – Present 2003 – Present 2002 – Present 2000 - Present 1997 – Present 1989 – Present	- Independent Director & Chairman of the Audit Committee - Director - Director - Director - Director - Director - Director - Director - Director	- Natural Park PLC. - Eastern Printing PLC. - Syntec Construction PCL. - Krunghai Car Rent & Lease PCL. - Boathouse Hua Hin Co., Ltd. - Andaman Long Beach Resort Co., Ltd. - Chiangmai Hot Spring Co., Ltd. - Resort Holding Co.,Ltd. - Bright Lilly Co., Ltd. - Prospect Consulting Co., Ltd. - MJL Inter Trade Co., Ltd.
		2009 – Present 2004 - Present 1997 – Present	- Independent and Audit - Director - Managing Director	- Multibax PCL. - Syntec Construction PCL. - Prospect Consulting Co., Ltd.
Miss. Benjawan Sinkunakorn - Independent and Audit Director - Director of the Nomination and Remuneration Committee	- Literature Chinese Language (Economics and Trade), Beijing Language and Culture University - MBA, BBA, LL.B., Thammasat University - Barrister-at-Law, The Barrister Association - DAP No. 24/2004, DCP No. 79/2006 and ACP No. 12/2006			

Name / Position	Education	Job Experience'5 Years Backtracked		
		Term	Position	Company
Mrs.Angsana Munkongcharoen - Director - Director of the Nomination and Remuneration Committee - The authorized signatories - Company Secretary - Director of HR & Admin Department	- The Oxford and County Secretarial College - DAP No. 2/2003	2013 – Present	- Director	- Natural Ville Service Apartment and Management Co.,Ltd.
		2005 – Present	- Director	- Natural Hotel Sukhumvit Co., Ltd.
		2004 – Present	- Director	- Syntec Construction PCL.
		2013 – 2014	- Director	- Syntec Asset Management Co., Ltd.
		2005 – 2011	- Director	- Naraiphand Co., Ltd.
Dr. Arichai Ractham - Independent Director - Chairman of Risk Management Committee - Director of the Audit Committee - Director of the Nomination and Remuneration Committee	- PH.D in Financial Economics – Peter Drucker Graduate School of Management, Claremont Graduate School, CA-USA. - Master of finance and Economics, Claremont Graduate School, CA-USA. - Master of Science in International Finance, University of Idaho, USA - DAP No. 35/2004, DCP No. 61/2005 and ACP No. 15/2006	2010 – Present	- Independent and Audit Director	- M-LINK Asia Corporation PCL.
		2007 – Present	- Risk Management Advisor	- Syntec Construction PCL.
		2010 -Present	- Risk Management Advisor	- Crown Seal PCL
		1998 – Present	- Lecturer International Finance for continuing education center	- Kasetsart University, Chulalongkorn University, College of Management Mahidol University (CMMU)
		2006 - 2012	- Risk Management Advisor	- FDA Food and Drug Administration, Health Ministry
Miss Yuwadee Nipattamanon - Director, Director of Risk Management Committee, The Authorized Signatories and The Director of Account Department	- Master of Accountancy (Accounting), Siam University - Bachelor of Accountancy (Accounting), Ramkhamhaeng University - DAP No. 105/2013	2013 – Present	- Director	- Syntec Asset Management Co.,Ltd.
		2013 – Present	- Director	- Natural Ville Service Apartment and Management Co., Ltd.
		2012 – Present	- Director	- Syntec Construction PCL.
		1998 – 2012	- The Specialist in Accounting & Financial Director	- Mitr Phol Group Co.,Ltd. (China Branch)

Name / Position	Education	Job Experience' 5 Years Backtracked		
		Term	Position	Company
Mr. Tawee Kullertprasert - Director	- Master Degree of Financial, Golden Gate University - Bachelor of Laws (LL.B), 1st class honors, Chulalongkorn University - Bachelor Degree of Financial, Thai Chamber of Commerce University - Certificate of TLCA Executive Development Program, No.4, Thai Listed Companies Association - Certificate of Senior Executive Program, No.20, Sasin Graduate Institute of Business Administration of Chulalongkorn University - DAP No. 35/2005, DCP No.79/2006 and ACP No. 12/2006	2014 – Present 2012 – Present 2008 – Present 2008 – Present 2004 – Present 2000 – Present 2009 – 2011	- Director - Director - Director - Director - Director - Director - Executive Director	- Dark Horse Development Co., Ltd. - Knight Club Capital Asset Management Co.,Ltd. - Steel Plus Fabrication Co.,Ltd. - Steeler Steel Works Co.,Ltd. - Practicum Engineering Co., Ltd. - Syntec Construction PCL. - Siam Syntech Planner Co., Ltd. - Office of Small and Medium Enterprises Promotion (OSMEP)
Mr. Jiramote Phahusutr - Director - Manager of Business Development Department - The authorized signatories	- Bachelor and Master Degree, Imperial College of Science, Technology and Medicine , London, UK - High School Education, Sherborne School for boys, Sherborne, UK - DAP No. 105/2013	2013 – Present 2013 – Present 2013 – Present 2013 – Present 2013 – Present 2013 – Present 2008 - 2009	- Director - Director - Director - Director - Director - Director - Director - Financial Analyst in Investment and Development Team.	- Syntec Construction PCL. - SCR Asset Management Co., Ltd. - Syntec Asset Management Co.,Ltd. - Natural Ville Service Apartment and Management Co., Ltd. - N & J Building Co., Ltd. - N & J Asset Management Co., Ltd. - Pacific Star International (Thailand) Bangkok

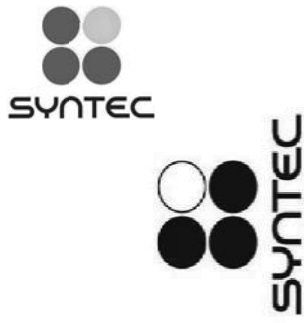
Remark:

DAP = Directors Accreditation Program, Thai Institute of Directors

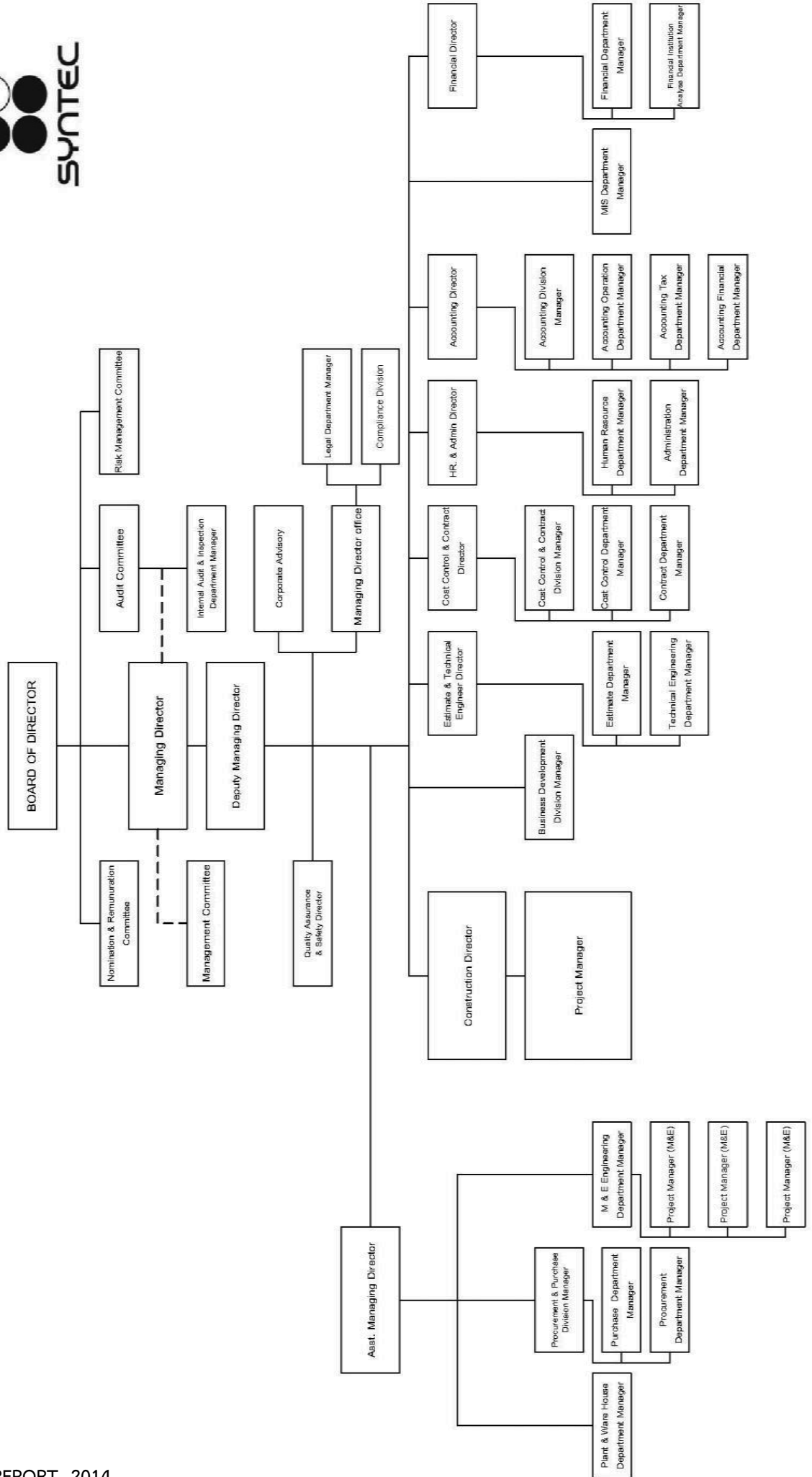
DCP = Director Certification Program, Thai Institute of Directors

ACP = Audit Committee Program, Thai Institute of Directors

Organization Chart



SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED



History, Major Changes and Development

History

Syntec Construction Public Company, Limited. (“Company”) (formerly “Siam Syntech Construction Public Company Limited”) had incorporated to be a juristic person under Thailand’s law on 22nd December, 1988 and became a Public company on 14th October, 1992, later on 12 February, 1993, it was registered in Stock Exchange of Thailand. The Company’s head office is located at 555/7-11, Soi Sukhumvit 63 (Ekamai), Klong Tan Nua Sub-district, Wattana District, Bangkok having its principle business in construction services. Offering the service for both government and private bureaus. The service ranges from foundation establishment to completion of construction in a manner of One-Stop Shopping. The modern process or procedure of construction and many technologies are applied here along with the development of knowledge to enhance the potentiality of company’s staffs. Besides, these can also raise the maximum value to stakeholders, for example, shareholders, customers and staffs.

Business Goals

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

Vision

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

Mission

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

1. Constantly create construction quality and standard

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

2. Maintain safety and accountability for relevant person

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

3. Enhance the personnel's ability and competition

Since personnel is the very important resource, the company had concentrated on developing the personnel's ability for getting know-how, competency and work skill in every level. The company conducted the training courses for the personnel according to work types by the outsourced expert or the experienced internal person. The company also organized the courses for management skill development, building teamwork, living together, learning in the specific career and supported the employees to learn the information technology in order to increase the efficiency of the employees' and management's activity so that they could apply the significant information for making effective solutions as well as enhanced the personnel to realize self development for preparing themselves for competition in the higher level. Presently, the Company is working on learning management for the staff by introducing Knowledge Management in the organization where body of knowledge will be kept electronically and can be later accessed by the staff via the internet, known as "Syntec Construction Knowledge Center (SCKC)". The main objective is to collect body of knowledge held by the Company and provide for the staff for learning, using and reengineering for further use resulting in constant development as Learning Organization. This can help the entire organization to efficiently and sustainably respond to global and endless changes.

4. Management under the Good Governance

The Company recognizes the advantage and significance of management under the principle of good corporate governance and has hence implemented such principle by adopting it in the Company's policy since the late 2004 and has also modified it continually. It has also prepared the Code of Conduct which is an integral part of good corporate governance and has managed to publicize it to its executives and staffs to understand and properly implement it to their operation.

In the year 2007, the Company has applied good corporate governance to each of business categories by announcing "Policy on Good Corporate Governance (1st Revised Version dated 21 December 2007)" by the approval from the meeting of the Board of Directors and implemented to its operation ever since until 2009.

In the year 2014, the Company has conducted its business under such good corporate governance proved by the outcome of assessment by "Good Corporate Governance of Listed Company for the Year 2014" jointly organized by the SET, the SEC and Thai Institute of Directors. The Company was awarded with "Very Good" level by getting 75% where the average of all listed companies was 72% and 80% for the SET 50 group, respectively. However, in 2014 a revised guidelines

and criteria for the survey to comply with the ASEAN CG Scorecard can't to put points compared to the year 2013. However, the company remains committed to conducting its business in accordance with such guidelines as appropriate and corporate governance of the company to meet the standards of sustainability.

Strategies

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

1. To realize management of quality and safety, application of state-of-the-art technology, good customer service, social accountability and on time delivery to maintain the Company's reputation and customer's trust in the next services and in telling other customers.
2. Engaging in business in the format that can best and completely respond to the needs of the customers. Services to be provided are ranging from work designs to the construction of buildings to completion and provision of one-stop-shopping service.
3. To manage project cost to be in accordance with construction cost and business situation to allow the customer to be able to compete in its business.
4. Promotion and imparting of knowledge on good corporate governance in accordance with business ethics to ensure the directors, executives, members of the staff have understanding together with the application of business ethics as the fundamental of work performance.

Shared Values

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

Culture

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

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

Major Changes and Development

PERIOD	DESCRIPTION
December 1988	Siam Syntech Construction Public Company, Limited (“theCompany”) incorporated with registered capital of 1 million baht to run construction business joining with 3 Singaporean Construction groups.
October 1992	The Company became a Public Company Limited with a purpose of offering share trading to the public and registering in the Stock Exchange of Thailand changing title from “Siam Syntech Construction Company, Limited” to “Siam Syntech Construction Public Company, Limited”.
July 1993	The Company was registered in the Stock Exchange of Thailand
August 1996	The Company was awarded “International Construction Award”
August 1997	The Company was the first construction company to be certified ISO 9002 Version 1994.
August 2000	The Company entered into a debt-restructuring scheme due to employment of floating exchange rate.
March 2001	The Central Bankruptcy Court granted an approval for the resolution of the creditor meeting with the 80% of the vote on the debt settlement plan.
June 2001	The registered capital was reduced by 397.06 million baht to 3.97 million baht according to the debt settlement plan.
June 2001	The registered capital was increased from 3.97 million baht to 400 million baht according to the debt settlement plan.
April 2003	The Central Bankruptcy Court granted the cancellation of rehabilitation order due to the Company’s achievement in practicing the debt settlement plan.
September 2003	The Company was certified with ISO 9001 Version 2000.
December 2003	The registered capital was increased from 400 million baht to 1,600 million baht
December 2003	The Company’s accounting period was changed from formerly 1 st July- 30 th June of the following year to 1 st January-31 st December. The new accounting period was first applied on 1 st July to 31 st December 2003.
April 2004	The Company’s shareholder meeting agreed to change the Company’s title from “Siam Syntech Construction Public Company, Limited” to “Syntec Construction Public Company, Limited”.
May 2004	The Company registered the new title, “Syntec Construction Public Company, Limited” according to the certification letter and business registration issued by Department of Business Development, Ministry of Commerce on 21 st May 2004.
August 2004	The Stock Exchange of Thailand granted an approval for removing the Company’s trading from Rehabilitation Company section to Property and Construction group since 10 th September 2004 because the financial status and performance of the Company has fulfilled the regulation.
September 2004	The Company’s stock has been traded in Property and Construction group, Real Estate Development section.
April 2005	The shareholders have all concluded to nominate DIA Audit Bureau / DIA Audit Co, Ltd. to be the auditor of the company in the year 2005.
April 2006	The shareholders have all concluded to nominate DIA Audit Bureau / DIA Audit Co, Ltd. to be the auditor of the company in the year 2006 again.

PERIOD	DESCRIPTION
April 2007	The shareholders have all concluded to nominate NPS Siam Audit Limited. to be the auditor of the company in the year 2007 again.
November 2007	The Board of Directors has approved to setting up a joint venture “Syntec Construction PCL (L.L.C.)” in Dubai , United Arab Emirates which the registered capital is 36,700,000.00 AED. (UAE DIRHAM). SYNTEC hold 46% equivalent to 16,882,000.00 AED for the benefit to increase the capability in undertaking overseas construction works.
April 2008	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2008 again.
April 2008	Syntec Social Responsibility Project No.1, to construction the kindergarten school, canteen, teachers’ house living and toilet together with the providing of stationery and sporty equipment for the Baan Koke Salang Border Police School, Surin Province. Currently, these school have student in amount 141 persons.
July 2008	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2008” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 101.25 points (from the total of 110) where there had 486 listed companies assessed by this project. The average of assessed companies was 82 while the companies in the group of SET 50 earned the average of 97.
November 2008	The Board of Director reached the solution to sell shares in Natural Hotel Siam Co., Ltd. (N-Siam), the associated company, to the original shareholder in such company, Al Manar Limited and/or other third person designated by Al Manar Limited at its par value for the amount of 384,998,500 baht.
December 2008	Assessment of “Good Corporate Governance for Listed Company for the Year 2008” held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as “Excellent” by getting 82 points (from the total of 100). The average of all listed companies was 75 and 84 for those companies in the SET 50, respectively.
December 2008	Rights and equally treatment to the shareholders for 1 months to propose AGM 2009 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
January 2009	Syntec Construction PCL (L.L.C.) (the joint company) called up the share capital of 10,000,000.00 AED. (UAE DIRHAM) or 27.25% of the registered capital in the firstly. SYNTEC had payment by the portion in amount of 4,600,000 AED equivalent to 43.83MB.
March 2009	TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “stable” outlook to Syntec Construction PLC.
April 2009	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2009 again.
May 2009	Syntec Social Responsibility Project No.2, to construction the school building, canteen, teachers’ house living and toilet together with the providing of stationery and sporty equipment for the Baan Pang Kham Noi School, Maehongson Education Service Area Office1, Maehongson Province. Currently, these school have student in amount 56 persons.
August 2009	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2009” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 98.50 points (from the total of 100) where there had 497 listed companies assessed by this project. The average of assessed companies was 82.97 points.

PERIOD	DESCRIPTION
September 2009	The Company was certified with ISO 9001 Version 2008.
October 2009	The Board of Director reached the solution to dissolve Syntec Construction PCL (L.L.C.) By the reason of Syntec Construction PCL (L.L.C.)' performance is under the target due to the global crisis and these crisis expect to prolong. Syntec obtained the returned investment in the amount of 22.58 MB.
December 2009	Rights and equally treatment to the shareholders for 1 months to propose AGM 2010 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
December 2009	Assessment of "Good Corporate Governance for Listed Company for the Year 2009" held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as "Excellent" by getting 85 points (from the total of 100). The average of all listed companies was 82 and 88 for those companies in the SET 50, respectively.
December 2009	Syntec Social Responsibility Project No.3, to construction and renovation the school building and providing of stationery and sporty equipment for the Baan Yang Thoeng School, Baan Kar Chub School, and Baan Phai Lom School, Ubonratchathanee Province.
February 2010	TRIS Rating Co., Ltd. has assigned the rating of "BBB-" with "stable" outlook to Syntec Construction PLC.
April 2010	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2010 again.
September 2010	The outcome of "Quality assessment project for shareholders' general meeting for the year 2010" carried out by the SEC, showed that the Company was assessed to be "Excellent" by getting 97.38 points (from the total of 100) where there had 479 listed companies assessed by this project. The average of assessed companies was 86.11 points.
December 2010	Assessment of "Good Corporate Governance for Listed Company for the Year 2010" held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as "Excellent" by getting 84 points (from the total of 100). The average of all listed companies was 80 and 89 for those companies in the SET 50, respectively.
December 2010	Syntec Social Responsibility Project No.4, to construction and renovation the school building and providing of stationery and sporty equipment for the Nu-Sae-Pho School at Baan Nu-Pho Branch, Sor-Mae-Gro Branch, and Nu-Sae-Pho School at Thi-Pho-Ji Barnch, Tak Province.
December 2010	Rights and equally treatment to the shareholders for 1 months to propose AGM 2011 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
April 2011	TRIS Rating Co., Ltd. has assigned the rating of "BBB-" with "stable" outlook to Syntec Construction PLC.
April 2011	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2011 again.
August 2011	The outcome of "Quality assessment project for shareholders' general meeting for the year 2011" carried out by the SEC, showed that the Company was assessed to be "Excellent" by getting 95.88 points (from the total of 100) where there had 416 listed companies assessed by this project. The average of assessed companies was 88.88 points.

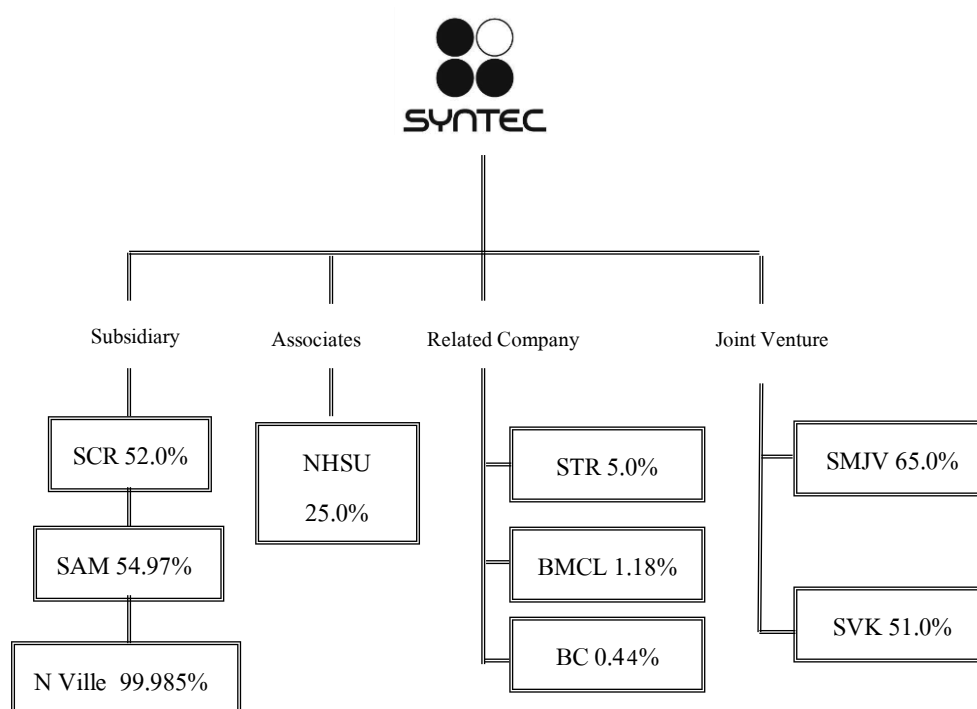
PERIOD	DESCRIPTION
October 2011	Syntec Social Responsibility (special project: 2011 flood crisis in Thailand) provided support to the government, BMA, The Thai Red Cross Society and Armed Force Development Command in the field operation and donation of necessary items e.g. sand bag, flood prevention dike, disaster relief package, instant food and other equipment etc. In addition to support to the public sector, the Company also provided direct assistance to the public e.g. transport service and waste disposal after flood etc.
December 2011	Assessment of “Good Corporate Governance for Listed Company for the Year 2011” held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as “Excellent” by getting 81%. The average of all listed companies was 77% and 88% for those companies in the SET 50, respectively.
December 2011	Rights and equally treatment to the shareholders for 1 months to propose AGM 2012 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
April 2012	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2012 again.
May 2012	Syntec Social Responsibility Project No.5, to construction the school building and providing of stationery and sporty equipment for the Nong Kham Wittaya, Roi-et Province.
July 2012	TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “stable” outlook to Syntec Construction PLC.
August 2012	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2012” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 96.38 points (from the total of 100) where there had 450 listed companies assessed by this project. The average of assessed companies was 89.43 points.
November 2012	Assessment of “Good Corporate Governance for Listed Company for the Year 2012” held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as “Very Good” by getting 82 points (from the total of 100). The average of all listed companies was 77 and 88 for those companies in the SET 50, respectively.
December 2012	Rights and equally treatment to the shareholders for 1 months to propose AGM 2013 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
April 2013	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2013 again.
June 2013	S C R Asset Management Co.,Ltd, a subsidiary, increased its authorized capital from 100 million baht to 400 million baht by issuing 3 million ordinary shares, par value 100 baht. The Company’s Board’s meeting therefore agreed to buy such shares for 1.56 million shares at par value 100 baht each, totaling 156 million baht to maintain its share holding proportion at 52%.
July 2013	The outcome of “Quality assessment project for shareholders’ general meeting for the year 2013” carried out by the SEC, showed that the Company was assessed to be “Excellent” by getting 97.00 points (from the total of 100) where there had 475 listed companies assessed by this project. The average of assessed companies was 90.81 points.
October 2013	TRIS Rating Co., Ltd. has assigned the rating of “BBB-” with “stable” outlook to Syntec Construction PCL.

PERIOD	DESCRIPTION
October 2013	The Project SYNTEC for community No. 6 provided supports for construction of 1-floor school building with 5 classrooms and also donated education and sporting equipment to Ban Mae Klong Yai Border Patrol Police School, Um Phang District, Tak Province.
October 2013	The Company's Board's Meeting resolved to set up a subsidiary "Sam HR Co.,Ltd." to engage in the business of personnel management for hotel, serviced apartment and other properties of which its 99.97% of total shares being equal to 1 million baht will be held by the Company.
October 2013	The Company's Board's Meeting resolved to set up a subsidiary "Syntec Asset Management Co.,Ltd." to engages in the business of management of hotel, serviced apartment and other properties. The Company holds 74.97% of the total share capital being equal to 1 million baht.
November 2013	The Company's Board's Meeting resolved to approve and adopt anti-corruption policy as a part of good governance policy by which the Company will be part of the group refusing to offer bribe under the campaign Private Sector Collective Action Coalition Against Corruption: CAC.
December 2013	Assessment of "Good Corporate Governance for Listed Company for the Year 2013" held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as "Very Good" by getting 81 points (from the total of 100). The average of all listed companies was 78 and 88 for those companies in the SET 50, respectively.
December 2013	Rights and equally treatment to the shareholders for 1 months to propose AGM 2014 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.
December 2013	The Company's Board's Meeting resolved to approve name change of a subsidiary from "Sam HR Co.,Ltd." to "Natural Ville Serviced Apartment and Management Co.,Ltd." and also approve its increase of capital from 1 million baht to 2 million baht to support the regulation for hiring alien persons.
December 2013	The Company's Board's Meeting resolved to reduce investment proportion in a subsidiary "Syntec Asset Management" from 74.97% to 54.97% for business reason.
April 2014	The shareholders have all concluded to nominate NPS Siam Audit Limited to be the auditor of the company in the year 2013 again.
May 2014	The Project SYNTEC for community No. 7 provided supports for construction of 1-floor school building with 2 classrooms and First Aid Room, also donated education and sporting equipment to Ban Pong Sawongkiriwan School, Thaluang District, Lopburi Province. The Project SYNTEC for community No.8 provided supports for construction of 1-floor school building with 5 classrooms and First Aid Room, also donated education and sporting equipment to Lampongpetch School, Kokcharoen District, Lopburi Province.
June 2014	The outcome of "Quality assessment project for shareholders' general meeting for the year 2014" carried out by the SEC, showed that the Company was assessed to be "Excellent" by getting 96.50 points (from the total of 100) where there had 528 listed companies assessed by this project. The average of assessed companies was 91.17 points.
November 2014	TRIS Rating Co., Ltd. has assigned the rating of "BBB-" with "stable" outlook to Syntec Construction PCL.
November 2014	The Board of Directors has approved the signing of "Collective Action Coalition" of the private sector in Collective Action Coalition Council for anti-corruption, The alignment operation of the private sector in Thailand corruption.

PERIOD	DESCRIPTION
November 2014	Assessment of “Good Corporate Governance for Listed Company for the Year 2014” held by the SET, the SEC and Thai Institute of Directors, showed that the Company was labeled as “Very Good” by getting 75 points (from the total of 100). The average of all listed companies was 80 and 84 for those companies in the SET 50
December 2014	Rights and equally treatment to the shareholders for 2 months to propose AGM 2015 agenda and nominate any qualified candidate to be selected as the company director in advance prior to the AGM of Shareholders via company website or a post mail.

Chart of the shareholding structure of the Company

The shareholding structure of Syntec Construction Public Company Limited as of 31 December 2014



Remark :

- SCR : SCR Asset Management Co., Ltd.
- SAM : Syntec Asset Management Co., Ltd.
- N Ville : Natural Ville Service Apartment and Management Co., Ltd.
- NHSU : Natural Hotel Sukhumvit Co., Ltd.
- STR : Salin Tara Co., Ltd.
- BMCL : Bangkok Metro PCL.
- BC : Bangkok Club Co., Ltd.
- SMJV : Syntec – Mivan Joint Venture
- SVK : Siam Syntec – Vijitphan - Krungthorn

Policy and Business Overview

Business Characteristics

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

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

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

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

Business Characteristics of Subsidiary, Associates and Joint Ventures

Subsidiary: SCR Asset Management Co.,Ltd.

SCR Assets Management Co.,Ltd. engages in business of investment in properties for rent and is considered one of the Company's affiliated companies of which its paid-up capital shares are held by the Company for 52% (authorized capital 2,400,000 shares, 240,000,000 baht). The strategy applied for extending the Company's business to other related business (Vertical Integration) in Forward expansion in association with core business expansion. Presently, SCR Assets Management Co.,Ltd. is now focusing in the business has been operated for service apartment construction equipped with complete facilities for rent of 3 projects including 1) Citadines Grand Central Sriracha which is located at No. 99/9 Thetsaban Road 1, Si Racha Sub-district, Si Racha District, Chon Buri Province, starting

service opening in Q1 of 2015 with 136 recreation rooms and total area of 9,492 square meters; Project 2, which is also located at Si Racha District. It will be commence for construction in Q2 of Year 2015 and it will be finished around the beginning of Year 2017 with over than 200 recreation rooms and total area of 20,528 square meters; and the last Project 3, which is located at Maha Phot District, Prachin Buri Province, and is the large-scale project dividing into the part of recreation rooms for 2 buildings and over than 300 rooms, and the shop area for another approximately 2,000 square meters and total area of 21,000 square meters. These projects have been ready to support the economic expansion of the customers in nearby industrial areas of which disbursement power will increase in the future.

Associates: Natural Hotel Sukhumvit Co., Ltd.

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

Joint Venture: Syntec-Mivan Joint Venture

Syntec-Mivan Joint Venture consists of 2 enterprises, namely, the Company and Mivan (Thailand) Co., Ltd. ("Mivan") with ration of investment at 65% : 35%, respectively. Profit or loss shall be divided with respect to such ratio of investment. The objective for establishment is to provide construction service in the project of Baan Eur Arthorn for the National Housing Authority by entering into construction contract for the amount of 50,000 units. But, however, circumstances in the country have an impact on such authority where the Company has request and been granted the amount of unit to only 13,674 units. Nowadays, The project has delivered and It is on warranting project and following the rest debt from National Housing Authority. At the moment, the Company is demanding the National Housing Authority to pay outstanding amount of installment through the suspending case filed at the Central Administrative Court since 7 September 2012 with amount in dispute of 874,250,718 baht.

Syntec Asset Management Co.,Ltd. And Natural Ville Service Apartment and Management Co.,Ltd. (The formerly is name "Sam HR Co., Ltd.")

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

With respect to Natural Ville Serviced Apartment and Management Co.,Ltd., it engages in the business of personnel management for hotel business, serviced apartment and other properties. The

Company holds 99.985% of its paid-up authorized capital (currently at 2,000,000 baht divided into 20,000 shares, par value 100 baht). At the moment, both companies are managing lease right of Natural Ville Residence

Future Plan

The company has a portfolio of projects under construction many past and present, has developed a process or procedure modern construction and technologies applications along with the development of knowledge in order to strengthen the capacity of its staff. That is to add maximum value to those who are involved with the company as shareholders, customers, employees and the environment, etc. Ultimately, the pass works is apparent to the customer have to trust in the commissioning and construction continued. Including an introduction to other customers throughout. The Company is committed to enhancing the quality associated with the creative needs of the professional customer forever.

The company believes that in addition to the business professional and development in various fields as discussed in the above. The implementation of Code of Conduct or Policy of Corporate Governance. It will enable the company to achieve the goals defined, “We shall be the leader in construction of high rise building of quality and safety domestically and internationally.” Which brings confidence and trust that customers have come to trust the company throughout the years and will increase the company has set a goal of conducting business as well.

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

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

Summary of Business Characteristics

Revenues Structure

Unit : Million Baht

Product Line / Business Circles	2014		2013		2012	
	MB.	%	MB.	%	MB.	%
Revenue from the Construction Contracts						
- Residential	5,634.63	81.79	5,012.41	81.15	4,167.60	85.81
- Commercial	1,081.56	15.70	691.10	11.19	286.52	5.90
- Institutional			113.03	1.83	249.72	5.14
- Leisure			282.08	4.57	152.34	3.14
- Infrastructure	172.67	2.51	76.26	1.23	0.54	0.01
- Industrial			-	-	-	-
- Retail			1.71	0.13		
Total Revenue from the Construction	6,888.86	100.00	6,176.59	100.00	4,856.72	100.00
Interest income	22.71		8.64		6.71	
Revenue from room service	104.89		22.76		-	
Gain on sale of available-for-sale-securities	34.21					
Reversal of allowance for doubtful accounts	3.46		16.44		0.60	
Reversal of creditors under rehabilitation plan			-		-	-
Gain on disposal of equipment			10.25		4.90	
Reversal of estimated loss under joint venture agreements			-		0.75	
Other income	29.56		4.46		10.33	
Total Revenues	7,083.69		6,239.14		4,880.00	

The Company earned total revenues-net (according to consolidated financial statements) in 2014 for the amount of 7,083.69 million baht as opposed to 6,239.14 million baht in 2013 and 4,880.00 million baht in 2012 or the total increase of 844.55 million baht or 13.54%. Such revenue can be classified into revenue from construction service as direct contractor for the amount of 6,888.86 million baht or 97.25% of total revenue-net, the highest amount since 2010. As opposed to that of 2013, the amount increased for 712.27 million baht or 11.53%. Having considered revenue from construction works over the past three years, The Company accounts for income from the building office/commercial buildings increased from 5.90% in 2012 to 11.19% in 2013 and increased to 15.70% in 2014, including the construction of infrastructure projects increased from 0.01% in 2012 to 23.1% in 2013 and up to 2.51% in 2014. However, the value of the revenue from the contractor mainly from the residential sector increased by 81.15% in 2013 to 81.79% in 2014.

Product and service characteristics

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

At present, the business operations of Syntec involve in a major categories :

- (1) Residential
- (2) Commercial
- (3) Institutional
- (4) Leisure
- (5) Infrastructure
- (6) Industrial
- (7) Retail

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

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

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

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

The construction works of basic public utility project are the construction works relating to basic public utilities. All construction works are under the responsibility of the government agencies. Realizing the significance of country development, the company focused on carrying out the construction works to meet the objective of each type of work; the construction of man-hole and

cable tube, water waste treatment project, reinforced concrete wall acting as barrier against floodwater. The company planned to participate in the auction of basic public utility project by probably considering cooperating with the potential, domestic and international, alliances. This is to support the development of basic structure that the government sector must undertake according to National Economic and Social Development.

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

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

Marketing and Competition

Crucial strategies in competition

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

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

Also, the Company has a plan to expand its operation to other related businesses in order to increase its revenue channels in other fields by setting up subsidiaries. S C R Asset Management Co.,Ltd. is established to run business of new serviced apartment for rent. The first serviced apartment project is located at Si Racha District, Chon Buri. The project value is about 350 million baht started in quarter 3/2013 and expected to be complete by the end of 2014. The Company's strategies also cover investment in potential assets located in good location that are ready for use and generating income by setting up another 2 companies; Natural Ville Serviced Apartment and Management Co.,Ltd. (formerly known as "Sam HR Co.,Ltd.") and Syntec Asset Management Co.,Ltd., to manage remaining 20-year lease right of Natural Ville Residence. This serviced apartment was bought for 400 million baht located on prime business area and is considered as another revenue channel.

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

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

(1) Providing One-stop Shopping Construction services

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

(2) Quality, Security and Responsibility

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

(3) Reputation and Outcomes of the company

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

(4) Business Alliance

Operating business in the future facing with the liberal trade system of the world economic development, the main factors affecting the capital of production and the competitiveness are the capital, specialization, and modern technologies. As a result, business organizations have to be ready to adjust and develop their organizations in order to be competitive.

The company realizes the mentioned importance. Apart from the continuous adjustment, learning, and development of the construction process, the company also co-operate with the alliances as the joint venture. The alliances are other companies possessing the specialization required by the project. This grants a good opportunity for the company to be transferred modern technologies and knowledge of the construction which are very useful for the business operation. Eventually, the company may have the business alliances possessing the enough abilities in mutually operating the big

project of construction in the future agreeing with the policy of government sector. This is to assure the customers that the construction will be successfully completed following the specified agreement or contract.

(5) Abilities of Personnel

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

Customer's Characteristics

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

List of Project and the owners for the year 2014

List of Project	Owner	Project Value (MB.)
1. Supalai Vista Sriracha-Laemchabang Port Intersection	Supalai PCL.	224
2. Supalai City Resort Ratchayothin-Phahonyothin 32	Supalai PCL.	139
3. Supalai Veranda Ratchavipha-Prachachuen	Supalai PCL.	680
4. Supalai Elite Sathorn-Suanplu	Supalai PCL.	168
5. Supalai Grand Tower Carpark	Supalai PCL.	58
6. Supalai Mare Pattaya	Supalai PCL.	486
7. The Bangkok Sathorn	Land and House PCL.	1,165
8. 333 Riverside	Land and House PCL.	1,523
9. Chapter One The Campus	Pruksa Real Estate PCL.	561
10. Rhythm Asoke	AP Thailand PCL.	364
11. Kalapapruk Grand Park Udonthani	CP Land Co., Ltd.	336

List of Project	Owner	Project Value (MB.)
12. Rhythm Sukhumvit 36-38	APME Sukhumvit Co., Ltd.	560
13. D'Memoria	Dwell Grand Asset Co., Ltd.	212
14. We Condo Ekamai-Ramindra	L and T Asset Co., Ltd.	682
15. Holiday Inn & Suitess Rayong City Centre	Felicity Asset Co., Ltd.	491
16. The President Sathorn-Ratchaphruek Phase 2	Chaiphattana Teedin Co., Ltd.	491
Total 16 Projects		8,140

Within the last 3 Years, the company has the following proportions of income depending on types of customers which are private and public sector.

Table 1 Proportion of revenues classified by the types of customers

Unit : Million Baht

Type	2014		2013		2012	
	Value	%	Value	%	Value	%
Government	172.67	2.51	76.26	1.23	0.54	0.01
Private	6,716.56	97.49	6,100.33	98.77	4,856.18	99.99
Total	6,888.85	100.00	6,176.59	100.00	4,856.72	100.00

Table 2 Proportion of revenues classified by the types of customers (public and private sector) and constructions

Unit : Million Baht

Proportion	2014		2013		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Governmental						
- Infrastructure	172.67	2.51	76.26	1.23	0.54	0.01
- Institutional	-	-	-	-	-	-
Total	172.67	2.51	76.26	1.23	0.54	0.01
Private						
- Residential	5,634.63	81.79	5,012.41	81.15	4,167.60	85.81
- Commercial	1,081.56	15.70	691.10	11.19	286.52	5.90
- Institutional	-	-	113.03	1.83	249.72	5.14
- Leisure	-	-	282.08	4.57	152.34	3.14
- Industrial	-	-	-	-	0.54	0.01
- Retail	-	-	1.71	0.03	-	-
Total	6,716.56	97.49	6,100.33	98.77	4,856.18	99.99
Total Revenues	6,888.85	100.00	6,176.59	100.00	4,856.72	100.00

From Table 1 and Table 2, the portion of the contractor directly (Consolidated Financial Statements) in the public sector has increased from year 2013 with 1.23% increase to 2.51% in 2014, the Company believes that the construction of the Government is a large project that requires high investments and a low-margin, compared with the Private sector. However, the company remains committed to the auction in the future to reduce the risk of a portion of the private lots. For the ratio of the private sector declined from 98.77% in 2013 to 97.49% in 2014 due to the work of government. (Owner's Bangkok) include construction of reinforced concrete dam Khlong Chan road to Praditmanutham length of 8.8 kilometers. The residential project still has the highest proportion of total revenue from the construction. The proportion of 85.81% Total 4,167.60 million baht in 2012 reduced the proportion of 81.15% was 5,012.41 million baht in 2013 and increased in 2014 as the proportion of 81.79% of 5,634.63 million baht. The company has assigned construction of the project continued example Supalai Elite Sathorn-Suanplu, Supalai Veranda Ratchavipha-Prachachuen, Supalai Grand Tower Carpark, Supalai Mare Pattaya by Supalai PCL. The Bangkok Sathorn, 333 Riverside by Land and House PCL Chapter One The Campus by Pruksa Real Estate PCL. Rhythm Asoke-Ratchada by AP (Thailand) PCL. Osotsapa Office building and carpark by Osotsapa Co., Ltd. Kalapaphruk Grand Park Udonthani by CP Land Co., Ltd. We Condo Ekamai-Ramindra by L and T Asset Co., Ltd. Etc.

Target Group Customers

The Company's target group includes the project owners both in public and private sector nationwide especially those demonstrating financial stability and sufficient assets. According to Table 2, the revenue proportion sort by client type and construction type suggests that revenue from construction by private sector shared the major part at 97.49% of total revenue in 2014 most of which came from residential unit construction for as high as 5,634.63 million baht or 81.79 of total revenue from construction works while such from office/commercial building was merely at 1,081.56 million baht or 15.70%,. All construction works mentioned above are being under operation the progress of which can be obtained from the Company's website, www.synteccon.com. Here are the non-exhaustive list of the Company's clients: Supalai Plc., Major Development Plc., SC Asset Corporation Plc., Asian Property Development Plc., Bangkok Dusit Medical Services Plc., Pruksa Real Estate Plc., Eastern Star Real Estate Plc., Land & House Plc., C.P. Land Co.,Ltd., Major Residence Co.,Ltd., Phirat Buri Co.,Ltd., Amara Hospitality (Thailand) Co., Ltd., Delvi Place Co.,Ltd., TST Development Co.,Ltd., Osotsapa Co.,Ltd. and L & T Asset Co.,Ltd. etc. (as detailed in the list of projects and owners engaging the Company as a contractor in 2014 and Item works waiting for delivery, from 56-1). The Company is committed to maintaining and improving its works of quality to meet the client's full satisfaction.

Selling and Distribution Channels

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

Situation of Competition

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

Economic indicators are as follows.

Table 3 2014 Gross Domestic Product

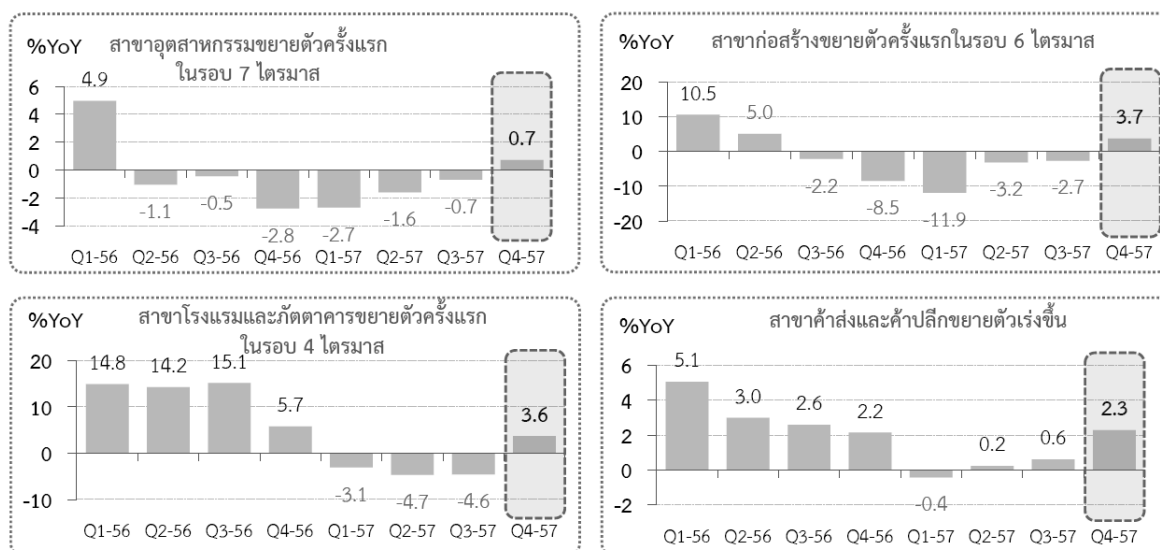
	GDP Growth (%)									
	2556	2557	2556				2557			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP	2.9	0.7	5.4	2.9	2.7	0.6	-0.5	0.4	0.6	2.3
GDP ปรับฤดูกาล	-	-	-1.1	0.4	1.1	0.2	-1.9	1.2	1.2	1.7

Source : Office of the National Economic and Social Development Board, 16 Feb 2015

- Thai economy significantly expanded from its decline for -0.5% in Q1 of Year 2014 and expanded to be 0.4% and 0.6% in Q2 and Q3 of Year 2014, respectively.
- Demand was expanded both in household sector expenditure and government sector expenditure, through acceleration of private sector investment, return for growth in export, and few decline of government sector investment.
- Hotel and restaurant, construction and industrial sectors returned for the first time of expansion in the round of various quarters. The growth of retail and wholesale trading was accelerated. Nevertheless, agricultural sector returned to decline.

Table 4 2014 Thai Economy

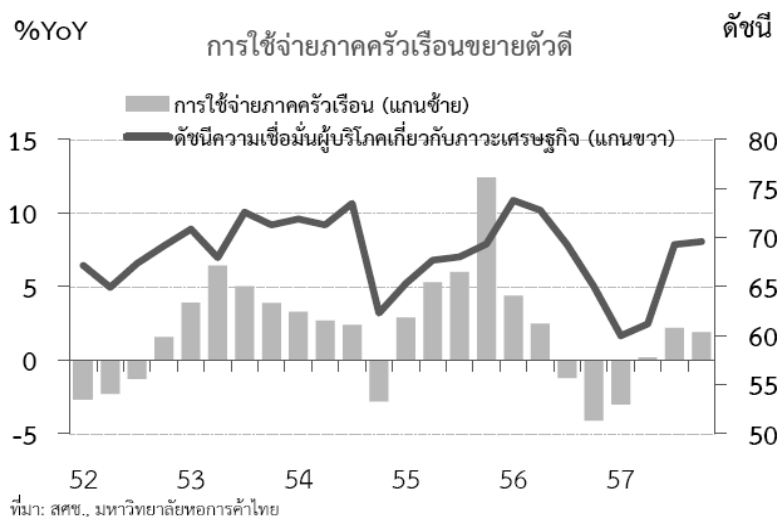
ด้านการผลิต: ภาคเกษตรลดลง ภาคนอกเกษตรขยายตัวสูงขึ้น อุตสาหกรรม ก่อสร้าง โรงแรมและภัตตาคารกลับมาขยายตัว คำส่งค้าปลีกและอสังหาริมทรัพย์										
Growth (%)	2556	2557	2556				2557			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ภาคเกษตร	1.4	1.1	0.8	2.5	-0.3	2.1	1.4	4.2	1.6	-1.6
ภาคนอกเกษตร	3.0	0.7	5.8	3.0	3.0	0.5	-0.6	0.1	0.5	2.7
GDP	2.9	0.7	5.4	2.9	2.7	0.6	-0.5	0.4	0.6	2.3
ด้านการใช้จ่าย: การบริโภคครัวเรือนขยายตัวดี การใช้จ่ายภาครัฐและการลงทุนภาคเอกชนเพิ่มขึ้น การส่งออกสินค้าและบริการกลับมาขยายตัว										
Growth (%)	2556	2557	2556				2557			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
การบริโภครวม	1.1	0.7	4.2	3.3	0.4	-3.3	-1.9	0.5	1.8	2.4
- ภาคครัวเรือน	0.3	0.3	4.4	2.5	-1.2	-4.1	-3.0	0.2	2.2	1.9
- ภาครัฐ	4.9	2.8	2.9	7.6	7.3	0.8	4.2	2.1	0.4	5.5
การลงทุน	-2.0	-2.8	5.8	4.7	-6.3	-11.4	-9.3	-6.9	2.9	3.2
- ภาคเอกชน	-2.8	-1.9	2.9	2.0	-3.1	-13.2	-7.4	-7.0	3.9	4.1
- ภาครัฐ	1.3	-6.1	18.8	15.4	-16.2	-4.7	-16.6	-6.7	-0.8	-0.3
การส่งออกสินค้าและบริการ	4.2	0.0	8.3	2.9	3.8	2.0	-0.5	-0.6	-3.8	4.9
การนำเข้าสินค้าและบริการ	2.3	-4.8	8.1	4.5	0.8	-3.5	-8.6	-9.0	-1.1	-0.3
GDP	2.9	0.7	5.4	2.9	2.7	0.6	-0.5	0.4	0.6	2.3



Below have been the economic indicators.

1. Continuous expansion of house expenditure

	2556	2557	Q1-56	Q2-56	Q3-56	Q4-56	Q1-57	Q2-57	Q3-57	Q4-57
ร้อยละ	0.3	0.3	4.4	2.5	-1.2	-4.1	-3.0	0.2	2.2	1.9

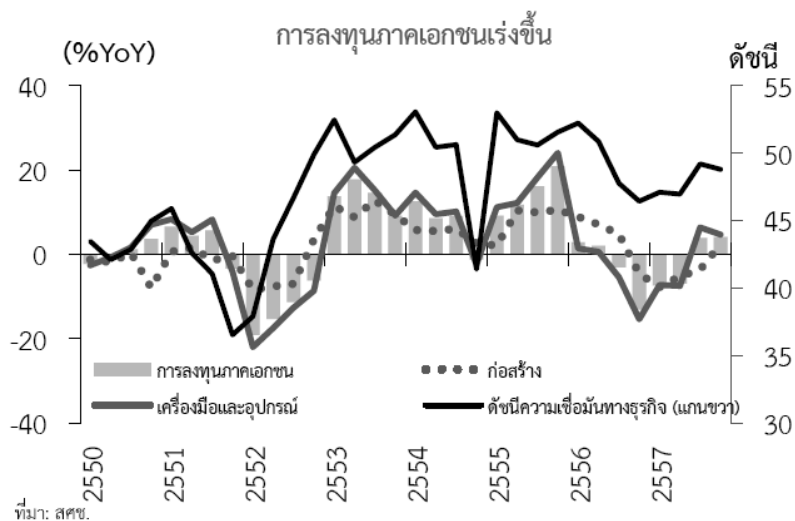


- The expenditure of non-durable goods accelerated the expansion whether electricity consumption, import of consumer goods and pure drinking water and soda distribution quantity.
- Quantity of passenger car distribution decreased for 16.3%, improving from the decline for 45.8% in Q3 of Year 2014.
- Overall consumer confidence on economic situation adjusted to be increased at Level 69.6, higher than Level 60.0, 61.2 and 69.3 in Q1, Q2 and Q3 of Year 2014, respectively.

- Household Sector Expenditure for the entire year of 2014 expanded for 0.6% equaling to Year 2013.

2. Accelerated expansion in investment after beginning the expansion in the 3rd Quarter of Year 2014

	2556	2557	Q1-56	Q2-56	Q3-56	Q4-56	Q1-57	Q2-57	Q3-57	Q4-57
ร้อยละ	-2.0	-2.8	5.8	4.7	-6.3	-11.4	-9.3	-6.9	2.9	3.2



- Private sector investment increased for 4.1%, accelerating from 3.9% in the 3rd Quarter of Year 2014.
- Construction investment expanded for 2.4%, compared with the decline for 3.6% in Q3 of Year 2014.
- Investment in tools and machineries expanded for 4.7%, compared with 6.4% in Q3 of Year 2014.
- Total value of investment promotion request through BOI was 1.6 trillion Baht, increased for 329.2 % from 84.0% in Q3 of the entire Year 2014 for 2.19 trillion Baht. This has been broken the record.
- Business Sentiment has been solid approximated to Level 50.
- Total investment for the entire year of 2014 decreased for 2.8% from government sector and private sector that decreased for 6.1% and 1.9%, respectively.

3. Return of export value (US\$) for growth

	2556	2557	Q1-56	Q2-56	Q3-56	Q4-56	Q1-57	Q2-57	Q3-57	Q4-57
ร้อยละ	-0.2	-0.3	4.1	-1.9	-1.8	-0.9	-0.8	0.6	-1.7	1.5

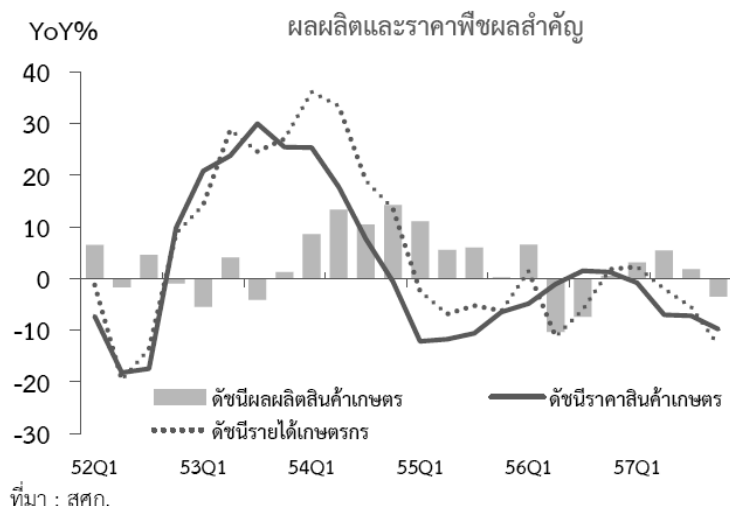
ปริมาณ (ณ ราคาปีฐาน 2531) (%YoY)	2556			2557				
	ทั้งปี	Q3	Q4	ทั้งปี	Q1	Q2	Q3	Q4
การส่งออกสินค้าและบริการ (ร้อยละ)	4.2	3.8	2.0	0.0	-0.5	-0.6	-3.8	4.9
สินค้า (ร้อยละ)	0.2	-1.4	0.2	0.9	0.8	1.5	-1.4	2.8
บริการ (ร้อยละ)	19.7	25.2	8.1	-2.8	-4.4	-7.8	-11.7	11.4
มูลค่าการส่งออกสินค้า (ล้านดอลลาร์ สหรัฐ)	225,409	57,931	55,903	224,792	55,378	55,718	56,934	56,763
ดัชนีปริมาณการส่งออก (%YoY)	0.2	-1.3	0.3	0.7	0.5	1.2	-1.4	2.7
ดัชนีราคาส่งออก (%YoY)	-0.5	-0.6	-1.2	-1.0	-1.6	-0.9	-0.3	-1.1
ยานยนต์ (ร้อยละ)	7.6	7.2	-3.9	0.1	3.0	-1.6	-3.9	3.3
อิเล็กทรอนิกส์ (ร้อยละ)	-0.8	2.4	1.7	1.8	-0.4	-1.7	2.4	6.6
สินค้าประมง (ร้อยละ)	-25.4	-28.2	-22.9	1.4	-9.4	2.3	4.7	7.8
ข้าว (ร้อยละ)	-4.6	5.5	-14.0	23.0	4.6	21.5	25.2	39.3
ยาง (ร้อยละ)	-5.9	-11.1	13.8	-26.9	-15.5	-24.0	-24.8	-42.1
ทองคำ (ร้อยละ)	-50.1	-46.8	-8.7	-15.6	469.3	14.3	-85.4	-12.6

ที่มา: สศช. และ ธนาคารแห่งประเทศไทย

- Export value returned to be expanded with obvious growth of industrial goods. However, export of agricultural goods and gold declined.
- Exports to US, EU, Australia and ASEAN markets were expanded but Chinese and Japan markets were declined.
- Export goods with added values included rice, petrochemical, electronics, machineries and tools, electric appliances and motor vehicle.
- Export goods with decreased values included para rubber, processing and canned shrimp-crab, petroleum products.
- Export value for the entire year of 2014 decreased for 0.3%.

4. Declining adjustment of agricultural sector

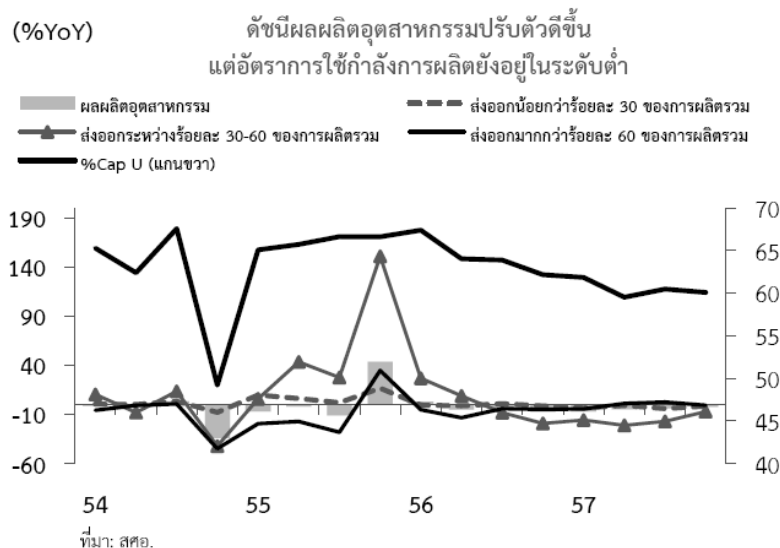
	2556	2557	Q1-56	Q2-56	Q3-56	Q4-56	Q1-57	Q2-57	Q3-57	Q4-57
ร้อยละ	1.4	1.1	0.8	2.5	-0.3	2.1	1.4	4.2	1.6	-1.6



- Agricultural goods output decreased according to the decline of fruit tree, oil palm and para rubber outputs.
- Outputs of unmilled season rice, cassava, sugar cane, livestock and fishery increased, and shrimp was recovered from Early Mortality Syndrome.
- Agricultural product price decreased for 9.8%, following decrease in prices of unsmoked sheet rubber price, unmilled rice, and lobster.
- Farmer's income reduced for 13.0%.
- Agricultural sector for the entire year of 2014 expanded for 1.1% and Agricultural Production Index increased for 1.0%. The agricultural product price and farmer's income reduced for 6.2 % and 5.3%, respectively.

5. First growth of industrial sector in 7 quarters cycle

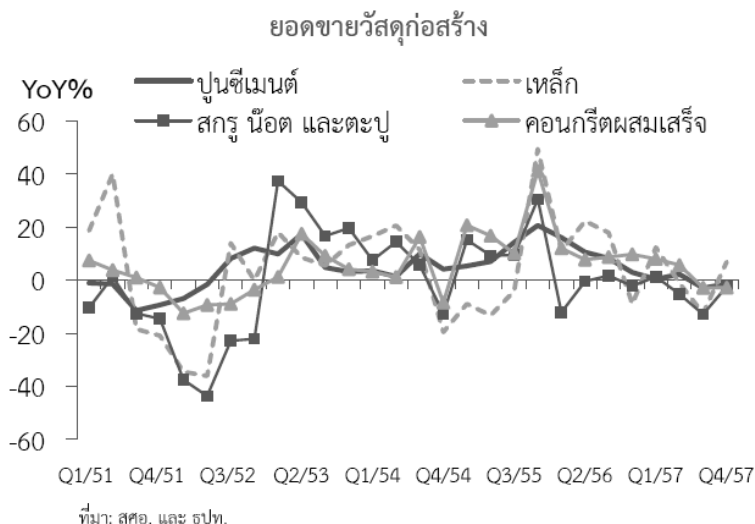
	2556	2557	Q1-56	Q2-56	Q3-56	Q4-56	Q1-57	Q2-57	Q3-57	Q4-57
ร้อยละ	0.1	-1.1	4.9	-1.1	-0.5	-2.8	-2.7	-1.6	-0.7	0.7



- The growth of industrial sector was 0.7%, compared with the decline for 0.7% in Q3 of Year 2014.
- The domestic consumption industry expanded corresponding to household sector expenditure.
- The export industry recovered corresponding to the increase in export of industrial goods for 3.1%.
- Automobile manufacture has approached to normal situation with the decline for just 4.1% in December, compared with the decline for 28.3% in Q1 of Year 2014.
- Average Capacity Utilization Rate was at 60.1%.
- Industrial sector for the entire year of 2014 decreased for 1.1%. Manufacturing Production Index (MPI) decreased for 4.6% and Capacity Utilization Rate was at 60.5%.

6. Return of construction sector for the first growth in 6-quarter cycle

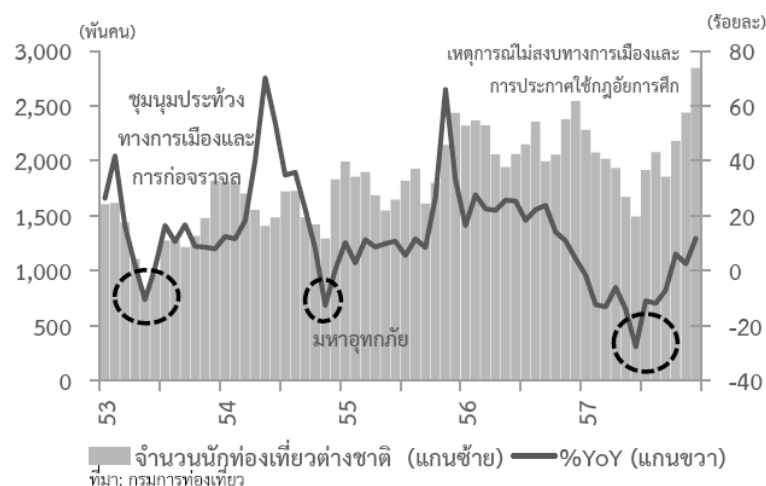
	2556	2557	Q1-56	Q2-56	Q3-56	Q4-56	Q1-57	Q2-57	Q3-57	Q4-57
ร้อยละ	1.0	-3.8	10.5	5.0	-2.2	-8.5	-11.9	-3.2	-2.7	3.7



- The construction growth was 3.7% compared with decrease for 2.7% in Q3 of Year 2014.
- The growth of the constructions both in government sector and private sector was 5.1% and 2.4%, respectively.
- The licensed construction area and steel product distribution quantity increased for 18.3% and 6.9%, respectively.
- Total construction in the entire year of 2014 declined for 3.8%.

7. First expansion of tourist quantity in 4-quarter cycle

	2556	2557	Q1-56	Q2-56	Q3-56	Q4-56	Q1-57	Q2-57	Q3-57	Q4-57
ล้านคน	26.5	24.8	7.0	6.0	6.5	7.0	6.4	5.1	5.9	7.5
ร้อยละ	18.8	-6.7	22.1	24.3	21.4	9.3	-9.0	-15.9	-10.1	7.0



- Foreign tourists were 7.5 million people, increasing for 7.0% compared with decrease for 10.1% in Q3 of Year 2014.
- Tourism revenue was 394.8 thousand million Baht, increasing for 13.2% from Q4 of Year 2013.
- Lodging rate was adjusted into normal situation at 64.2%, similar to Q4 of Year 2013.
- Total Foreign Tourist Quantity for the entire year of 2014 was 24.8 million people, decreasing for 6.7% and average lodging rate was 55.6%

The Comparison of Construction Business' Performance for the year 2014

(Million Baht)

List of Company	MB.						Baht	(%)		
	Total Asset	Total Liability	Total Equity	Paid-Up Share Capital	Total Revenues	Net Profit	Earnings per share	ROA	ROE	Net Profit Margin
BJCHI	5,328.14	702.36	4,625.78	320.00	4,581.33	1,003.67	3.14	20.03	22.26	21.91
CK	80,872.24	61,401.56	19,124.72	1,693.90	35,470.13	2,296.26	1.36	5.45	12.87	6.47
CNT	5,211.22	3,486.16	1,695.31	1,002.90	9,437.20	-353.40	-0.35	-6.83	-18.39	-3.74
EMC	2,270.29	1,181.53	1,219.14	3,557.23	1,904.59	-203.69	-0.09	-12.02	-28.03	-10.69
ITD	73,756.82	58,331.65	14,059.56	5,279.84	49,186.64	522.15	0.11	4.63	4.08	1.06
NWR	11,257.03	7,383.37	3,836.88	2,585.48	7,891.89	9.12	0.00	1.61	0.27	0.12
PAE	1,188.39	1,123.60	32.26	2,730.17	1,193.63	-635.49	-0.68	-45.73	-1,324.39	-53.24
PLE	9,675.64	7,472.21	2,216.95	1,084.62	9,360.03	43.33	0.04	2.25	1.93	0.46
PREB	4,743.86	3,452.82	1,291.04	308.68	6,238.94	305.90	0.99	8.71	25.50	4.90
SEAFCO	1,725.06	808.08	903.45	291.11	1,903.28	210.47	0.72	17.66	25.30	11.06
SRICHA	2,734.81	265.31	2,440.34	307.20	2,658.07	853.13	2.78	35.78	35.45	32.10
STEC	25,003.72	16,454.48	8,350.95	1,525.11	21,955.49	1,520.51	1.00	7.75	19.08	6.93
STPI	14,023.18	5,978.39	8,044.79	369.36	12,054.09	2,627.45	1.78	24.57	37.65	21.80
SYNTEC	6,180.29	3,143.93	2,924.79	1,600.00	7,083.69	396.63	0.25	8.76	14.69	5.60
TPOLY	5,006.21	3,343.58	25.70	503.90	2,373.64	-308.28	-0.61	-4.00	-130.80	-12.99
TRC	2,630.61	1,252.90	1,383.80	411.31	3,127.73	214.92	0.26	12.41	16.91	6.87
TTCL	22,635.50	16,236.70	5,314.95	560.00	19,820.26	460.45	0.82	3.26	9.00	2.32
UNIQ	17,333.76	11,681.63	5,652.05	1,081.02	8,200.15	502.27	0.59	6.28	12.17	6.13

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

The level of customer satisfaction

The company has provided an assessment to measure the level of satisfaction of the client or project owners employ to construct continuously. This is intended to give the company has been advised of the problems in the construction process, since starting the job until delivery to the customer, to issues such barriers to analyze their causes and guidelines for the development and improvement for the better. In addition, customers will also benefit from the implementation of quality meets the objectives and according to the terms of the contract, etc.

To measure the level of satisfaction was administered 2 times a year during the month of June and December of each year. The evaluation / measurement of the three topics currently, Evaluation when the operating process , Evaluation when the operation is completed and Evaluation

when the Delivered. (Still under warranty) and so in 2014 the level of satisfaction of the client as follow :

The Evaluation	Level of Satisfaction	
	Dec. 2014	Jun. 2014
1. Evaluation when the operating process ¹	3.3	3.3
2. Evaluation when the operation is completed ²	3.2	3.4
3. Evaluation when the Delivered ³	3.3	3.7

Remark :

- Level of Satisfaction 4.0 - 3.1 is mean good, considered to be the standard treatment.
- Level of Satisfaction 3.0 - 2.1 is mean poor, but improve performance.
- Level of Satisfaction 2.0 - 1.1 is mean low, need to improve a lot more work.
- Level of Satisfaction 4.0 - 3.1 is mean crisis, must to change the work system .
- ¹ Dec. 2014 and Jun. 2014 having 18 customers and 16 projects by progress of work in each time
- ² Dec. 2014 and Jun. 2014 having 9 customers and 10 projects by progress of work in each time
- ³ Dec. 2014 and Jun. 2014 having 5 customers and 3 projects by progress of work in each time

Situation of the investment in the construction of the country and trends in 2014

Construction industry has always been facing intense competition. The overall figure suggests that construction industry in Thailand has decreased In 2014, the expansion decreased when considering from the real term of Gross Domestic Product (GDP) of production compared to the same period of the year, it was found last quarter that construction section had first expansion in 6 quarters with factors that affected such incidents including expenditure of government under quick investment, more permitted construction site and substantial expansion of private sector.

Risk Factors

In the last year of 2014, Thai economy faced many important domestic and international factors as follows:

Risk from labor shortage and workforce quality control in construction

Presently, the Company employs more than five thousand daily paid workmen of variety of skills and experiences e.g. land digging, sand filling, concrete flooring, steel binding etc. These types of work require limited skill. There are other works that require more sophisticated skills e.g. installation and adjustment of door- and window-frame, flooring works etc. Due to labour shortage either at foreman, skilled labour, expert or unskilled labour, recruitment of labour is considered the significant issue as it may affect work quality and acceptance by the owner or employer resulting in more cost for fixing the works that have been already installed saved for other related expenses. Skilled labour is considered as significant resource which needs proper recruitment and management.

Due to the enforcement of the new minimum wage rate at 300 baht for all over the country since 1 January 2013, not only the construction cost has risen dramatically but it also gives rise to labour shortage as part of them want to get back to their hometown where the same minimum wage rate applies while living cost is lower than in Bangkok. The Company therefore has to focus on how to improve quality of life to create organization loyalty. In this regard, the plan for improving skill and competency and quality of life has been implemented as follows:

- 1) Recruitment by testing on mechanical skill in different fields.
- 2) Send workmen and foremen to attend training held by the Depart of Skill Development in each fields e.g. wood, brick and mortar, flooring and welding etc. to improve their skill and expertise.
- 3) Send technician to attend the test in different fields and at different skill levels.
- 4) On the job training
- 5) Bring in legal foreign workers according to workforce management plan.
- 6) Workforce provided by subcontractor will be registered and assessed as a basis for ranking subcontractor.
- 7) Increase proportion of works to be assigned to subcontractor to meet the overall work volume.
- 8) Promote position and wage rate annually to be suitable for skill and expertise.
- 9) Create motivation for self-development and provide training continually.
- 10) Provide appropriate welfare, support basic living things and living condition including clean and safe accommodation and ability to live normally in current economic condition etc.

Risk related to manpower burden liability

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

However, the Company is confident that it will have opportunities to continually receive more construction work contracts. At present, the Company has been awarded long-term projects from the Government organizations and the contracts from the owners of the work who have confidence in the work performance of the Company for the construction of buildings related to mega public utilities projects the Government is implementing including further expansion of work into the neighboring countries.

Risk from non variety of construction works

The Company's business always focuses on comprehensive construction services and is specialized in high-rise building in public and private sector ranging from piling to structural works, architectural works, electrical installment, mechanical works, sanitary works and finishing works. As of 31 December 2014, there were 34 projects under operation, total value of 19,489 million baht. The recognition of revenue and 10,690 million baht and 8,799 million baht worth of work remaining, mostly from private sector construction, Residential buildings, office / commercial buildings, hotels and resorts.

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

TYPE	Unit : Million Baht					
	2014		2013		2012	
	Value	%	Value	%	Value	%
Revenue from government						
- Infrastructure	172.67	2.51	76.26	1.23	0.54	0.01
- Institutional	-	-	-	-	-	-
Total Revenues	172.67	2.51	76.26	1.23	0.54	0.01
Revenue from Private						
- Residential	5,634.63	81.79	5,012.41	81.15	4,167.60	85.81
- Commercial	1,081.56	15.70	691.10	11.19	286.52	5.90
- Institutional	-	-	113.03	1.83	249.72	5.14
- Leisure	-	-	282.08	4.57	152.34	3.14
- Industrial	-	-	-	-	0.54	0.01
- Retail	-	-	1.71	0.03	-	-
Total	6,716.56	97.49	6,100.33	98.77	4,856.18	99.99
Grand Total	6,888.85	100.00	6,176.59	100.00	4,856.72	100.00

During the time of economic slowdown and less investment in real estate sector, competition becomes more intense especially on price war which can adversely affect the Company's performance. It is possible that the Company may not be able to meet the qualifications required for certain large infrastructure project e.g. mass transit project. However, the Company is now preparing itself for seeking for business alliances to join the bidding of such projects initiated by public sector in 2015. The public project secured by the Company in 2014 included Klong Chan Reinforced Dam Project from Lat Phrao Road to Pradit Manutham Road by Canal System Division, Department of Drainage and Sewerage, Bangkok Metropolitan Administration.

Also, the Company has a plan to expand its operation to other related businesses in order to increase its revenue channels in other fields by setting up subsidiaries. SCR Asset Management Co., Ltd. is established to run business of new serviced apartment for rent. The business has been operated for service apartment construction equipped with complete facilities for rent of 3 projects including 1) Citadines Grand Central Sriracha which is located at No. 99/9 Thetsaban Road 1, Si Racha Sub-district, Si Racha District, Chon Buri Province, starting service opening in Q1 of 2015 with 136 recreation rooms and total area of 9,492 square meters; Project 2, which is also located at Si Racha District. It will be commence for construction in Q2 of Year 2015 and it will be finished around the beginning of Year 2017 with over than 200 recreation rooms and total area of 20,528 square meters; and the last Project 3, which is located at Maha Phot District, Prachin Buri Province, and is the large-scale project dividing into the part of recreation rooms for 2 buildings and over than 300 rooms, and the shop area for another approximately 2,000 square meters and total area of 21,000 square meters. These projects have been ready to support the economic expansion of the customers in nearby industrial areas of which disbursement power will increase in the future.

Risk of delay in construction

Compliance with the provisions of construction contract is the key for success in construction business. Delay in construction can always be occurred from many reasons ranging from change of construction plan, alteration of contract, shortage of fund or internal problems of the project owner or employer etc. Such can impede work done by construction firm and make it responsible for increasing cost and expenses from the delay which are not of benefit to any party to the contract as any modification, variation or addition needs time and expenses. In these circumstances, the Company will coordinate with all relevant parties to find the agreeable solution to the satisfaction of those.

However, if the employer of the project owner fails to perform its obligations after seeking for such solution has been initiated but it can not be agreed within the scheduled time of the contract and the Company's regulations, the Company will take further legal steps. It is found that after necessary legal steps being taken, the Company has been reimbursed for its overdue debts.

In case of delay arising out of the company's operation, the company had previously applied the quality system ISO9001:2008 for maintaining the performance standard as well as revising the operation processes; before executing the subcontractor agreement; after signing agreement and during constructing, so that the construction could be completely done according to the customer's requirement and according to the contract term. The operation could be totally consistent to the target.

Risks of legal dispute from construction work

Construction business may encounter various kinds of legal disputes e.g. delay to meet the schedule or in delivery from various causes e.g. delay caused by subcontractor. To solve this problem, the Company has to select qualified subcontractor. Also, it is possible drawings are changed or added to the effect different from the original one in the contract which needs the construction to stop for the owner or its consultant while no discussion is made about original schedule or construction price. The Company therefore has to urge the owner to agree to extend the construction period according to such additional work and to conclude on construction price of that additional part to avoid legal dispute in the future and delay as much as possible in order to preserve the Company's reputation and trust.

In addition, there exist risks from being sued by people living around the construction site. The Company tries to avoid these risks by conducting pre-construction survey, taking up insurance covering natural disaster and possible danger, implementing supporting systems for construction works to meet the contract terms and alleviating risks from construction activities e.g. equipment for prevention of falling object, environmental impact etc. in order to avoid dispute with relevant government agencies and surrounding communities which can save the construction cost and improve the revenue and business return. (related details from 56-1 : No.5. Legal dispute)

Risk from entering into a joint venture with strategic alliance

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

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

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

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

Risk from construction material price

The monthly average of 126.7 in 2014, up 0.71% from the same period of last year. This is due in the first half, steel prices in the world market continued to decline despite a high demand for construction materials for the construction of public infrastructure. The third quarter, the demand for building materials continued to decline because of the rainy season. For the last quarter of the year, usually during the very construction. However, due to political unrest and uncertainty caused. Has resulted in a delay to the project building materials are increasing in cement group up 0.66% (Portland Cement, Cement mixer) Wood and wood products group up 0.33% (Door - Window) iron and steel products (Reinforced concrete, steel I- beam, steel sheets H) 1.2 % lower, concrete products up 3.6% (reinforced concrete, piles – Compression, Precast prestressed, Concrete wall block, Ready-mixed concrete, etc.)

The Company has realized the significance of such matter and therefore initiated many risk management in different dimensions as follows: fluctuation of prices of construction materials is continually monitored and if it has shown the rising tendency, the Company will place the order with trading large partners/producers for a large amount including centralized procurement by the head office to increase negotiating power in such purchase against dealer/subcontractor to get construction material and engagement price at the lower rate and therefore make its cost lower accordingly. The Company may also find new strategic partner to do its business in the future. For some projects that the owners will provide construction materials for the Company, it will help reducing risks at certain degree.

Risks from fluctuation in oil price

Level of global crude oil price is continually decreased from 2013 at 105.0 US Dollar / Barrel but in 2014, the price was 96.5 US Dollar/barrel as the production increased and overall need was lower. The US Dollar was harder and retaining market share of Saudi Arabian was still good and that directly affected the capital of operation and construction materials unavoidably. However, the company has measures to support and mitigate such risk by following up movement of the oil price incessantly and it is predictable that would be beneficial to estimating price of construction along with negotiation with the employer that could reduce risks also. During work, the company monitors budget of such from the headquarter term in each project continually.

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

In order to successfully conduct construction business, it is one of the top priorities for the construction firm to have adequate revolving funds for the operation as money is to be allocated for procurement of raw materials, construction material and equipment, labor cost and other revolving funds etc. If the construction firm has inadequate fund, applying for credit facilities from financial institutions is the other option including requesting for guarantee such as Performance Bond or Retention Bond. Policies on granting credit facilities and guarantee bond adopted by each financial institution are varied depending on risk management policy and standard measures for risk warranty which are also varied due to economic circumstances. Change in those policies may affect the construction firm in certain aspects such as conditions in performance bond or criteria for credit

facilities e.g. interest rate, fees, collateral etc. which make the contractor to bear the higher cost.

The Company has financial capital to financial institutions in 2014 for 47.44 million Baht decreasing from the same tranche in 2013 at amount of 48.57 million Baht or decreasing for 1.13 million Baht or 2.33% . At the previous time, the company had been provided the good collaboration from the commercial banks for guarantee letters and credit. And the Company is emphasizing proper compliance with the contractual commitment it has made with various financial institutions, e.g., payment under the established plan of payment, etc. The Company believes that proper compliance with the said commitment was responsible for the Company being classified as “highly favorable customer;” and finally helps contribute to the discount on interest rate and various fees.

Risks from more intense competition

Construction industry has always been facing intense competition. The overall figure suggests that construction industry in Thailand has decreased In 2014, the expansion decreased when considering from the real term of Gross Domestic Product (GDP) of production compared to the same period of the year, it was found last quarter that construction section had first expansion in 6 quarters with factors that affected such incidents including expenditure of government under quick investment, more permitted construction site and substantial expansion of private sector.

As of 31 December 2014, the company had project to sign and projects that are under construction for 34 projects with total value of 19,489 Million Baht by perceiving income of 10,690 million Baht and the balance value is 8,799 million Baht. It is significant to note that the Company comparatively has few projects for government sector in hand as in the last 2014, competition for bidding for the government project was very intense and the winning bid prices were significantly lower than reference price and than those offered by the Company. Moreover, the government project always involve large infrastructure e.g. railroad construction etc. which requires the bidder with high profile. At the moment, there are only a few contractors holding such qualifications. Therefore, if the Company wishes to join the project, it may have to limit its roles as a sub-contractor and thus accept the risk of less profit. As such, most of the Company’s construction works are under the projects by private sector as well as the international project requiring foreigner experts that not many companies have the potential and experiences to do so. All of these are the factors of such intense competition especially in terms of price even in the private sector’s projects. Some projects’ bidding price were too low to the extent it might affect the Company’s profitability.

During the past year and this 2014, the Company has therefore focused on providing service of quality within scheduled time under the contract and budget, key factors making success in construction business. The Company has closely cooperated with the owners or customers while there is a tendency that the customers will not choose the contractor by only based lowest price as in the past but they will take into account reasonable price with ability to finish the project within specified time and quality of works inducing safety factor which make the Company to be their option. It is significant to note that the new projects as of 31 December 2014 has 16 Projects, Value 8,140 million baht.

Risk from uncertainty of national economic condition

the overall image of Thai Economy in 2014 showed that there was more expansion in every quarter such as -0.5, 0.4, 0.6 and 2.3 respectively. This caused construction sector expanded too. The factors that affected economy were political situation, Policy of government, higher needs in the nation, higher expenditure of household, the increase of consumer's confidence and higher investment of private sector that are corresponding to Business sentiment index that continually increases also affecting uncertainty of the nation's economy.

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

During the past year, the Company is committed to providing services with high standard of quality, effectively controlling budget, coordinating with employer on continual basis. The Company was still able to secure several projects from its customers.

Risk from dependence on key personnel

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

The Company also has its public relations team visited the institutions both university and vocational school to allow newly graduated student to be recruited as engineer, foreman, safety officer, architect and surveyor. They will be provided with reasonable compensation and welfare according to individual knowledge and competency while header is assigned to give advice and provide on the job training. They will be asked to attend the training in their field to secure qualifications required by the Company. This approach will help the Company to have adequate qualified staffs for the construction works in hand.

Risk from disaster

Natural disasters including earthquake, landslide, storm, fire, thunderstorm, tsunami etc. can lead to damage to life, property and economy as a whole. Form of disaster management, prevention and mitigation will largely depend on the situation at hand as each disaster is considered as factor

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

Risk on information system security

It can be categorized into 2 types as follows:

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

However, the Company has taken preventive measures as follows:

- 1.1 Conclude maintenance agreement (M.A.) for hardware and subscribe internet (Lease-line) with the ISP
- 1.2 Prepare Disaster Recovery (DR) Plan under which data will be backed by Media (Tape) and Server and also develop backup system at external hosting serve to ensure non-interruptible 24 hour operation.

Risk from damage to information resulted from unauthorized act or access e.g. data hacking and virus etc. In this regard, the unit in charge of system maintenance (MIS) has taken preventive measures including the use of appropriate hardware and software e.g. firewall and anti-virus programs etc. and developed security system for key applications to prevent unauthorized access to system or data.

Shareholders

(1) Name list of the first 10 shareholders holding the highest number of shares as on 30 December 2014 are as follows :

No.	List of Shareholders	Number of shares	Shareholding (%)
1	Thai NVDR Co., Ltd.	135,766,000	8.48
2	Phahusutr Group		
	Miss Nichaya Phahusutr	133,735,260	8.35
	Mr. Jiramote Phahusutr ¹	130,445,560	8.15
	Mrs. Phimolwan Taneehiranrat	48,944,460	3.05
	Total	313,125,280	19.55
3	LITTLEDOWN NOMINEES LIMITED 38	79,564,600	4.97
4	Mr. Chawalit Phunpermsuwan	59,065,900	3.69
5	Mr. Preecha Angkhumsub	58,600,000	3.66
6	Mr. Sirichai Subandit	54,795,877	3.42
7	Mrs. Uporn Subandit	49,426,220	3.08
8	Mr. Nattaphat Rungsun	49,250,000	3.07
9	Mr. Pornchai Laoshetthanant	35,156,200	2.19
10	Mr. Saksun Setthasakol	26,030,800	1.62
	Total	860,780,877	53.80
11	Director, Executive ² and spouses Group		
	Mr.Sukhum Phahusutr	4,301,200	0.27
	Mr.Yothin Treerattanaphan	217,300	0.01
	Mr.Phaiboon Chetchotiros	80,000	0.01
	Total	4,598,500	0.29
12	Other	734,620,623	45.91
	Paid-Up Capital	1,600,000,000	100.00

Remark : ¹ Mr. Jiramote Phahusutr is authorized as following the certification letter of Ministry of Commerce

² Executive means the first four executives next to the Managing Director and every person who holds his or her position equal to the fourth one including the positions in financial or accounting functional line which is in the equivalent level. (2) The Major shareholders

(2) The Company none have the major shareholders who through their behavior can significantly influence the policy, management and operation of the Company.

(3) The Board of Directors does not hold together more than 25% of the issued shares of the Company. (Mr. Jiramote Phahusutr, Director, holding 130,445,560 shares, or 8.15%.

(4) The right to vote of the shareholders presented detailed in the Company's Articles <http://www.synteccon.com/2005/TH/investor/news> and attachment 7 of the "Notice of the General Meeting of Shareholders for the year 2015"

(5) Change in Holding of the Company's Shares of the Director and Executive¹ during the year

No.	Director, Executive, and Spouse ¹	Securities Holding			
		Brought Forward at the Beginning of 2014		Balance at the End of 2014	
		Number of Shares	Proportion (%)	Number of Shares	Proportion (%)
1	Mr. Jiramote Phahusutr	100,444,560	6.28	130,445,560	8.15
2	Mr.Sukhum Phahusutr	-	-	4,301,200	0.27
3	Mr.Yothin Treerattanaphan	367,300	0.02	217,300	0.01
4	Mr.Phaiboon Chetchotiros	130,000	0.01	80,000	0.01
	ToTal	100,941,860	6.31	135,044,060	8.44

Remark : ¹ Executive means the first four executives next to the Managing Director and every person who holds his or her position equal to the fourth one including the positions in financial or accounting functional line which is in the equivalent level. (2) The Major shareholders

The policy on paying annual dividend

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

Details of Dividend Payment

Year	2008	2009	2010	2011	2012	2013
Earnings (Loss) per Share	0.14	0.20	0.13	0.08	(0.09)	0.05
Dividend (Baht / Shares)	-	0.03	0.03	0.02	-	0.05
Proportion of Dividend from Net Profits (%)	-	15	23	26	-	100

Management Structure

The Company's management structure consists of the Board of Directors, the Audit Committee and Nomination and Remuneration Committee having name list, the Management Committee, extent of role and responsibility, selection regulation, meeting sessions, education and training records of each committee (Detail in attachment 1) as follows:

Board of Directors

The Board of Directors as of 31 December 2013 consisted of

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

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

Name	Position	The number of meeting	The number of meeting attending
Mr. Somchai Sirilertpanich	Vice Chairman of the Board, Director, Managing Director and Nomination and Remuneration Director	13	13
Mr. Chaiwat Atsawintarangkul	Independend and Chairman of Audit Committee and Chairman of Nomination and Remuneration Director	13	13
Miss. Benjawan Sinkunakorn	Independend and Audit Committee and Nomination and Remuneration Director	13	13
Dr. Arichai Ractham	Independend and Audit Director and Nomination and Remuneration Director and Chairman of Risk Management Committee	13	13
Mr. Tawee Kullertprasert	Director	13	12
Mrs. Angsana Weerachatsakul	Director and Nomination and Remuneration Director, Company Secretary	13	10
Miss Yuvadee Nipattamanon	Director	13	13
Mr. Jiramote Phahusutr	Director	13	12

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

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

Structure of the Board of Directors

1) The Board of Directors consists of at least 5 members. Quorum in each Board of Directors meeting must consist of not less than half of the total members.

2) In the Board of Directors' Meeting while resolution of the Board in the Meeting, the Board shall be present for not less than two-third of total directors.

3) When one term completes, at least one-third of the members must discharge the position. In case the number of the Board of Directors cannot be divided into three portions, the number of the member discharging should be close to the number of the member having to discharge. After the first and second year of corporate registration, lucky draw should be made to find the members discharging. As for the following years, the members holding the position for the longest period of time have to quit.

4) The Board of Directors has to arrange a meeting per month except for inconvenience and at least once in three-month period.

5) The Board specifies meeting schedule in advance every year. Nevertheless, such schedule can be altered as deemed as proper.

6) The members of the Board of Directors must inform the Company right away if they directly and indirectly have a share in the contracts made by the Company or have changes in amount of shareholding or debentures of the Company and its affiliates.

Extent of Roles and Responsibility

The Board of Directors is responsible for all the Company's activities and has Authorization in carrying out any process within the extent of Law, the Company's objectives and regulations and resolution of the shareholders General meeting and is entitled to implement any activities as specified in business registration.

1) Policy, Plan and Budget

1.1) Considering policy, business plan as presented.

1.2) Considering related budget including important items needing initiation to achieve the goals.

2) Authorization of the Board of Directors

2.1) The Board can assign Managing Directors authorized to sign to merge the Company. Two members can jointly affix the signatures and the Company's corporate seal. However, the Board can determine Managing Directors authorized to sign to merge the Company.

- 3) Following up
 - 3.1) Following up practice according to policy and plan as approved.
 - 3.2) Following up and suggesting about the Company's income of each quarter.
- 4) Supervising working systems
 - 4.1) Supervising and providing proper internal audit giving data correctness and reliability to be in line with the regulations made by concerning government agencies including efficient property management and resource use.
 - 4.2) Taking charge of related transactions according to the Government's regulation.
- 5) Coordinating and communicating with related persons
 - 5.1) Providing sufficient communication system, coordination, disclosure of data to the persons relating to the Company and the public.
- 6) Assigning committees
 - 6.1) Considering for assigning the Audit Committee to supervise and audit the employees' performance to be in line with the plan.
 - 6.2) Nomination and Remuneration Committee was established to nominate and consider the remuneration for the directors and management according to the measurement.
 - 6.3) The establishment of Risk Management Committee was considered in order to perform management and find the solution of the Company's risks to be line with the requirement.

Name and Title of the Administration

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

Company Secretary

The Board's annual meeting session 16th held on 23 December 2013 resolved to appoint Mrs. Angsana Munkongcharoen to be the Company Secretary in replacement of Miss Siriben Mohchaibun effective from 23 December 2013. (Function of Company Secretary was present in attachment 1)

Remuneration for the executives

Monetary Remuneration

(1) Remuneration for Directors

For fixing the remuneration for directors for the year 2014, the Company's Board of Directors gave its approval as proposed by the Recruitment and Remuneration Consideration Committee. The Ordinary Meeting of the Shareholders No. 1/2557 held on 29 April 2014 unanimously adopted a resolution approving the remuneration for the directors for 2014 within the limit of not exceeding 2,100,000.- Baht to be divided as follows:

1.1. Board' Attendance Fee

To pay for each director of the Board who is attendant in the amount of Baht 10,500.- per meeting for encouraging the directors who join the meeting in order to the occurring of the advantage of company.

1.2. Director' Compensation

To pay the Compensation to the each Audit Committee member at the rate of 210,000.- Baht per year. The Audit Committee has played an important role in proposing comments and recommendations useful in terms of business, legal affairs, accounting, and review of financial data; the internal control system and the principle of good corporate governance

Remuneration for Managing Directors and executives

The executives hereunder are classified as defined by the Office of the Securities and Exchange Commission, that is, managing director and other first four executives. The Company has 13 executives and in 2014, compensation paid to executive directors and executives was equal to 31,816,525 baht. Such compensation included salary, overtime pay, allowance for living expenses, bonus, special grant, contribution to social security fund etc.

According to remuneration of such executives, Remuneration and Nomination Committee considers and also proposes to the Board of Directors for consideration on approval step by step.

Name of Director	Position	Monetary Remuneration (Baht)				
		Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Total
Mr. Somchai Sirilertpanich	Vice Chairman of the Board, Director, Managing Director and Nomination and Remuneration Director	136,500	-	-	-	136,500
Mr. Chaiwat Atsawintarangkul	Independend and Chairman of Audit Committee and Chairman of Nomination and Remuneration Director	136,500	210,000	-	-	346,500
Miss. Benjawan Sinkunakorn	Independend and Audit Committee and Nomination and Remuneration Director	136,500	210,000	-	-	346,500
Dr. Arichai Ractham	Independend, Audit Director, Nomination and Remuneration Director and Chairman of Risk Management Committee	136,500	210,000	-	-	346,500
Mr. Tawee Kullertprasert	Director	126,000	-	-	-	126,000
Mrs. Angsana Munkongcharoen	Director and Nomination and Remuneration Director, Company Secretary	105,000	-	-	-	105,000
Miss Yuvadee Nipattamanon	Director	136,000	-	-	-	136,500
Mr. Jiramote Phahusutr	Director	126,000	-	-	-	126,000
Total		1,039,500	630,000	-	-	1,669,500

(2) Other Remuneration

The Company set up the provident fund for the executives to which the Company pays contribution at the rate of 3%–5% of monthly salary (sort by working experience of that executive). In 2014, the Company made contribution to the provident fund for 13 executives for the total amount of 1,286,280 baht.

Number of employees

Number of employees in each department of the Company as at 31 December 2014 are as follows .

ฝ่ายงาน	จำนวนบุคลากร
Executive office	18
Construction 1	199
Construction 2	181
Construction 3	147
Construction 4	142
Estimate & Technical Engineer	26
Cost Control & Contract	16
HR & Admin.	54
Account	21
Finance	7
Procurement & Purchase	30
Quality Assurance & Safety	8
Business Development	6
MIS	7
Internal Audit	4
Plant & Ware House	45
M & E	3
รวม	914

Note : All employees above are full-time and daily labor about 4,152 people.

In 2014, the company has staff of 914 people, the company has paid to employees in the amount of Baht 463,494,976 which yield such salaries, cost of living expenses in advance of Davao, Money Funds Social Security, The engineers and bonus shares

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

Labor disputes

During the period of 3 years, the company has no labor dispute.

Staff development policy

The Company places importance on personnel development as a key to success of the Company's operation. It is therefore committed to consistently promoting personnel's competency, skill and knowledge required for all operation levels as well as managerial skills. To effectuate this goal, trainings are provided for staffs at all levels aiming to allow them to carry out their works efficiently and in accordance with the Company's present or future plan and goal. Those training include the following:

1. Individual Training: This training aims to develop core competency, individual skill and familiarity with new technology that can facilitate the work. The Company has developed training plan for specific position under long-term training roadmap; the result of the cooperation between human resource section, individual division and operating staff in order to evaluate skill and knowledge requiring additional development. The training form includes in-house and public training conducted by leading institutes and experts. The training record of individual employee has been prepared for benefit in consideration on effective development guideline and also used as the part of criteria of promotion and upgrading consideration.

2. Group Training: The Company provides in-house training on yearly basis either for staffs in construction line or supporting line in order to promote skill and expertise in their respective field for the benefit of an individual staff and the organization as a whole. Trainings are classified as follows:

- (2.1) Executive level: The Company provides trainings focusing on management, team development, leadership, executive safety officer, change management, construction management, basis of criminal law and civil and commercial law.

- (2.2) Supervisor level: Trainings will emphasize supervisory skills, team forming skill, fluency in English, supervising safety officer, teamwork, and specific knowledge about supervisor.

- (2.3) Operating staff level: Training will aim at promoting knowledge, experience and expertise of each relevant field of operation in order to draw out potential of each staff for the best benefit of an organization and also encourage them to learn and develop themselves continually.

3. Provide training for daily-paid workmen and send them to learn more with the Department of Skill Development in different fields such as mason, welder, carpenter and tiler etc.

4. Provide training for daily-paid technicians of different fields e.g. mason, carpenter, welder, door/window frame installer and tiler in order to improve their skill and expertise both in theoretical and practical aspects. This training will be organized every year including skill testing.

5. On The Job Training: Training specifically provided for newly recruited staff supervised and advised by header.

6. Planning for career path: The Company develops plan for career path for its personnel both in construction and supporting line as a guideline for personnel development plan under which each staff can be developed with skill and knowledge fit for one's future job position.

Policy of Employee Welfare and Remuneration Determination

Employee Remuneration Determination

The Company's policy of remuneration payment to its employees emphasizes on fairness, appropriateness, motivation and competitiveness with businesses in same type of industry and other relevant industries. Every level of employees shall gain the remunerations consistent with his or her obligation and responsibility. Such remuneration is sufficient for care and retention of qualified employee as required by the Company. Anyhow, the Company has determined to administrate remuneration system through regular survey remunerations in the market as necessary and mainly concern on the Company's financial status and operation, cost of living rate, competency level and the employee performance. Salary structure shall be annually considered as the standard for competitiveness. Moreover, the Company focuses on remuneration administration that obviously reflects the employee competency.

For salary increase or bonus payment for the Company's employees, the Company shall firstly ask for approval from the Board of Directors every time. The appraisal method applies the method of consideration on work performance, determination and content of jointly performed works under annual appraisals for 2 times a year.

Determination of Employee Welfare

The Company determines to arrange welfare for its employees as required by law and as proper for assistance and security for its employees on good working environment and life quality to be morale and courage, and reinforce life quality to the operators on behalf of the Company's members. Different areas of welfares are regularly considered for improvement to each level of employees every year together with salary structure adjustment for competitiveness in the same group of industry and other relevant groups of industries. The welfares have consisted of the following.

1. Welfares As Required by Law includes
 - Social Security Fund
 - Compensation Fund
2. Welfares deemed as proper by the Company to additionally arrange as morale and spirit to the employees as follows.
 - Provident Fund
 - Medical Fee Welfare in case of Inpatient and Outpatient
 - Dentistry Case Welfare
 - Life Insurance and Accident Insurance
 - Welfare for Wedding Ceremony Grant
 - Welfare for Childbirth Expense Allowance
 - Welfare for Funeral Allowance and Being Funeral Host in case of Employee's Death and in case of the Death of the Employee's Family Members.
 - Annual Medical Examination

- Exercise Center for employees who operate in Head Office
- Cheap Lunch Welfare for employees who operate in Head Office
- Employee Relations Activity (Walk Rally)
- Active Payment

The Company's revision, improvement and addition of salary structure and welfare has been consistent with the employee' living condition and cost of living and also helped its employees to have good living conditions and decreased turnover of the employees.

Good Corporate Governance

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

The Company has recognized the benefit and significance in following the principles of good corporate governance and hence, managed to follow such principles and self assessment form. In 2007, the Company reasonably applied the principles of good corporate governance to each kind of the Company’s businesses by announcing the “Policy on Good Corporate Governance (1st Revised Edition dated 21 December 2007)”. At present, the Company has updated the policy to be up to date and consistent with the guideline of governing government agencies by proposing to the Board of Directors for consideration within this March 2015. It has been presented in www.synteccon.com/2005/TH/profile/governance.asp. After consideration for approval by the Board of Directors’ Meeting, such policy shall be incessantly applied as the operating criteria and the details can be presented according to 2014 Annual Compliance with Good Corporate Governance Principle (detail appeared in Topic of Compliance with Good Corporate Governance in other matters).

Committee Structure

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

The Audit Committee

The Audit Committee have 3 members as of 31 December 2014 consisted of

Name of Audit Committee	Position	The number of meeting	The number of meeting attending
Mr. Chaiwat Atsawintarakul	Independend and Chairman of Audit Committee and Chairman of Nomination and Remuneration Director	5	5
Miss Benjawan Sinkunakorn	Independend and Audit Committee and Nomination and Remuneration Director	5	5
Dr. Arichai Ractham	Independend and Audit Director and Nomination and Remuneration Director	5	5

Having Mr. Pornanan Vongniphon as Secretary of the Audit Committee

None of the 3 members of the Audit Committee shall have any business relationship or to provide professional service to the Company, parent company, affiliated company, joint company or any juristic person which may have conflict of interest in accordance with regulations prescribed by the regulatory authorities e.g. the SEC, the SET and other competent authorities. The member of the Committee shall possess experiences and knowledge in auditing as follows:

Name / Position	Job Experience'5 Years Backtracked		
	Term	Position	Company
Mr. Chaiwat Atsawintarakul - Independent Director, Chairman of the Audit Committee and Chairman of the Nomination Remuneration Committee	2005 – Present	- Independent	- Natural Park PLC.
	2005 – Present	Director & Chairman	- Eastern Printing PLC.
	2004 – Present	of the Audit	- Krungthai Car Rent & Lease PLC
	2005 – Present	Committee	- Boathouse Hua Hin Co., Ltd.
	2004 – Present	- Director	- Andaman Long Beach Resort Co., Ltd.
	2003 – Present	- Director	- Chiangmai Hot Spring Co., Ltd.
	2000 - Present	- Director	- Resort Holding Co.,Ltd.
	1997– Present	- Director	- Bright Lilly (Thailand) Co.,Ltd.
	1997 – Present	- Director	- Prospect Consulting Co., Ltd.
	1989 – Present	- Director	- MJL Inter Trade Co.,Ltd
Miss. Benjawan Sinkunakorn - Independent , Audit Director and the Nomination Remuneration Committee	2009 – Present	- Independent and Audit Director	- Multibax PCL.
	1997 – Present	- Managing Director	- Prospect Consulting Co., Ltd.

Name / Position	Job Experience'5 Years Backtracked		
	Term	Position	Company
Dr. Arichai Ractham - Independent a, Audit Committee and Chairman of the Risk Management Committee	2010 – Present	- Independent and Audit Director	- M-LINK Asia Corporation PCL.
	2010 – Present	- Risk Management Advisor	- CROWN SEAL PCL
	1998 – Present	- Lecturer - International Finance for continuing education center	- KASETSART UNIVERSITY, CHULALONGKORN UNIVERSITY, COLLEGE OF MANAGEMENT MAHIDOL UNIVERSITY (CMMU)
	2006 - 2012	- Risk Management Advisor	- FDA Food and Drug Administration, Health Ministry

Structure of the Audit Committee

1) Consisting of independent directors for at least one third of the total number of the member of the committee or at least 3 person.

2) The Nominating and Remuneration Committee shall seek for person suitable for position of the member of the Audit Committee and then submit to the Board or shareholder's meeting for appointment. The member of the Audit Committee is required to be the Company's director and has 3 year term of his/her office and may be re-elected.

3) If any position of the member of the Audit Committee has vacated by the reason other than expiry, the Board (by the Nominating and Remuneration Committee) shall appoint person holding required qualification to work in that position and such person shall act as a member of the Audit Committee only for the remaining period of the previous member.

4) The Audit Committee shall be trained for update knowledge continually in respect of work of the Audit Committee.

Role, Duties and Responsibilities

1. Auditing the Company's financial report to be adequate and accurate
2. Ensuring that the Company has implemented proper and effective internal control system and inter audit and consider independency of internal audit unit including approving on promotion and transfer, termination of employment of the head of internal audit unit or other unit responsible for internal audit.
3. Controlling the Company to respect the law on stock and stock exchange, regulation of the Stock Exchange of Thailand or other laws relating to the Company's business.
4. Considering, selecting and nominating person with independency to be the Company's auditor and proposing his/her remuneration including attending the meeting with the auditor without the management for at least once a year

5. Considering particulars that may have connection or conflict of interest to ensure that such shall be in compliance with the applicable laws and regulations of the SET and to ensure that such particulars are reasonable and of the optimum benefit to the Company.

6. Preparing report of the Audit Committee by publishing it in the annual report of the Company and it is required to be signed by the Chairman of the Audit Committee and to have at least the following information:

- A. Opinion regarding accuracy and adequacy of financial report of the Company
- B. Comment on adequacy of the internal control system
- C. Opinion of compliance with the laws related to securities and security exchange, regulations of the SET or laws related to business of the Company
- D. Opinion toward appropriateness of the auditor
- E. Comment on particulars that may have conflict of interest
- F. Number of meeting of the Audit Committee and attendance of each member
 - View or observation for the overall picture where the Committee has gained under the performance in accordance with its Charter
 - Other particulars deemed that it should be reported to the shareholders or general investor under the scope of duties and responsibilities assigned by the Board

7. Considering budget and workforce of internal audit unit

8. Considering internal control system, plan and approaches for auditing and assessment of auditing on performance of the Company from different aspects by generally accepted method and standard

9. Supervising, auditing and commenting on performance of internal auditing unit and cooperating with the auditor

10. Considering engagement or inviting expert to come to give comment as it deems appropriate

11. Performing any other act required by laws or assigned by the Board where it has the authority to call for, direct the management or head of section or any employee involving in the concerned matter to give a comment, to attend the meeting or to submit relevant document.

Nomination and Remuneration Committee

Nomination and Remuneration have 5 members as of 31 December 2014 consisted of

Name of Nomination and Remuneration Committee	Position	The number of meeting	The number of meeting attending
Mr. Chaiwat Atsawintarakul	Independend and Chairman of Audit Committee and Chairman of Nomination and Remuneration Director	3	3
Miss Benjawan Sinkunakorn	Independend and Audit Committee and Nomination and Remuneration Director	3	3
Dr. Arichai Ractham	Independend and Audit Director, Nomination and Remuneration Director and Chairman of the Risk Management Committee	3	3
Mr. Somchai Sirilertpanich	Vice Chairman of the Board, Director, Managing Director and Nomination and Remuneration Director	3	3
Mrs. Angsana Munkongcharoen	Director and Nomination and Remuneration Director, Company Secretary	3	3

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

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

Name / Position	Job Experience'5 Years Backtracked		
	Term	Position	Company
Mr. Chaiwat Atsawintarakul - Independent Director, Chairman of the Audit Committee and Chairman of the Nomination Remuneration Committee	2005 – Present	- Independent	- Natural Park PLC.
	2005 – Present	Director & Chairman	- Eastern Printing PLC.
	2004 – Present	of the Audit	- Krungthai Car Rent & Lease PLC
	2005 – Present	Committee	- Boathouse Hua Hin Co., Ltd.
	2004 – Present	- Director	- Andaman Long Beach Resort Co., Ltd.
	2003 – Present	- Director	- Chiangmai Hot Spring Co., Ltd.
	2000 - Present	- Director	- Resort Holding Co.,Ltd.
	1997– Present	- Director	- Bright Lilly (Thailand) Co.,Ltd.
	1997 – Present	- Director	- Prospect Consulting Co., Ltd.
	1989 – Present	- Director	- MJL Inter Trade Co.,Ltd
Miss. Benjawan Sinkunakorn - Independent , Audit Director and the Nomination Remuneration Committee	2009 – Present	- Independent and Audit Director	- Multibax PCL.
	1997 – Present	- Managing Director	- Prospect Consulting Co., Ltd.
Dr. Arichai Ractham - Independent a, Audit Committee and Chairman of the Risk Management Committee	2010 – Present	- Independent and Audit Director	- M-LINK Asia Corporation PCL.
	2010 – Present	- Risk Management Advisor	- CROWN SEAL PCL
	1998 – Present	- Lecturer - International Finance for continuing education center	- KASETSART UNIVERSITY, CHULALONGKORN UNIVERSITY, COLLEGE OF MANAGEMENT MAHIDOL UNIVERSITY (CMMU)
	2006 - 2012	- Risk Management Advisor	- FDA Food and Drug Administration, Health Ministry
Mr. Somchai Sirilertpanich - Vice Chairman of the Board, Managing Director and Nomination & Remuneration Committee	2013 – Present	- Director	- Syntec Asset Management.Co., Ltd.
	2013 – Present	- Director	- Natural Ville Service Apartment and Management.Co., Ltd.
	2012 – Present	- Director	- SCR Asset Management.Co., Ltd.
	2000 – Present	- Director	- Siam Syntech Planner.Co., Ltd.
	2005 – 2009	- Director	- Bangkok Metro PCL.,
Mrs.Angsana Mankongcharoen - Director and Nomination & Remuneration Committee, Company Secretary, HR& Admin Director	2013 – Present	- Director	- Natural Ville Service Apartment and Management.Co., Ltd.
	2005 – Present	- Director	- Natural Hotel Sukhumvit Co.,Ltd.
	2013 – 2014	- Director	- Syntec Asset Management.Co., Ltd.
	2005 – 2011	- Director	- Naraiphand Co.,Ltd.

Scope and duties of Nominating and Remuneration Committee

Objective

Recruiting candidates holding required qualifications whose names should be proposed for nomination as directors, committee or top executives as director of department or higher including considering on proper remuneration for such positions.

Composition and qualifications

- The Committee will be appointed by the Board comprising of not less 3 Directors. Chairman of the Committee and most of its members should be Independent Directors.
- 3 years term of office and being able to be re-elected.
- If a position of the committee has become vacant for any other reasons than expiry, the Board shall appoint person with appropriate qualifications to fill such vacancy and such committee will act for the rest of the term of such replaced committee.
- Holding knowledge, capacity and experiences and having a clear understanding of duties and responsibilities.
- The Committee shall appoint qualified employee of the Company to act as a secretary.
- Each meeting held by the Nomination and Remuneration Committee shall be attended by at least half of the total number of the committee members to form the meeting quorum.
- Resolution is reached by the majority vote of the committee members attending the meeting.

Authorities and responsibilities

Recruitment works

- (1) Setting out policy and criteria for recruitment of directors, managing director, member of the committee and top executives from director of department or above to submit to the Board
- (2) Defining qualifications of the director in accordance with structure, size and composition of the Company
- (3) Recruiting and nominating appropriate person as required by policy and criteria to be a director, managing director, member of the committee and top executive from director of department or above
- (4) Ensuring that person nominated for those positions has qualifications as required by rules and regulations of the Company, of the supervising authorities and by provisions of relevant laws
- (5) Approaching/coordinating/contacting qualified person subject to the requirements to ensure that such person is willing to take the position if approved by the Board and/or shareholder's meeting

- (6) Nominating person (s) for the consideration of the Board and specifying such nomination in the notice for shareholders' general meeting for their consideration.
- (7) Carrying out business as assigned by the Board.

Remuneration works

- (1) Considering policy and criteria and method for designating remuneration of director, managing director, member of the committee and top executive from director of department or above to submit to the Board
- (2) Reviewing appropriateness of such policy and criteria to adequately respond to current situation
- (3) Setting out the guideline for evaluation the performance of director, managing director, member of the committee and top executive from director of department or above in order to adjust yearly remuneration
- (4) Considering data on remuneration for director by comparing to similar companies in the same business summarized by the SET and/or other relevant data.
- (5) Monitoring appropriate remuneration for director, managing director, member of the committee and top executive from director of department or above corresponding to their duties and responsibilities.
- (6) Proposing remuneration for managing director and top executive from director of department or above to the Remuneration Committee and proposing such for director to the shareholder.
- (7) Preparing report on remuneration for director and top executive from director of department or above and disclosing it in the Company's annual report.
- (8) Carrying out business as assigned by the Board.

Number of meeting

- Nominating and Remuneration Committee has specified that there shall have at least 2 meetings per year.
- At every meeting of the Committee, there must be in attendance of not less than one half of the total number of committee in order to constitute a quorum.
- Any resolution of the meeting shall be taken by a majority of votes.

Report of the Nominating and Remuneration Committee

- Performance report of the Committee including minutes of the meeting shall be submitted to the Board within a reasonable period in order to enable the Board to further its necessary operation.
- Yearly performance report to be submitted to the shareholders shall be inserted in the

Company's annual report and shall consist of the following: list of member of the Committee, number of meeting, number of attendance of each member of the Committee, summary of the Charter of Nominating and Remuneration Committee etc.

Information disclosure in relation to Nominating and Remuneration Committee

- Details of the Charter of Nominating and Remuneration Committee have been disclosed via the Company's website.

Advisor of Nominating and Remuneration Committee

- The Committee may engage the advisor (s) to give his/her professional comment or suggestion to enable the Committee to carry out its duties under the Charter properly and adequately by the company own expenses.

Risk Management Committee

The Board of Directors considered on appointment of Risk Management Committee in the Board of Directors' Meeting No. 13/2014 on 9 December 2014. The objective is to support the Board of Directors' tasks in performing to define risk management framework to be appropriate for the Company's business, govern and follow up in keeping with such policy so as to ensure on risk identification, prior-warning, and sufficient determination on sufficient risk management and prevention measure as well as review and construction of risk management tool that will contribute to support and promote the business operation to be in line with setting goal.

Risk Management Committee as of 31 December 2014 consists of 3 committee members.

Meeting Attendance of Risk Management Committee

In Year 2014, the Company held Risk Management Committee's Meeting for 1 time in total and the committee members attended each time of meeting as follows.

Name of Risk Management Committee	Position	The number of meeting	The number of meeting attending
Dr. Arichai Ractham	Independent and Chairman of Risk Management Committee and Audit Director and Nomination and Remuneration Director	1	1
Miss Yuvadee Nipattamanon	Risk Management Director, Director and Accounting Director	1	1
Mr.Paiboon Chetchotiros	Risk Management Director and Quality Assurance & Safety Director	1	1

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

Anyhow, all three risk management committee members had neither business relationship transaction nor professional service between independent directors and the Company, holding company, subsidiaries, associates or juristic person that may have conflicts of interest according to the requirement of governing government agencies such as the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, and other relevant agencies. All of the three committee members of Risk Management Committee are experienced with knowledge as follows.

Name / Position	Job Experience'5 Years Backtracked		
	Term	Position	Company
Dr. Arichai Ractham - Independent a, Audit Committee and Chairman of the Risk Management Committee	2010 – Present	- Independent and Audit Director	- M-LINK Asia Corporation PCL.
	2010 – Present	- Risk Management Advisor	- CROWN SEAL PCL
	1998 – Present	- Lecturer - International Finance for continuing education center	- KASETSART UNIVERSITY, CHULALONGKORN UNIVERSITY, COLLEGE OF MANAGEMENT MAHIDOL UNIVERSITY (CMMU)
	2006 - 2012	- Risk Management Advisor	- FDA Food and Drug Administration, Health Ministry
Miss Yuvadee Nipattamanon - Risk Management Director, Director and Accounting Director	2013 – Present	- Director	- Syntec Asset Management.Co., Ltd.
	2013 – Present	- Director	- Natural Ville Service Apartment and Management.Co., Ltd.
	1998 - 2012	- The Specialist in Accounting & Financial Director	- Mitr Phol Group Co.,Ltd. (China Branch)
Mr.Pai boon Chetchotiros - Quality Assurance & Safety Director	1994 – Present	- Quality Assurance & Safety Director	- Syntec Construction PCL

Objective

The Board of Directors considers and appoints Risk Management Committee to support the Board of Directors' tasks in performing to define risk management framework to be appropriate for the Company's business, governance and follow-up in keeping with the policy so as to ensure that risk and prior-warning are defined with sufficient determination on the measure of such risk management prevention as well as review and construction of risk management tool that will contribute to support and promote the business operation to be in line with setting goal.

Element and Qualification

1. Risk Management Committee consists of members for not less than 3 people coming from at least 1 independent director and 2 executives of the Company.

2. The position holding term for committee member of Risk Management Committee is 3 years and the director who retires by rotation can be reappointed.

3. Risk Management Committee shall have cognizance or experiences in the Company's business with understanding on management and risk management according to the criteria as required by governing government agencies.

4. If the director position is vacant due to other reasons apart from the time of retirement by rotation, the Board of Directors shall appoint the individual who is qualified to be the director in order to be complete according to the requirement. Such director represents the director just equaling to the remaining term of the director replaced by him or her.

5. The committee member of Risk Management Committee shall be continuously trained and reinforced for knowledge in the matter related to the operation of Risk Management Committee.

6. The person who manages rule and regulation acts as the Risk Management Committee's Secretary.

Duty and Responsibility

1. Define risk management policy and framework to be proper for the Company's business operation and in line with the criteria or requirement of governing government agencies.

2. Support, promote and mutually develop risk management as well as push forward for collaboration in risk management in all levels of the organization.

3. Govern, follow up, express the opinion and report corporate risk management as required by program.

4. Review risk management policy and management to be correspondent with business operation and varying economic situation.

5. Consider to employ or consult with the experts in specific fields and express the opinions as deemed as appropriate by Risk Management Committee.

6. Report the crucial result of Risk Management Committee's Meeting to the Board of Directors for acknowledgement and consideration. Particularly, the case that is significant and affect the organization shall be reported as quickly as possible.

7. Take any other actions as required by laws or assigned by the Board of Directors. In compliance with scope, authority and responsibility, Risk Management Committee has authority to call and direct the management, relevant chief of work unit or employee of the Company to express their opinions, attend the meeting or submit the documents as deemed as relevant and essential.

Number of Meeting Times

1. Risk Management Committee specifies to have the meeting in relevant matter for at least once per quarter whereas the additional meeting may be held according to the consent of the Chairman of Risk Management Committee.

2. In each time of Risk Management Committee's Meeting, there must be the committee

members to attend the meeting for at least half of total directors so that it will be a constituted quorum.

3. The meeting's resolution shall be performed by majority votes of the directors who attend the meeting with constituted quorum.

Reporting of Risk Management Committee

Risk Management Committee shall report the result of Risk Management Committee's Meeting and report the overall operation to the Board of Directors in next meeting for the Board of Directors' acknowledgement in case of general matters or in significant case requiring consideration on correction and improvement so as to ensure that risk management policy is properly implemented.

Others

Risk Management Committee shall regularly execute the following every year.

1. Evaluate self-performance regularly every year (according to the criteria of governing government agencies). In case that the operating obstacles are confronted (if any) causing the function incompliant with determined by objective, the Board of Directors shall be informed for consideration.

2. Consider and review the appropriateness of the charter of Risk Management Committee. If it is deemed as appropriate for improvement and change, the Board of Directors is proposed for consideration on further execution.

Management Committee

The Company calls for the Management Committee to arrange for the weekly meetings. For in 2014, there were held a total of 46 weekly meetings including the availability of the secretary to record the minutes of every weekly meeting.

Name of Management Committee	Position	The number of meeting	The number of meeting attending
Mr. Somchai Sirilertpanich	Vice Chairman of the Board, Director, Managing Director and Nomination and Remuneration Director	46	46
Mr. Nayot Pisantanakul	Assistant Managing Director	46	26
Mrs. Angsana Weerachatsakul	HR. & Admin Director	46	37
Mr. Jiramote Phahusutr	Business Development Department Manager	46	20
Mr. Yos Laksanakoses	Corporate Advisory	46	46

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

Anyhow, all 5 management committee members had neither business relationship transaction nor professional service between independent directors and the Company, holding company, subsidiaries, associates or juristic person that may have conflicts of interest according to the requirement of governing government agencies such as the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, and other relevant agencies. All of the three committee members of Risk Management Committee are experienced with knowledge as follows.

Name / Position	Job Experience'5 Years Backtracked		
	Term	Position	Company
Mr. Somchai Sirilertpanich - Vice Chairman of the Board, Managing Director and Nomination & Remuneration Committee	2013 – Present	- Director	- Syntec Asset Management.Co., Ltd.
	2013 – Present	- Director	- Natural Ville Service Apartment and Management.Co., Ltd.
	2012 – Present	- Director	- SCR Asset Management.Co., Ltd.
	2000 – Present	- Director	- Siam Syntech Planner.Co., Ltd.
	2005 – 2009	- Director	- Bangkok Metro PCL.,
Mr.Nayot Pisantanakul Assistant Managing Director	2002 - Present	Assistant Managing Director	Syntec Construction PCL
Mrs.Angsana Mankongcharoen - Director and Nomination & Remuneration Committee, Company Secretary, HR&Admin Director	2013 – Present	- Director	- Natural Ville Service Apartment and Management.Co., Ltd.
	2005 – Present	- Director	- Natural Hotel Sukhumvit Co.,Ltd.
	2013 – 2014	- Director	- Syntec Asset Management.Co., Ltd.
	2005 – 2011	- Director	- Naraiphand Co.,Ltd.
Mr.Jiramote Phahusutr Director & Business Development Department Manager	2013 – Present	- Director	- SCR Asset Management.Co., Ltd.
	2013 – Present	- Director	- Syntec Asset Management.Co., Ltd.
	2013 – Present	- Director	- Natural Ville Service Apartment and Management.Co., Ltd.
	2013 – Present	- Director	- N & J Building Co., Ltd.
	2013 – Present	- Director	- N & J Asset Management.Co., Ltd.
	2008 – 2009	- Financial Analyst in Investment and Development Team	- Pacific Star International (Thailand) Bangkok
Mr.Yos Laksanakoses Corporate Advisory	2000 - Present	Corporate Advisory	Syntec Construction PCL

Scope, Duty and Responsibility of The Management Committee

1. To establish the target, policy guidelines on various matters for proposal to the Company's Board of Directors for consideration.
2. To implement the policy guidelines received from the Company's Board of Directors.

3. To consider and follow up the work performance of work units of the Company to ensure consistency with the established targets and work plan.
4. To consider selection of new projects including the conduct of a feasibility study on entering into biddings for contract work.
5. To consider the adjustment of work plan/operating budget for various projects.
6. To make recommendations, offer advice, consultancy, provide policy guidelines to various assigned working committees.
7. To consider approving budget for various expenses of the Company.
8. To consider establishing working rules, procedure, regulations and criteria in relation to the operation of the Company.
9. To carry out various tasks as assigned by the Board of Directors.

The tenure of directors and the management and controlling interest in subsidiaries and related companies (as of 31 December 2014)

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

Remark : 1 : / = Independent Director // = Executive Director /// = Executive Manager

Policy and criteria of nomination and appointment of directors (as well as new directors) and top executives.

To nominate the company directors, we shall propose the name lists to Shareholder Meeting for designation which is agreed by Board of Directors and already considered by Nomination and Remuneration Committee (according to the details of independent director selection and nomination process). In the guideline, the company shall consider the knowledgeable, competent and experienced person in management; especially, good governance, in order to have the person who can develop the company to meet the set target.

The nomination criteria and method for selection of the individual who takes the post as the Company's director and the Company's independent director (as well as new director) includes 2 guidelines as follows.

1. The person who will be selected must possess the qualifications according to the Company's criteria and the established guidelines. The Recruitment and Consideration of the Remuneration Committee will scrutinize and propose the list of names to the Company's Board of Directors for scrutiny and screening of such proposed candidates prior to further proposal to the Meeting of Shareholders for discussion and election. Qualifications are possessed according to the following criteria.

- Knowledge, competence and comprehension on role and duty of the director according to the criteria of governing government agencies such as the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, etc.

- Experience in the Company's business operation and other related experiences
- Knowledge and comprehension in work system and standard of accounting, financing and managerial works.

- Decision skills under accurate and sufficient reason and information

- Maturity, stability, and independence in decision

- Professionalism, virtue and responsibility

- Apart from other necessary skills, the shortage of the current Committee's skills such as wisdom and expertise in the Company's business and relevant law, etc. has been considered.

For the appointment of high level executives from the position of the departmental head up, the Company calls for the Recruitment and Consideration of Remuneration Committee to screen and nominate the names of suitable candidates to the Board for consideration. As for the appointment of other executives, the screening will be conducted by the Company's Management Committee.

The Company's nomination of executives for every division of the Company such as Engineering Division and Internal Administration Division is based on considering eligible persons who are sophisticated and experienced in administration to contribute to the Company as much as possible and to be able to achieve the goal planned. The nomination is made via job announcement in media. Short-listed candidates who have direct experiences will be considered and invited for an interview by the division who will later report the supplementary information to the Company's executives before another interview and approval for employment.

2. In order to promote the good corporate governance and holding the shareholders as being of paramount importance, the Company therefore introduces a policy to call for the shareholders to propose and nominate persons for recruitment and election as a director in advance of the Annual Ordinary Meeting of the Shareholders according to the criteria established by the Company. The Company has publicized the said information via the media of the Stock Exchange of Thailand and the Company's website. However, in 2014, there was not found the nomination of persons for recruitment and election to be a director from among the Company's shareholders at all.

Shareholder's right to appoint the director subject to the Company's articles of association:

At the shareholders' meeting, each shareholder shall have one vote count for one share. If any shareholder has special interest in any matter, that shareholder is not allowed to vote on that matter unless that voting is intended for election of director.

Decision or approval on any matter in the general meeting may be reached only by majority vote from shareholders attending the meeting and having vote right except the following cases which need not less than three fourth of all shareholders attending the meeting and having vote right:

- Selling or transferring the whole or substantial part of the Company's business to other person
- Acquiring or receiving transfer of business of other public company or private company

Making, amending or terminating contract regarding leasing out the whole or substantial part of the Company, assigning other person to manage the Company's business or merging and acquisition with an aim to share profit and loss with other person.

Selection of independent director and seeking procedure

Appointment of independent director shall be done by nominating person (s) to the Board after consulted with Nominating and Remuneration Committee. Independent director shall act independently from the Company's business.

To select Independent Directors and nomination process, we will consider the qualification, knowledge, competency, skill, experience, various abilities and leadership as well as vision and good attitude for the organization, this will be useful for the company performance. We also consider the appropriate size, quantity and constituent of the Committee in order to enhance the good governance and provide the effective management as well as follow the requirements of the government and various environments. The qualifications shall be in line with the criteria of Securities and Exchange Commission.

Voting to select director must be in accordance with the Company's regulation as follows:

1. As for voting for the committee, the candidates receiving the majority of the total vote given by the shareholders attending the meeting and having voting right shall win. Each shareholder shall have one vote per one share.
2. When one term completes, at least one-third of the members must discharge the position.

In case the number of the Board of Directors cannot be divided into three portions, the number of the member discharging should be close to the number of the member having to discharge. After the first and second year of corporate registration, lucky draw should be made to find the member discharging. As for the following years, the members holding the position for the longest period of time have to quit. The member discharging may be able to return to hold the position.

3. Besides the completion of term, the members may discharge when
 - (1) Die
 - (2) Resign
 - (3) Disqualified or having forbidden characteristics against the Public Limited Company Law
 - (4) The shareholders' meeting agrees to discharge
 - (5) Court order to discharge
4. In case the position is vacant because of other reasons besides completion of term, the Board of Directors must select a person qualified and having no forbidden characteristics according to the Public Limited Company Law to replace in the following Board of Directors' meeting except that the term of such vacant position is less than 2 months.
 - Such replacing persons must hold the position for the period of the rest of the term of the vacant position.
 - Resolution of the Board of Directors in clause 1 must consist of the vote at least three-quarter of total existing members.
5. The shareholders meeting may agree to discharge any member of the committee before the completion of the term with the vote of at least three-quarter of the shareholders attending the meeting, having voting right and having no more than half of the total attending shareholders' amount of shares and having voting right.

Policy and criteria of consideration on top executive and director's remuneration

The attendance of various sets of committees' meetings by directors and executives, and participation and opinion expression.

Knowledge and comprehension in duty and responsibility and as required by law such as Law of Securities and Exchange Act and other laws relevant to the Company's business operation.

Consideration on business plan and strategic plan on behalf of director and executive.

Follow-up and suggestion of development/improvement guideline according to duty and responsibility

Functions of director/executive and other duties as assigned.

Supervision of subsidiaries and affiliates

Policy on supervising subsidiaries, affiliates and joint ventures

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

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

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

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

Using the Internal Information

The company management was assigned to report the change of holding securities to Securities and Exchange Commission according to Section 59 of Securities and Exchange Act B.E. 2535. The awareness of information was limited only for the management or concerned internal person as necessary and it was disallowed to disclose the internal information to the third person including prohibit to trade the company securities by using such information technology. The company created the guideline for the directors, management and employees to observe in accordance with the Code of Conduct as follows:

1). Director and Executive shall report stockbrokerage/security holding of the Company for at least 1 days in advance before trading to the Board of Directors and report the summary to the Board of Directors' Meeting for acknowledgement.

2). The use of acquired inside information that has not yet been disclosed to public (inside information) for self-benefit in trading of the Company's stocks or provision of inside information to other people for benefit in buying or selling the Company's stocks is prohibited and avoided.

3). Report the company securities trade to the immediate supervisor in order to prevent trading share by using the internal information and avoid the reproach on the appropriateness of share trade of the internal person.

4). The internal person should not trade the company shares at the period before disclosing the financial budget or publicity the company status as well as other important information and should wait at least 48 hours after revealing the information to the public prior to trade the company share.

5). It is disallowed to reveal the confidential information or documents to the third person although such person resigned or dismissed from director, management and employee.

The company also specified the criteria of the follow up, complaint on the aforesaid topics by announcing as Code of Conduct Manual. It is the duty and responsibility of directors, management and employees in every level to be aware of and understand and observe throughout the work period.

The Company has set out disciplinary measures for person failed to comply with code of conducts manual as set out in the Company's rule.

Audit Fees

The Auditors for 2014 namely, Miss. Maliwan Pahuwattanakorn CPA Registration No. 4701 of Mr.Manit Warakitjaporn, No.7326 of NPS Siam Audit Co., Ltd. to be the Company's Auditors. The proposed NPS Siam Audit Co., Ltd. had been approved by The Office of the Securities and Exchange Commission. The amount of compensation for the auditor is fixed to be not exceeding 2,050,000.-Baht, increasing from the year 2013 for an amount of 100,000 Baht or increasing 5.67% which is in line with market price and has included other additional expenses (if any) to be not exceeding 2,300,000 Baht.

- Anyhow, the auditor anyhow has no relationship or may cause conflict of interests with the Company.

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

Compliance with good corporate governance on other matters:

1. Information about the attendance of the Company's directors in different sub-committees for the year 2013 in compliance with good corporate governance can be summarized as follows:

Name	Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	AGM
Mr. Somchai Sirilertpanich	13/13		3/3		1/1
Mr. Chaiwat Atsawintarangkul	13/13	5/5	3/3		1/1
Miss. Benjawan Sinkunakorn	13/13	5/5	3/3		1/1
Dr. Arichai Ractham	13/13	5/5	3/3	1/1	1/1
Mr. Tawee Kullertprasert	12/13				1/1
Mrs.Angsana Weerachatsakul	10/13		3/3		1/1
Miss Yuvadee Nipattamanon	13/13			1/1	1/1
Mr. Jiramote Phahusutr	12/13				

2. Evaluation results on good corporate governance (CGR) for the year 2014 are as follows:

- Average score 72%
- Individual aspect: shareholders' right 95%, fair treatment of shareholders 96%, recognition of the role of stakeholders 67%, information disclosure and transparency 76% and responsibility of the Board 65%

3. Good corporate governance policy on other matters

The Company realizes the significance of good corporate governance as it can facilitate its management to be efficient, transparent, and accountable and also promote reliability among stakeholders. The company adopts policy on good corporate governance and implements such policy on its regular course of business. The implementation of the principle of good corporate governance in 2014 can be summarized as follows:

Rights of the Shareholders

1.1 The Company's Board of Directors has formulated the policy on the principles of good corporate governance by taking into account the rights of the shareholders. Over and above the provisions of the laws, the fundamental rights of the shareholders are the right to attend the meeting

of shareholders, the right to receive adequate information prior to attending the meeting of shareholders, the right to vote, the right to grant proxy to another person to attend the meeting on the shareholder's behalf, the right to appoint or remove the directors, the right to appoint an auditor, etc. All these rights are in accordance with the policy on good corporate governance of the Company, the First Amended Version, made on 21 December 2007. The Company has currently updated the policy to be up to date and consistent with the guideline of governing government agencies by proposing the Board of Directors for consideration within this March 2015.

1.2 For Shareholders' Meeting in 2014, the Company held 2014 Annual Ordinary General Meeting of Shareholders on 29 April 2014 and assigned Thailand Securities Depository Company Limited to be the Company's Share Registrar. The Company executed according to good corporate governance policy and the Company sent Notice to Call the Ordinary General Meeting of Shareholders, Proxy Form B. (Proxy Form C. for shareholder who is foreign investor can be downloaded at www.synteccon.com) together with the supporting data for meeting according to agenda such as information, date and time, venue, objective and cause, director's opinion in each agenda and details used by shareholders in decision making consideration that shall be clear, proper and sufficient for decision making on shareholder's voting. In addition, such information was disseminated both in Thai version and English version and various criteria used the meeting, and resolution voting procedure, etc. for prior-acknowledgement by the shareholders. Such information was also publicized through the Company's website before actual meeting date for 32 days. The Company dispatched the Notice, Proxy together with 2013 Annual Report in form of CD ROM both in Thai version and English version to the shareholders in advance before meeting date for 19 days. Anyhow, if the shareholders require Annual Report in volume version, they can contact at Regulation and Rule as identified in the Notice. Moreover, the Company also announced in the newspaper in advance before meeting for at least 3 days. The announcement was consecutively posted for 3 days.

1.3 The Company promoted the right of shareholders and equitable treatment toward shareholders by giving the opportunities to minor shareholders or minority of shareholders to be able to nominate the candidate for holding the director position in advance before the Company's Ordinary General Meeting of Shareholders. The Company also gave the opportunity for such shareholders to enable to propose the meeting agenda in advance before the Company's Ordinary General Meeting of Shareholders. The Company's detail, requirement and criteria were publicized in letter to the shareholders through the Stock Exchange of Thailand's system and the Company's website on 11 November 2014. However, the shareholders did not exercise such right.

1.4 The Company arranged the representative to count the registration. The vote count was performed accurately, clearly, transparently and accountable. The representative for inspection was Khun Kamolthat Chitkarakar, the staff of NPS Siam Audit Company Limited, as the independent individual and the inspector of vote counts in the Meeting in order to build the confidence for shareholders. Moreover the Company promoted the right of shareholders by giving the opportunities for shareholders to fully express their opinions and suggestion, and inquire different aspects of the Company's business operations. The Company invited the Company's auditor to mutually express the opinion about financial statements, and also recorded VDO tape for use as evidence if shareholders want to examine the meeting.

1.5 The Company executed according to the meeting agenda from the first agenda to the last agenda without any change on significant information during the meeting and meeting minutes were correctly and completely noted.

Equal Treatment of Shareholders

1.1 The Company gives the opportunity to shareholders who were unable to personally attend the meeting to exercise the right to vote by granting proxy to an independent director of the Company to attend the meeting and cast vote in behalf of the shareholder. At the ordinary meeting of the shareholders held in 2013, there were two shareholders granting proxy to Mr.Chaiwat Atsawintarangkul, who is an Independent and Audit Director and Nomination and Remuneration Director to vote on behalf of the shareholder. The shareholder could define voting right and assigned his or her proxy according to the Proxy Form B as required by Ministry of Commerce for at least 24 hours later.

1.2 The Company has delivered the Proxy Form, Form B., as required by the Ministry of Commerce, which is the detailed and clear Proxy Form to the shareholder who was unable to personally attend the meeting as to determine fully the direction of casting of vote.

1.3 The Company has also required directors and executives of the Company to report the change in securities holding to the Office of Securities and Exchange Commission pursuant to Section 59 of the Securities and Stock Exchange Act 1992 including restricting the knowledge of internal data particularly to executives or insiders involved as may be necessary; and prohibiting the disclosure of internal information to outsiders as well as the prohibition imposed on the trading of the Company's securities during the period of time before the disclosure of the Financial Statement or publicizing the Company's status including other information of consequence at least 48 hours after the information having been publicly disclosed in accordance with the business ethics policy. In the past year, it did not appear that there had been traded the shares during the said period.

1.4 The Company realizes on the significance and executes with precaution in consideration on doing inter-transactions that may have conflict of interest, provided that the related parties shall avoid doing connected transactions between themselves, with customers, business partners, creditors, debtors and the parties of which the Company have dealt the businesses with. If such transaction doing is unavoidable, fair execution for all parties by price and condition like doing with outsiders (Arm's Length Basis) shall be assured. In consideration on approval of transactions in the agenda of which the directors, executives and employees have interests, they shall not attend the meeting so that the meeting can freely explain. Such transactions shall be strictly notified/reported to the Board of Directors for acknowledgement and such transactions shall be considered and approved from the Board of Directors only. In previous year, the Company executed according to the required criteria of "Business Ethics Manual" and carried out through the Board of Directors' Meeting. The connected transactions were informed through the news of the Stock Exchange (detail according to Topic Inter-Transactions).

Roles of Interested Persons

1.1 The Company's policy for business operation of the Company and its subsidiaries is taken place according to responsibility on society, environment and group of stakeholders, and promotion on effective resource utilization. Social Responsibility Report has been prepared as the part of 2014 Annual Report. In such report, it has identified social responsibility policy, operation such as fair business engagement, anti-corruption, fair labor treatment and respect on human right, consumer responsibility, environmental care and environmental and social responsibility activities (After Process). Detail is according to Topic Corporate Social Responsibilities (CSR)

1.2 The Company has disclosed various information to enable the interested persons of the Company, namely, creditors, customers/employers, trading partners, business competitors, members of the staff, shareholders, etc., to receive data and information adequately via the Company's web-site such as information in relation to the financial statement, operating results, undertaking the construction work, the progress of the construction work, etc. The Company has consistently updated the information on regular basis.

1.3 The Company has established the code of good treatment towards interested persons to enable directors, executives, and members of the staff to have understanding and to comply with the Manual of Business Ethics, i.e., the treatment towards the interested persons of the Company, namely, shareholders, members of the staff, customers/employers, trading partners, creditors, business competitors and social. In 2014, the company has processed Syntec Social Responsibility Project No.7, to construction the Child Development Center, Building 1 building includes classrooms, 2 rooms and 1 first aid room. Donated sports equipment Upon student learning Schools brightness of the Suwan Khiri. Tha Luang Lopburi. Syntec CSR Project No.8 Building 1, Building 5 classrooms and first aid classes 1 and donated sports equipment. Upon student learning Lam Pong Pech school. Khok Charoen. Lopburi.

Responsible and equitable treatment toward customer or employer

- Customer or employer that assigns the Company or the contractor to construct the projects shall be treated according to objective, working professional standard, work quality and delivery according to the contractual requirement. During construction, the meeting is ongoing held and discussed among customer/employer, contractor (the Company) and the construction controller, etc. In last year period, the Company practiced to be line with the determined commitment.

- Customer or employer shall acquire information related to all procedures of project construction service from project construction commencement until delivery so that the customer can acquire sufficient information for consideration. In addition, the misunderstanding in details such as work quality, problem and obstacle during construction, work alteration (increased work/decreased work) and relevant conditions, etc. is avoided whereas both the employer and the contractor have identical comprehension. Anyhow, in last year period, the Company has executed to follow required procedure as aforesaid.

- The company strictly complies with the compliance with the commitment requirement. In case that any clauses or suggestion on professional opinion cannot be performed, the Company shall inform its customer or the employer for acknowledgement right away and mutually consider seeking for solution method. In last year period, good collaboration has been always gained from its

customers.

The detail of the customers who assigned the Company to be the project constructor in the period of Year 2014 is according to Enclosure “Customer’s Characteristics”

Treatment and Responsibility toward Business Competitor

The Company’s policy is clear with conduct and treatment that is responsible for business competitor under regulation and rule of fair competition without acquisition of secret information or other key information affecting the business competitor’s decision through improper and dishonest means and without attempt to discredit business competitor’s reputation through accusation in the way of imputation without factual information.

In previous year period, the Company involved in bidding project construction works by means and under the criteria as required by the employer as well as under Policy of Treatment and Responsibility toward the Company’s Business Competitor. Anyhow, no disputes regarding business competitor has been existent in last year.

Treatment and Responsibility toward Business Partner and/or Creditor

- The Company’s Policy of Treatment and Responsibility toward Business Partner particularly the criteria/method of business partner selection (contracting of subcontractor, procurement of raw material and supplier of raw material) (detail according to the Topic of Nature of Business Engagement, 2.5 Procurement of Products or Services).

- Business partner is treated as required by contract with fairness and equality.
- Available commitments or conditions toward business partner shall be obvious, fair and practicable. In case that it is impracticable, solution method shall be mutually considered.
- There is no demand to obtain or pay any dishonest interests in trade with business partners and the Company has determined for whistle-blowing in such case (detail according to “Code of Conduct” www.synteccon.com)

Anyhow, in previous year period, the Company had none of disputes in treatment and responsibility toward its business partners.

1.4 The Company has given opportunities to interested persons to participate in proposing comments or making recommendations for improvement to be made by the Company. For instance, in the course of the Company’s Ordinary Meeting of the Shareholders or via the Company’s web-site channel, the Company had invited shareholders to propose any significant matter of which should be included as an agenda in the AGM of Shareholders for the year 2014 and nominate any qualified candidate to be selected as the Company director in advance prior to the AGM of Shareholders. However, there is no any proposal from the shareholder for the AGM of Shareholders for the year 2014.

Disclosure of Information and Transparency

1.1 The disclosure of significant information related both to financial information and non-financial information in line with the requirement of governing government agencies such as the Stock

Exchange of Thailand, the Office of Securities and Exchange Commission, etc., and under the basis of accuracy, completeness and timeliness through the means of equitable and easy information access both of the Stock Exchange's website and the Company's website. The significant information that must be clearly disclosed is as follows.

- Shareholders' structure
- Shareholding of the Company's directors
- Explanation about financial status, overall operation and crucial change
- Nature of business engagement, competitive status and potentiality
- Major risk in the Company's business engagement and nature of risk, cause and impact
- Biography of the Board of Directors, criteria of remuneration payment and stake holding of the director.

In previous period, the Company disclosed the information to be in line with the requirement of listed company being.

1.2. The Company establishes that the expression of various comments, the provision of various data through meetings or via the executive meets the securities analyst will take place twice a year. The managing director is the person who provides information or who delegate another person to give the information and disseminate said information via the Company's web-site. For meetings of sub-groups, interviews or press conference, they will be according to the appointment made with the Company. The Managing Director will provide the information or delegate another person to give the information. In case of outsiders such as investors, entrepreneurs or shareholders or other interested public, enquiries for information can be made through the Company's Investors Relations Unit.

For activities in 2012, the Company arranged for two Analyst Meetings and 3 Company visits for securities analysts.

1.3. Duty of the Committee and sub-committee is as follows:

- (1) Name list, personal history, working experience
- (2) Remuneration (Policy and Amount)
- (3) Work performance in the past year

(As detail of Management structure & Good Corporate Governance)

1.4. Report on responsibility of the Committee per the Financial Report

The Company's Board of Directors shall be responsible for Consolidated Financial Statement of the Company and of its affiliated and Financial Information as appeared in the Annual Report. The said Financial Statement is prepared in accordance with the generally-recognized accounting standard by the application of appropriate and consistently observed accounting policy and exercised utmost discretion and best estimate in its preparation including the disclosure of adequate significant information in the Notes to the Financial Statement.

The Board of Directors have arranged for maintenance of the efficient, effective Internal Control System to be reasonably assured that there have been proper, correct, complete and adequate accounting entries to maintain the property, assets and in order to know weak points as to prevent frauds or irregularities of material importance.

For this purpose the Company's Board of Directors has appointed the Audit Committee comprising non-executive directors who will be responsible for reviewing the quality of the financial report and the internal control system and the comments of the Audit Committee regarding this matter are contained in Report of the Audit Committee as already shown in the Annual Report.

The Board is of the comment that collectively the Internal Control System of the Company is at satisfactory level and will be able to create reasonable confidence in respect of the Company's and the affiliate's Financial Statement.

Whistle Blowing Policy for Offence

The Company's policy is to receive the ethical complaint issues or whistle blowing for offence. The Company has fairly and equally treated to each group of stakeholders. Therefore, the channel of suggestion or complaint receipt on what is the stakeholder's impact from the Company's business operation or from treatment of the Company's employee or acts that are improper, unfair and not compliant with the Company's regulation and code of conduct, or the event that is fraudulent or is suspected to be fraudulent, or the practice with lack of deliberate carefulness and being infringed in right, etc. has been arranged

The Board of Directors has assigned Audit Committee to perform in receiving complaints of ethical business and conclude complaint issues in order to propose to the Board of Directors for consideration on execution. Anyhow, the petitioner can send the ethical complaint issues to below address.

Audit Committee

Syntec Construction Public Company Limited
 No. 555/7-11 Sukhumvit 63 (Ekkamai) Alley, Sukhumvit Road
 Khlong Tan Nuea, Watthana District, Bangkok 10110
 Tel. 02 381-6333 ต่อ 5940
 Fax. 02 711-5183

Anyhow, the Company's policy of complaint informant protection is through confidentiality of the complaint informant without disclosure the source of information; and investigation on complaint issue or corruption event to be rapidly finished as required by criteria. In addition, the progress is informed to compliant informant in case that the compliant informant reveals and shows up.

Responsibility of the Board of Directors

1.1. The counterbalance of the Board of Directors

The Company's Board of Directors (as of 31 December 2014) comprises 8 directors as follows:

- | | | |
|--------------------------|---|---------|
| - Executive director | 4 | persons |
| - Non-executive director | 1 | person |
| - Independent director | 3 | persons |

The Company therefore has had 3 independent directors or more than 1/3 of total number of directors. The composition of the Board of Directors is quite adequate to counterbalance to preclude persons or any group of persons to influence a decision of the Board.

Independent member of the Committee shall not have any relationship to or any business with the Company which may affect his/her independent decision and his independency according to criteria prescribed by the SEC and/or the SET as follows:

- holding share not exceeding 1% of the share containing vote right in the Company, parent company, associated company or joint company or the major shareholder of the company or person having controlling power upon the Company and holding shares by person related to such member shall be counted in this regard.

- being not or used to be a director involving in executive function, employee, staff, consultant receiving regular salary or a person having controlling power upon the Company, parent company, associated company, joint company, associated company of the same level, major shareholder or of person having controlling power upon the Company except otherwise a period of not less than two year has lapsed before the date of applying for permit to the competent authority. Such prohibition is exclusive of the case of such independent member used to be government official or consultant of the government agency which is the major shareholder or the controller of the Company.

- not being a person, by blood relation or by registration, having relationship as parent, spouse, brother/sister and child including spouse of the child of the executive, major shareholder or controller or person nominated to be the executive or authorized person of the Company or subsidiary.

- never or used to have business relationship with the Company, parent company, associated company or joint company or the major shareholder or the controller in the manner that it may prevent fully exercising independent discretion including never be or used to be the shareholder that have substantial power or the controller of person having business relationship with the Company, parent company, associated company or joint company or the major shareholder or the controller, except freeing from such position for more than 2 year before the date of applying for permit to regulatory agency.

- not being or used to be the Company's auditor or of parent company, associated company or joint company or the major shareholder or the controller and never be or used to be the shareholder that have substantial power or the controller of person or partner of the auditing firm of the auditor of the Company, parent company, associated company or joint company or the major shareholder or the controller except freeing from such position for more than 2 year before the date of applying for permit to regulatory agency.

- not being or used to be a person providing any professional service including legal counseling or financial consultant having gained service charge more than 2 million baht per year from the Company, parent company, associated company or joint company or the major shareholder or the controller and never be or used to be the shareholder that have substantial or controlling power or a partner of person providing such professional service except freeing from such position for more than

2 year before the date of applying for permit to regulatory agency.

It shall be in accordance with regulations prescribed by the competent authorities. Three independent directors shall have independency from the Company's administration and major shareholders and in line with aforesaid criteria based on the criteria mentioned above including performance of assigned duty sufficiently and properly.

1.2. The Company's Board of Directors has required skills, experience and specific expertise consistent with assigned duty (detail, Board of Directors).

Orientation of New Director

The Company's policy for new director is to receive introduction document on the business engagement nature, the Company's business information, important information, and organization structure, etc. so as to be the useful information for function on behalf of director, including information documents and necessary manuals such as Director Manual, Business Ethics Manual, and Compliance with Good Corporate Governance Principle. The Company has also supported new director to continuously develop his or her profundities through arrangement for entry to get training and seminar according to the course of Thai Institute of Directors (IOD), the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Commission (SEC), etc.

In 2014, the Company sent the directors to get training or seminar according to below courses.

1. The tax burden of paying foreign companies and DTA on 21 Oct 57 by the Revenue Department.
2. Financial Reporting Standards as of 25 Nov 57 by the Department of Business Development
3. Development of the audit market in Nov - Dec 57 by SEC & Federation of Accounting Professions

1.3. The Company's Board of Directors also approved the production of the Business Ethics Manual whereby the Company's directors, executives and member of the staff could put it to practice ultimately. The manual is divided into 6 parts for ease of understanding and implementation, namely, the message from the Chairman of the Board, the visions and the mission of the valued organization or the ideals expected by the Company and strategies; tips to be observed, monitoring to ensure proper performance, enquiries about doubtful matters, receiving business ethics complaints and other actions. All these matters were announced for information to persons involved and for proper observance in November 2007 and further proper monitoring will be carried out to ensure serious implementation.

1.4. The Company's Board of Directors was aware of the importance of good corporate governance to ensure efficient, effective, transparent, verifiable management system as well as to instill confidence and assurance to the shareholders, entrepreneurs and interested persons of every side. In order to monitor proper good corporate governance, the Company launched the first improvement on policy of good corporate governance on 21 December 2007 to be in agreement with the guidelines of the Stock Exchange of Thailand and received approval from the meeting of the Board of Directors. This is in the interest of and for building confidence among interested persons from all sides.

1.5. The chairman of the Company's Board of Directors has not had any relationship with the Management at all and the chairman of the Board is not the same person as the Managing Director and has had no role in the day-to-day management of the Company. Furthermore, the chairman is neither the chairman nor a member of any sub-committee as the Company's sub-committee has had clear tenure of office. However, the structure of the Company's Board of Directors is consisted of 1/3 of independent directors that counterbalances in the review of the management of the Company.

1.6. The remuneration of the Executive Committee members and the executives is in accordance with the principles and policy established by the Company to be on a par with the industry. The remuneration is linked to the result of performance and track record of each executive according to the assigned duty and responsibility.

The Company has established the Select and Remuneration Consideration Committee. The said Committee has also appointed the executive committee and scrutinized the remuneration taking in account appropriate, adequate duty, responsibility commensurate thereto.

At the Ordinary Meeting of the Shareholders No 1/2555 held on 27 April 2012, the Company disclosed the remuneration of the directors and high-level executives in the Annual Report including the form and characteristic of the remuneration for consideration by the shareholders.

1.7. The Company establishes that there shall be held the Company's Board of Directors Meeting at least once every month with the agenda of the meeting clearly defined; that there will be the monitoring of operational performance on a regular basis. At least 7 days in advance of the Board Meeting, the letter of invitation to attend the meeting together with the meeting agenda and relevant documents are delivered, unless in the event of exigency, to ensure that the directors shall have enough time to study the data prior to the meeting and at the meeting there will be proper recording in writing of the Minutes of the Meeting; the filing away of the minutes of the meetings that were duly ratified for inspection by the Board of Directors and relevant persons. Each meeting will take about 2 to 3 hours.

- In 2014, there were held a total of 13 Board of Directors meetings in which various matters of material importance were discussed.

- The Company had prepared the information and supporting documents adequately required for making decisions by the directors attending the meeting.

- The chair of the meeting allotted adequate amount of time for the meeting and there had been discussions about various problems carefully and comprehensively.

- Of the agenda on which there was confirmation in relation to the financial statement, the Company also invited the auditor to provide various information including suggestions for improvement.

1.8 The Company has promoted independent directors to gain the opportunity for meeting to freely discuss, exchange and express opinions without the presence of executive directors or management in order that the function of the Company's director is continuously developed. The meeting of independent directors is defined to be held for at least once a year.

1.9 The Company's Board of Directors has appointed sub-committees, namely, the Audit Committee to assist with the supervision of the business operation and internal control inside the Company and the Select and Consideration of Remuneration Committee to perform duty in the selection of directors, members of the sub-committee, executives including the determination of remuneration. The two sub-committees perform their duty in accordance with the roles and duty as determined adequately.

In 2014, the Audit Committee had arranged for convening a total of 5 meetings to discuss various important matters as follows:

- To review various categories of reports including all the working systems to ensure adequate correctness such as the Financial Report, the Good Corporate Governance Report and related items or items with conflicts of interest, the internal control system including the appointment of and proposed remuneration for the auditor, etc.

In 2014, the Nomination and Remuneration Committee arranged for a total of 3 meetings to discuss the important items as follows:

- Scope and working duty, criteria for recruitment, selection of executives, criteria for determining the director remuneration, various sub-committees and executives were discussed.

1.10. The Audit Committee had arranged for the availability of the internal control system including the establishment of work unit with the responsibility for audit/review of various operations to ensure that principal operation and financial activities of the Company had proceeded according to the established guidelines adequately including the compliance culture of the government regulatory organizations.

In 2014, the Company established an Audit Work Plan to ensure completeness and correctness of the working system under the construction project to be carried out by independent external organization in the performance of duty. In addition, the Company also carried out the review of the Internal Working System in accordance with the Adequacy Assessment of the Internal Control System Form by reviewing 5 principal parts, namely,

- 1) Organization and Environment
- 2) Risk management
- 3) Control of the Operation of the Management
- 4) Information Technology System and Data Communication
- 5) Monitoring System

According to the Internal Audit Report, no significant erroneous issues were detected. The performance of work had been proceeding according to the established procedure with the availability of the internal control adequately and suitably.

Corporate Social Responsibility

Policy Overview

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

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

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

Missions and strategies in line with social responsibility are such as continual development of quality and standard of construction works, maintenance of safety, responsibility for all related parties, personnel capacity building, good corporate governance (details of missions and strategies part 1: business conduct). These are also in harmony with the Company's business code of conduct which provides guidelines for directors, executives, staffs and related parties e.g. report of conflict of interest, insider trading, responsibility for the Company and its assets (protection, list preparation, use of information technology, gift or interest, offering or receipt of bribe or other motives, political right and external activities, expression of an idea and giving information to the third party, manner and treatment of other employee), recommended treatment of stakeholders (treatment of and responsibility for shareholders, staffs, customer or employer, trading party and/or creditor, competitor, whole society), following up compliance, receipt of complaint (details can be obtained from www.synteccon.com/2005/TH/profile/codeofconduct.asp). Such code of conduct has been approved by the Board and officially announced since November 2007. Nowadays, the Company has amended the Manual to be modern, up to date and consistent with the guideline of governing government agencies by proposing to the Board of Directors for consideration within this March 2015. It has also included the encouragement on effective resource utilization as required by the Company.

Operation

(1) Fair Business Engagement

Apart from construction quality-focused operation, working safety of the people concerned such as all of the Company's and subcontractors' employees and construction workers, people who spend their lives and travel in nearby areas, buildings and stores, etc., as well as fair business construction operation that gives precedence to all people concerned, are the Company's policy that has been continuously executed.

The customers or employers will be treated according to commitment according to working professional standard both work quality and delivery based on contractual requirement. In addition, the significant data must be informed for acknowledgement all together so as to acquire sufficient data for decision makings of both parties.

For business competitors, the Company's policy of treatment toward business competitors under fair regulation, no right infringement or competitor treatment by dishonest method as well as defamation of the competitor's reputation by means of non-factual data.

Business partner or creditor or subcontractor shall be treated fairly, equally and impartially under fair contractual requirement as well.

The policy of the Company's employees for compensation payment to its employees in each position level is consistent with assigned obligation and responsibility with awareness that every employee is valuable and important factors leading to the Company's sustainable success, advancement and growth. In 2014, the Company prepared appraisal and measuring system of employee performance in term of Key Performance Indicator (KPI) and Personnel Competency or Potentiality. KPI and Competency specified in each level and functional line has the achievement that is consistent with the Company's goal in the aspect of the employee's core competency, core competency in administration and core competency in specific works. The performance criteria both of individual and work team have been determined in linking with fair and proper compensation as specified by the management. Anyhow, performance appraisal will be done for twice a year including appraisal in mid of the mid of the year and the end of the year. The system will be implemented in 2015 onwards.

In the previous year, the Company has always acquired well cooperation from aforesaid people concerned without disputes on significant issues. In addition, the Company has also been trusted from customers in ongoing assigning the Company to be the construction operators of various projects. The new project work value increased from 2013 for 2 project, equaling to 14.28 %, total project work value in 2014 increased from 2013 for 2,832 Million Baht, or equaling to 17%, and remaining construction work value in 2014 increased from 2013 for 257 Million Baht. or equaling to 3.10%, respectively.

Table to New Project Value, Total Project Value and Remaining Work Value in the period of 2012 - 2014

Unit : Million Baht			
Details	2014	2013	2012
Number of new projects during the year	16	14	12
New project work value during the year	8,140	6,357	6,577
Total number of projects	34	29	24
- Total project work value	19,489	16,657	13,033
Construction progress	54.85%	48.72 %	35.92 %
Remaining construction value	8,799	8,542	8,352

(2) Anti corruption

The private sector has reached the agreement to set up the “Private Sector Collective Action Coalition Against Corruption: CAC in order to ban being a “person offering bribe”. CAC realizes that corruption is the key burden to national development. Therefore, CAC and the Office of Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and the Thai Institute of Directors (IOD) have jointly launched many campaigns including allowing listed companies to register their expression to not involve any corruption. The Company’s Board’s meeting held in November 2013 decided to subscribe to CAC to fight against corruption.

The Company will revise its related manuals and policies such as good corporate governance, business code of conduct, employee manual and employee code of conduct etc. by being added with the issue of anti-corruption for business operation. And on 11 November 2014, the Company signed to participate in “Intention Declaration for Thai Private Sector Collective Action Coalition against Corruption.” The Company received acceptance letter for such participation from “the Committee and the Secretary of Thai Private Sector Collective Action Coalition against Corruption” on 24 November 2014. Moreover, the relevant manuals and policies such as Good Corporate Governance, Business Ethics Manual, Employee Manual, and Employee Code of Conduct in the issue of anti-corruption will be amended in order to be business operation guideline and will enter into approval process within 2016 henceforth.

Anti-corruption policy:

1. Directors, executives and employees have duties to comply with anti-corruption policy and the executive is assigned by the Board to communicate and implement anti-corruption measures.
2. Directors, executives or employees who have violated or failed to comply with anti-corruption policy may be subject to punitive sanction provided by law and/or the Company’s rule. However, for those directors, executives and/or employees who may have caused damage or loss of business opportunity to the Company resulted from the implementation of anti-corruption policy; the Company shall not impose any sanction or negative effect upon that person in any respect.
3. Communicate policy on anti-corruption and provide internal channel for giving information or making complaint through orientation course for directors or employees and in-house seminar as appropriate.
4. Communicate policy on anti-corruption and provide different channels for giving information or making complaint by the third party and stakeholders e.g. customers, shareholders or business allies etc. such as via annual report or company’s website etc.
5. Put in place regulation for disbursement and approving power for the executive in respect of donation, charity activities, financial support, entertainment, gift and souvenir; all of which require document declaring intention of above and complete evidence to prove that such activities have been conducted not for offering bribe for any person while internal audit section shall have power to review these activities.
6. Directors, executives and employees are strongly not recommended to receive gift,

souvenir or entertainment from any person contacting or cooperating with them in relation to the Company's business. If the price of such gift or souvenir is too much for usual practice, those directors, executives and employees are recommended to decline it and report the fact to higher-ranked person.

7. Provide personnel management procedures to encourage the Company's staffs to comply with anti-corruption policy such as qualification requirement, training, evaluation, reward and promotion etc.

8. Provide internal control covering finance, accounting, data record and storage as well as other in-house procedures relating to anti-corruption.

9. Provide internal audit system to ensure that the internal control system will help the Company to achieve its goal while all units' operations will be audited whether they are in compliance with rules and regulations and whether there is any defect or weak point to which suggestion will be given to improve operation procedures to be implemented efficiently and effectively under the approach of good corporate governance.

10. The internal audit section will urgently report the concerned issues to the managing director and the Audit Committee to seek for preliminary measure before forwarding the issue to the Board.

The Company's assessment process for corruption risk according to anti-corruption policy through different processes is as follows.

1) The Company resolved to approve the establishment of Risk Management Committee and Remuneration and Nomination Committee proposed to the Board of Directors to consider approving on 9 December 2014. The objective is to support the Board of Directors' tasks in performing on defining risk management framework to be proper for the Company's business, and governing and following up in keeping with such policy so as to ensure that there are risk identification, prior-warning, determination of sufficient measure for such risk management and prevention, including review and creation of risk management tools that contributes to support and promote the business operation to be in line with setting goal. After establishment, Risk Management Committee has determined that all working groups of the Company shall prepare the risks of working groups (the analysis on the circumstance that is likely to occur and impact that will occur, including corruption risk) and measure on risk level abatement. The follow-up and reporting is specified for quarterly regular acknowledgement whereas Risk Management Committee shall further govern and follow up.

2) The Company has prepared Business Ethics Manual for adherence of its director, executive and employee as a practical guideline since November 2007. At present, the Company has amended the Manual to be modern, up to date and consistent with the guideline of governing government agencies by proposing to the Board of Directors for consideration within this March 2015. Training and seminar have been stipulated for its attempt to understand every level of employees, particularly Complaint Receipt Channel for its employees (submitting the complaint issue to the Company's Audit Committee). Announcement has been posted for acknowledgement by different groups of stakeholders such as customer, business partner, trade creditor, etc., on communication channel for complaint receipt. Furthermore, the Company will continuously carry out the participation of aforesaid

different groups of stakeholders in anti-corruption (detail of Business Ethics Manual, Good Corporate Governance, Disclosure of Information and Transparency)

(3) Fair Labor Treatment and Respect on Human Right

Fair treatment of labour

In order to complete the construction work and meet the delivery schedule as agreed with the client or the owner, effective management has to be applied at all levels including the Board, the management, project team as well as daily paid workmen. In addition, the Company also takes into account significance of those personnel. They must be treated fairly in terms of compensation and welfare which are in line the current industrial standard. The Company also places importance on capacity building for its staff at all levels. They are encouraged to attend trainings held by the Company or by independent expert in order that they will realize the significance of self-development and preparedness for intense competition. With respect to daily paid workmen, the Company always cares about their daily living condition such as camp, occupational health, safety and basic living things etc. all of which are managed by the Human Resource and Administration.

Occupational Health and Safety

The Company is committed to providing safe working environment for construction work for all relevant personnel and it is always willing to provide supports to ensure that safety issues are included in the safety manual and that safety officers are appointed to the construction team both at management and operation level. In addition, safety committee will be set up comprising of chairman, member and secretary.

Daily paid workmen are considered one of the most significant human resources in construction industry. Presently, there are more than four thousand daily paid workmen working for the Company and another four thousand daily paid workmen working for the subcontractors. With variety of skills and expertise, they involve in many sections and levels of construction works. They are provided by the Company with trainings and tests according to the requirements of the Department of Skill Development, Ministry of Labour. At the moment, there are more than 20 camps provided for the daily paid workmen. Those camps are always maintained in good, clean and safe condition. The Company has designated specific persons responsible for submitting report to the Board with recommendation for solution on weekly basis. In respect of basic living things, daily paid workmen are able to buy foods and groceries at discounted price as well as access to special price drinking water machine and washing machine etc. All of these are provided with an aim to enable them to live normally under current economic condition in which living expenses seem to rise steadily. All revenues from services provided to those labour are contributed by the Company to build school and buy education materials and equipment for those in rural area. (details as described in Item Contribution to society and environment (After Process)). This has always been included in the Company's policy which requires that the specific committee shall be reported every week.

Variety and Equitable Opportunity

Employees at all levels manifesting variety of education background, age, race, religion are equally treated with respect to employment opportunity, job security, career path and appropriate compensation. The management always takes into account the avoidance of any unfair treatment that may affect job security or prejudice right and freedom of the employee. Appropriate system for lodgment of grievance is put in place for those who consider themselves suffering from unfair treatment or may wish to report any wrongful act. Details of equitable opportunity have been included in the business code of conduct since November 2007 as a guideline for employees at all levels. The Company has revised Business Ethics Manual in order to correspond to current situation and specified to propose the Board of Directors for consideration in March 2015 so as to be the practical guideline of the directors, executives and all levels of employees.

Care and Development of Employee Quality

Each level of employees such as executive level employee, supervisory level employee, daily and monthly employee, are cared, developed and enhanced their competencies in getting training of fieldwork and test as required by the Company through implementation for individual employee based on his or her position emphasizing on development, major competency skill, and personal skill to conform with new era's technology that will help increase working efficiency. Anyhow, the Company has prepared training and development plan particularly the position according to long-term training path plan as per details in Policy of Employee Development.

Principle of Human Right

The Company has formulated the policy together with preparing Business Ethics Manual for compliance of the its director, executive and employee with Principle of Human Right and avoidance to be involved with the infringement of human right. The performance in last year period has included the following.

- The director, executive, employee and daily employee are supervised and given for employment opportunity and proper and fair remuneration based on their performance appraisal required by the Company as well as mutual consideration with the Company's turnover and rate of return according to market situation in the same industry (detail of remuneration payment according to the Management Structure)
- The personnel in the levels of director, executive, employee and daily employee are continuously developed so as to yearly enhance the competitive potentiality to be higher. (detail according to Fair Labor Treatment and Respect on Human Right)
- The daily employees are supervised since they are regarded as the key personnel toward the Company's success to have good livelihood both in good occupational health and safety in working and in their camps according to the principle of human right (detail according to the Topic of Social Responsibility (2), Equitable Labor Treatment, and Occupational Health and Safety).
- The care on good work environment of the construction project is supervised to keep with required standard criteria such as machinery function, noise condition, dust, air pollution, water

drainage from working, etc. (detail according to the Topic of Social Responsibility (3), Consumer Responsibility, and (4) Environmental Care).

(4) Consumer responsibility

As most of the Company's construction projects have been high-building construction in business districts in downtown and township zones, it has been unavoidable to create both direct and indirect impacts toward the outsiders who are originally residing or engaging the business or passerby around construction work unit area. The Company shall strictly operate according to law requirement relevant to construction works, for instance.

- Ministerial Rule, Issue No. 4 B.E. 2526 (1983) issued according to the content in Building Control Act, B.E. 2522 (1979), Bangkok Metropolitan's Ordinance on Stipulation of Criteria in Public Utility and Building Construction, B.E. 2539 (1996).

- Proclamation of National Environmental Board, Issue No. 10 (B.E.2538 (1995) issued according to the content in National Environmental Quality Care and Promotion Act, B.E. 2535 (1992) on Stipulation on Ambient Air Quality Standard, and proclaimed in Government Gazette, Volume 112, Part 71d on 5 September 1995.

- Proclamation of National Environmental Board, Issue No. 15 (B.E. 2540) on Stipulation of Background Noise Level Standard issued according to the content in National Environmental Quality Care and Promotion Act, B.E. 2535 (1992) and proclaimed in Government Gazette, Volume 114, Part 27d dated 3 April 1997.

- Proclamation of National Environmental Board, Issue No. 37 (B.E. 2540) on Stipulation of Vibration Standard for Building Impact Protection issued according to the content in National Environmental Quality Care and Promotion Act, B.E. 2535 (1992) and claimed in Government Gazette, Volume 127, Part 69d dated 2 June, 2010.

- Proclamation of Ministry of Natural Resources and Environment on Stipulation of Control Standard for Effluent Discharge from Some Types and Sizes of Buildings dated December 2005, issued according to the content in National Environmental Quality Care and Promotion Act B.E. 2535 (1992) and proclaimed in Government Gazette, Volume 122, Part 125d dated 29 December 2005.

The Company's will is to abate the occurred impact toward surrounding area to be less or least and the impact has been classified into 3 groups as follows.

4.1 Impacts on houses located around construction site

4.1.1 Impact from land slide and collapse

Land slide caused by piling works

For some areas that may not facilitate piling works, it is possible that land slide can occur and result in certain impacts on houses surrounding the construction site. To avoid such problems, the Company selects bored pile or FC-PTG (Full Center Auger with Pile Toe Grouting).

4.1.2 Land slide and collapse caused by land digging

If it is considered that land digging may cause slide and collapse of the area around

construction site, the Company shall apply appropriate soil protection system that meets engineering requirements and also install proper tool to monitor motion.

4.1.3 Motion and collapse from material piling and transportation

The Company reserves the area for material piling and transport routes that are safe and secure with good load distribution according to engineering requirements both in the form of temporary concrete field and steel plate.

Impacts from vibration

4.1.4 Vibration from piling works

To avoid the situation that surrounding houses are affected by piling works, the Company will FC-PTG (Full Center Auger with Pile Toe Grouting) to keep such vibration at lowest degree as possible.

4.1.5 Vibration from soil protection system

If vibration is arisen from sheet pile installation, the Company will apply silent hammer to avoid such vibration.

Impacts from falling object from building under construction

According to the Company's safety policy, safety protection system will be installed including steel structure and mesh sheet around the building under construction and adjacent area will be cleaned and while unused materials will be moved from the building on regular basis in order to avoid impacts from falling object.

4.2 Environmental impact

Noise

In order to relieve noise impact from construction, the Company applies following measures:

4.2.1. Noise origin control: The Company chooses tools and machines that are in good condition and under regular maintenance in order to avoid causing noise. Also, isolator or absorber is installed to absorb sound at its origin. Transport trucks in construction area are subject to speed limit up to 5 km/hr.

4.2.2. Direction control: is aimed to lower noise that can affect surrounding houses by installing machines and tools at the direction that can minimize noise impact e.g. at the farthest side from surrounding houses, or at the location surrounding by thick concrete wall, installing temporary wall around the machine causing loud noise, installing mesh sheet of the same height as that of the building as a shield for blocking noise or even solid wall not lower than 4 meters around construction area etc.

4.2.3. Operation period control: through the discussion with surrounding houses about appropriate period of time for operation that can cause noise, it will ensure that people living in surrounding area will be least affected and at the same time, they will be provided with information of steps taken by the Company to mitigate impacts from construction.

Moreover, noise level will be regularly monitored and report will be issued monthly to ensure that noise is still within acceptable limit.

Noise Level Measuring Result

The values from the result of measuring and analysis on noise level at construction area during construction period at average Leq 24 hrs. and Lmax have met the standards required according to Proclamation of National Environment Board, Issue No. 15 (B.E. 2540 (1997) on Stipulation on General Background Noise Level Standard and according to Proclamation of National Environmental Board, Issue No. 29 (B.E. 2550 (2007) on Noise Level Value. The standard values are equal to 70.0 and 115.0 dB(A), respectively.

Impact on water

In respect of wastewater from activities in construction site, it will be treated with onsite wastewater treatment plant installed by the Company.

Soil water with high density of dust and debris e.g. wastewater from cement mixing, from container or floor cleaning and draining water from construction site will be collected at sedimentation pond. Clarified and treated water will be sprayed at the construction site to control dust or used for cleaning and then be treated again before drained out to public water resource. Sedimentation may be used for land filling within or outside the construction site.

Water Quality Measuring Result

Effluent quality measuring result at effluent cesspool before draining into public sewer during construction period has had the value as required by the standard according to Proclamation of Ministry of Natural Resources and Environment on Stipulation of Control Standard for Effluent Discharge from Some Types and Sizes of Buildings dated December 2005. The values based on criteria standards are as follows.

Table of Effluent Quality Standard Value

Measuring Items	Unit	Standard ⁽¹⁾
pH	pH Unit	5.00 – 9.00
Biochemical Oxygen Demand	mg/L	20.00
Total Suspended Solids	mg/L	30.00
Total Dissolved Solids	Mg/L	636 ⁽²⁾
Sulfide	Mg H ₂ S /L	1.00
Total Kjeldahl Nitrogen	mg/L	35.00
Oil & Grease	mg/L	20.00

Remark :

- (1) Proclamation of Ministry of Natural Resources and Environment on Stipulation of Effluent Discharge Control Standard from Some Types and Some Sizes of Buildings dated December 2005
- (2) Total Dissolved Solids must have increasing value from normal using water volume for not over than 500 milligram/liter.

Impact on air and particles

To avoid impact on air and particles, the Company adopts following measures:

- Install temporary solid wall not less than 4 meters high around construction site.
- Clean truck wheel at the project entrance/exit before the truck leaves the construction site.
- Water spray and clean the construction area to reduce particles diffusion.
- Make temporary concrete road around the project site and clean it regularly to reduce particles generated from transportation in the construction area.
- Strictly apply speed limit up to 5 km/hr.
- Install mesh sheet around the building under construction with the same height as that of the building to prevent particles diffusion.
- Check tools, machines and vehicles used in the construction to ensure that they are in good and functioning condition.

Measuring Result of Ambient Air Quality and Particulate matter

The air quality measuring result by 24-hours average of Total Suspended Particulate (TSP) and measuring result of air quality by measuring 24-hours average of Particulate Matter size below 10 micron (PM_{10}) at the construction site area have had the values as standards required by Proclamation of National Environmental Board Issue No. 10 (B.E. 2538 (1995)) on Stipulation of Ambient Air Quality Standard and according Proclamation of National Environmental Board, Issue No. 24 (B.E. 2547 (2003)) on Stipulation of Ambient Air Quality Standard with standard value of 0.330 and 0.120 milligram/cubic meter, respectively.

Traffic impact

In order to reduce traffic impact, the Company will implement following measures:

- Avoid transfer construction material and soil during rush hour.
- Coordinate with traffic control agency for the entire period of construction.
- Install blinking light around the construction site to have clear vision for the public.
- Install signs and warning symbols and provide staffs to facilitate traffic control at the project entrance/exit.

(5) Environmental Care

In addition to compliance with rules and regulations about occupational health and safety in its operation, the Company invests in provision of system and equipment for preventing object fall and dust generally originated from construction work of skyscraper. This Safety Protection consists of steel structure and mesh sheet that can prevent falling object and dust falling or dispersing from construction site in order to avoid causing pollution.

These measures reflect 3 aspects of social responsibility including:

Responsibility to the Company's employees: newly recruited employee or transferred employee will be trained by professional safety officer to be familiar with working condition and risks associated in such work before commencing the work. Employees are also assessed regularly as to their understanding.

Responsibility to client: Work will be carried out by referring to the standards in terms of procedures, machine, equipment and personnel. This will create good image for the project while the consumer buying or using the building constructed by the Company will be satisfied with the environmental-friendly building which reflects social responsibility.

Responsibility to the third person: As construction work is one of the industries that can cause pollution and impact to the surrounding communities e.g. noise, falling object and dust etc., the Company hence gives priority to planning on environmental issues e.g. planning for soil collapse, high wall installation to reduce noise and annoyance, implementation of Safety Protection consisting of steel structure and mesh sheet.

(6) Training and Knowledge Provision on Environmental Matter

The Company has arranged trainings and educated the employees in all positions on environmental matter as follows.

6.1 The Company has mutually arranged training and development with Work Safety and Quality Assurance Department to plan and specify knowledge provision and training to employees for acknowledgement on the policy suggested by the Management or specify practical guideline as well as specify timeframe in periodical correction and improvement so that Company can correctly and continuously improve its operation to be in line with environmental impact abatement measure.

6.2 The policy of promotion on knowledge provision and training on safety, occupation health and working environment to employees as follows.

Arrangement of training and review on fire suppression and firefighting knowledge for employees.

Arrangement of trainings courses related to safety, occupation health and working environment as required by laws such as Safety Committee course, executive level-working safety officer course, supervisory level-working safety officer course, and working environment, occupation health and safety course for general employees and the employees who are new entrants.

Implementation of the Project of "10 Minutes for Safety and Environmental Concern" (Morning talk) for every employee level in the morning before operation. The occupational safety officer will inform daily operating plan in order to clarify risk, risky point or hazardous point that may occur with working in each day to the employees, labors and contractors for more precaution. In addition, campaign and awareness creation are conducted so that the employees work with environmental concern.

The Company has regarded that the responsibility apart from safety, working occupation health, pollution impact protection and abatement has been a significant issue as top priority and

prepared to continuously and sustainably manage for social impact abatement.

Apart from safety and occupational health, the Company also considers that prevention and mitigation of environmental impacts is among the top priority of its operation and is prompt to take steps to reduce such impacts in continual and sustainable manner.

Business operation affecting social responsibility (if any)

There is none of the Company's business operation significantly affecting social responsibility over the concerned period.

Contribution to society and environment (After Process)

In 2014, the company has processed Syntec Social Responsibility Project No.7, to construction the Child Development Center, Building 1 building includes classrooms, 2 rooms and 1 first aid room. Donated sports equipment Upon student learning Schools brightness of the Suwan Khiri. Tha Luang Lopburi. Syntec CSR Project No.8 Building 1, Building 5 classrooms and first aid classes 1 and donated sports equipment. Upon student learning Lam Pong Pech school. Khok Charoen. Lopburi.

Internal Control and Risk Management

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

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

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

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

- 1) The organization and environment
- 2) Risk management
- 3) Control of duty performing by the Management section
- 4) Information and Communication system
- 5) Following up system

At the Board's meeting Session No. 3 on 10 March 2015 which was also attended by 3 members of the Committee, the Board reviewed internal control system and asked for information from the executives (based on the assessment sheet for adequacy of internal control system of the management and report of the Audit Committee) and viewed that according to the assessment of 5 components of the Company's internal control system, it was adequately and appropriately implemented with sufficient personnel to run the system effectively. This internal control system is also able to monitor the operations by the subsidiaries in order to protect the Company's and subsidiaries' assets from being abused or used without authority and also to prevent transaction with person or related person who may have conflict of interest. With respect to other aspects of internal control, the Board viewed that such control was sufficient.

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

In addition, the CPAs from NPS Siam Audit Co.,Ltd. auditing quarterly and annual financial statements of 2014 also added in their report that they did not find any significant fault from the internal control system.

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

Moreover, in the beginning of 2015, the Company has planned to amend Business Ethics Manual to be modern and up to date from the Promulgation since the end of 2007 onwards and to be consistent with the guideline of governing government agencies by proposing to the Board of Directors for consideration within this March 2015. Training and seminar have been stipulated for its attempt to understand every level of employees, particularly Complaint Receipt Channel for its employees (submitting the complaint issue to the Company's Audit Committee). Announcement has been posted for acknowledgement by different groups of stakeholders such as customer, business partner, trade creditor, etc., on communication channel for complaint receipt. Furthermore, the Company will continuously carry out the participation of aforesaid different groups of stakeholders in anti-corruption (Detail of Business Ethics Manual, Part 5 Compliance and Safeguarding Compliance, Page 14-16).

Header of internal audit section and header of Compliance Unit

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

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

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

Attachment 3 in form 56-1.

(2) Header of the compliance unit

The Company is now recruiting header of the compliance unit. Which in 2014 was assigned to a senior compliance officer of the rules and regulations to carry out the duties until, The nomination and appointment of the official further. The properties of the incumbent Chief of the rules and regulations contained in attachment 3) 56-1.

Related Transactions

Interrelated Transactions in the year 2014

The interrelated transactions were made by previous management. (Before the entering of debt restructuring plan)

Name/ Relations	Transactions	2014'transactions value (MB.)	Necessity of Mutual Operations
Gentech Engineering Co., Ltd. (45% of shareholding)	- Long-Term Loans	-	They were transactions done by the former executives and the Company has already had allowance for doubtful account for the full amount. Currently, the Central Bankruptcy Court has issued definite receiving order and the Company has submitted a motion for debt payment to the official receiver who is collecting the debtor's assets.

The interrelated transactions were made by present management.

Name/ Relations	Transactions	2014'transactions value (MB.)	Necessity of Mutual Operations
<u>Joint Venture JV.</u> SVK JV. between the Company and Vichitbhan Construction Co., Ltd. and Krungthon Engineering Co., Ltd. (65% of shareholding)	- Other Receivables	5.46	The objective of JV was to construct the International and Domestic Cargo. Currently, The project had finished and the JV has been on the receiving payments from ThaiAirway International Plc. (owner).
<u>Joint Venture JV.</u> SM JV. between the Company and Mivan (Thailand) Co., Ltd. (65% of shareholding)	- Other Receivables	217.26	The objective of JV was to construct the Baan Euarthorn Project. Currently, The project had finished and It is on warranting project and following the rest debt from National Housing Authority.

Name/ Relations	Transactions	2014'transactions value (MB.)	Necessity of Mutual Operations
<u>Naraiphand Co., Ltd.</u> Mr.Jiramote Phahusutr, the Company's director, is one of the major shareholders of the Company (16.51%) and at the same time of Naraiphand Co., Ltd. (18.06%).	- List of transactions: purchasing souvenir, gift, token and New Year basket	4.93	The Company purchased from Naraiphand Co., Ltd. products used as New Year gift and souvenir for other important occasions and festival. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as other customers.
<u>Pink Café Co., Ltd.</u> - Mr.Jiramote Phahusutr, the Company's director, is one of the major shareholders group of the Company (16.51%) and at the were the major shareholders of the Pink Café Co.,Ltd. (17.24 %) . Mr. Sukhum Phahusutr in the management of the Company as Vice President and the father of Mr.Jiramote Phahusutr is also the largest shareholder of the Pink Café Co., Ltd. (10.34 %). - Miss Nitchaya Phuhusutr is shareholders of the Company and a sister of Mr.Jiramote Phahusutr is the leading shareholder of the Pink Café Co.,Ltd. (34.48 %).	- List of transactions: purchasing souvenir, gift, token and New Year basket	0.14	The Company purchased from Pink Cafe Co., Ltd. products used as New Year gift and souvenir for other important occasions and festival. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as other customers.
<u>Tate Enterprise Co., Ltd.</u> - Mr. Nayot Pisunthanakul, Executive directors of the Company as Executive Vice President and the	Buying food and beverages to be used for meetings or banquets agenda	2.42	The Company purchased from Tate Enterprise Co., Ltd. products used food and beverages to be used for meetings or banquets agenda. Such transaction falls

Name/ Relations	Transactions	2014'transactions value (MB.)	Necessity of Mutual Operations
<u>Tate Enterprise Co., Ltd.</u> shareholders of the Tate Enterprise Co., Ltd. (0.01 %)			within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as other customers.
<u>N & J Hospitality Co., Ltd.</u> - Mr. Jiramote Phahusutr, the Company's director, is one of the major shareholders group of the Company (16.51%) and at the shareholders of the N & J Hospitality Co.,Ltd. (0.002 %) . Mrs. Sawang Munkongcharoen is the mother of Mr.Jiramote Phahusutr is also the shareholder of N & J Hospitality Co.,Ltd (0.002%). - Miss Nitchaya Phuhusutr is shareholders of the Company and a sister of Mr.Jiramote Phahusutr is the leading shareholder of the N & J Hospitality Co.,Ltd. (99.99 %).	Buying food and beverages to be used for meetings or banquets agenda	4.16	The Company purchased from N & J Hospitality Co.,Ltd. products used food and beverages to be used for meetings or banquets agenda. Such transaction falls within the definition of related transaction, category regular business supporting transaction with general trade terms as the Company purchased them at the price indicated in price tag and with credit term of 30 days in the same manner as other customers.
<u>N & J Asset Management Co., Ltd.</u> - Mr. Jiramote Phahusutr, the Company's director, is one of the major shareholders group of the Company (16.51%) and at the shareholders of the N & J Asset Management Co.,Ltd. (20.00 %)- Mrs. Sawang Munkongcharoen is the mother of Mr.Jiramote Phahusutr is also the shareholder of N & J Asset	Rental of space for office	1.20	- Contracting company office space at 23 Floor SSP Tower total area 402.53 sq.m., monthly rental fee of 120,759 baht (300 baht / sq.m.) for the period of 3 years, from 1 November 2014 to 31 October 2016 with the aim to be used as office building. The transaction is a connected transaction characteristics type of support normal business The general trading, conditions due to the cheap rents offices in the

Name/ Relations	Transactions	2014'transactions value (MB.)	Necessity of Mutual Operations
<u>N & J Asset Management Co., Ltd.</u> Management Co.,Ltd. (60.00%). - Miss Nitchaya Phuhusutr is shareholders of the Company and a sister of Mr.Jiramote Phahusutr is the leading shareholder of the N & J Asset Management Co.,Ltd. (20.00 %).			same building and a neighboring building. The average rental price elsewhere at 400 baht /sq.m. which is higher than the average rental price of market.
<u>C.N.C Building Co., Ltd.</u> -Mr. Sukhum Phahusutr, Deputy Managing Director and Mr. Jiramote's father, a director and one of the Company's major shareholders (16.51%), is also a director and major shareholder of C.N.C Building Co., Ltd. (35.45%).	- Land lease for building workman camp	1.20	The Company rents the land, title deed number 523, 23330, plot number 341, 53 located at Soi Keng Chuan, Nang Lin Chi, Thung Mahamek Sub-district, Sathon District, Bangkok. (Rent rate 100,000 baht/month for 1 year (24 December 2013 – 23 December 2014) to build construction workers' camp. Such transaction falls within the scope of related transaction, regular business supporting one with general trade term. The Company compared rent rate with those of surrounding areas and found that the rent rate/ Sqm of land leased by the Company is equal to 174.96 baht while the average of surrounding areas in Soi Keng Chuan is equal to 154.75 baht which is lower than the average rent rate agreed by the Company in the past.
<u>SCR Asset Management Co., Ltd.</u> Company's major shareholders in SCR Asset Management Co., Ltd. (52.00%)	Financial Support	200.00	- 1. To borrow money in order to pay off bank loans, used to purchase land in the development of Phase 2 of 65 million baht with interest rate of MLR - 2.375 per year (equivalent

Name/ Relations	Transactions	2014'transactions value (MB.)	Necessity of Mutual Operations
<u>SCR Asset Management Co., Ltd.</u>			to the interest rate that the Bank of Ayudhya Public Company Limited (Thailand) offers to its subsidiary) loan period of 2 years. - 2. To borrow money in order to purchase land for real estate development projects, three of 135 million baht with interest rate of MLR - 2.375 per year (equivalent to the interest rate that the Bank of Ayudhya Public Company Limited (Thailand) offers to its subsidiary) loan period of 2 years .
<u>Mr. Jiramote Phahusutr and Miss Nitchaya Phahusutr</u> - Mr. Jiramote Phahusutr, the Company's director, is shareholders of the Company (8.15%) and Miss Nitchaya Phahusutr, shareholders of the Company (8.35%)	-Transaction of product or service	13.50	- The company bought the land, 3 Rai 65 Sq.wa. of land No. 21384 located at Chiang Rak Noi, Ayutthaya Province, which shares a border with the same property to expand the area for the department inventory, equipment and construction equipment. And maintenance department. The company was represented by Agency for Real Estate Affairs Company Limited is a corporate advisory Appraisal and Real Estate Research Center, Thailand appraise the land by market approach in price of 4.4 million baht or total 13.5 million baht is the price of the stock at this time. The transaction is a connected transaction characteristics, type of acquisition of the property, however, to calculate the value of these guidelines as the maximum value of the calculation accounts for less than 15%, the Company does not have to take any action in this criteria.

Necessity of Interrelated Transactions

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

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

Process of Interrelated Transactions

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

Policy or Tendency of Interrelated Transactions in the future

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

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

Management Discussion and Analysis

The operation results as described in the consolidate and separate financial statements of 2014 showed net profit for the amount of 394.19 million baht while the same period of 2556 (revised) showed net profit for the amount of 79.09 million. This indicated that the profit increased for 315.10 million baht or 398.41%. The main source of income from construction business has increased during the past 3 years from 4,856.72 million baht in 2012 to 6,176.58 million baht in 2013 and 6,888.85 million baht in 2014, revenue from construction was the highest increase since 2010. There were 34 suspending projects amounting to approximately 19,489 million baht. The total value of balance of work was equal to 8,799 million baht, the highest increase since 2003. During 2014, the Company still gained trust from its existing and new clients who continually engage the Company as its construction work can meet the schedule and contractual obligation with quality. The Company also develops its personnel and construction technologies on regular basis and as a result, only in 2014, the Company has secured as many as 16 new projects with total contract value of approximately 8,140 million baht.

The ratio of construction cost against construction revenue decreased at 88.63% when compared with that of 2013 at 91.82% or 3.19% decrease partly because of increasing construction cost since 2012 and 2013 and steady in 2014 either construction material or labour cost adjusted in accordance with economic condition (Since 1 April 2012, minimum wage rate has been increased to 300 baht/day directly affecting the Company's labour cost as well as construction material price)

Including the cost of administration in 2014 amounted to 334.96 million baht in the same period of the year 2013 amounted to 288.49 million baht, an increase of 46.47 million baht, representing an increase of 16.11 part of them was . the cost of personnel, which is consistent with the increased workload. However, if the ratio Administrative expenses to revenue from the construction was increased by the year 2014, the ratio stood at 4.86% for the year 2013 the ratio was 4.67% an increase in the rate of 0.19%.

Performance from Statements of comprehensive income – Consolidated financial statement

Revenue from construction

SYNTEC and its Subsidiaries Financial Statements for the year ended on 31 December 2014, performance of year 2014 showed a total profit attributable to owners of the Company in consolidated financial statements of 394.19 million baht, performance of year 2013 showed a total profit attributable to owners of the Company 79.094 million baht, increasing by 315.10 million baht or increasing of 398.38% by the reasons of changing are as follows:

- Revenue from construction for year 2014 was 6,888.85 million baht, 2013 was 6,176.58 million baht, increasing of 712.27 million baht or increasing of 11.53%
- The ratio of cost of construction per Revenue from construction decrease from 91.82% in 2013 to be 88.63% in 2014, decreasing of 3.19%
- Profit from sale of available-for-sale investments was 34.21 million baht in 2014

- Profit from service apartment of subsidiaries in 2013 was 7.32 million baht, 2014 was 24.46 million baht, increasing of 17.14 million baht or increasing of 234.26%

Unit : Million Baht

Product Line / Business Circles	2014		2013		2012	
	MB.	%	MB.	%	MB.	%
Revenue from the Construction Contracts						
- Residential	5,634.63	81.79	5,012.41	81.15	4,167.60	85.81
- Commercial	1,081.56	15.70	691.10	11.19	286.52	5.90
- Institutional	-	-	113.03	1.83	249.72	5.14
- Leisure	-	-	282.08	4.57	152.34	3.14
- Infrastructure	172.67	2.51	76.26	1.23	0.54	0.01
- Industrial	-	-	-1.71	-	-	-
- Retail	-	-	-	0.13	-	-
Total Revenue from the Construction	6,888.86	100.00	6,176.59	100.00	4,856.72	100.00
Interest income	22.71		8.64		6.71	
Revenue from room service	104.89		22.76		-	
Gain on sale of available-for-sale securities	34.21		-		-	
Reversal of allowance for doubtful accounts	3.46		16.44		0.60	
Reversal of creditors under rehabilitation plan	-		-		-	-
Gain on disposal of equipment	-		10.25		4.90	
Reversal of estimated loss under joint venture agreements	-		-		0.75	
Other income	29.56		4.46		10.33	
Total Revenues	7,083.69		6,239.14		4,880.00	

The company had net income (according to consolidated financial statement) in 2014 for 7,083.69 million baht, in 2013, 6,239.14 million baht and in 2012, 4,880.00 million Baht respectively increasing for 844.55 million baht or 13.54%. It could be separated as income from being direct contractor for 6,888.86 million baht or 97.25% of net incomes and it was the highest increase as being the direct contractor from 2010. Such income increased from 2013 for 712.27 million baht or 11.53 %. Nevertheless, if considering income from other types of construction in past 3 years, it was found that the company had proportion of income from type of office building/commercial buildings increasing from 5.90% in 2012 to 11.19% in 2013 and it became 15.70% in 2014 including infrastructure project that increased from 0.01% in 2012 to 1.23% in 2013 and turned to 2.51% in 2014. However, value of main income from being direct contractor mostly came from residential construction increasing from 81.15 % in 2013 to 81.79 in 2014

Revenue from room service

The Company has revenues from providing rooms with 104.88 baht in 2014 and 22.75 million baht in 2013, up 82.13% or 360.95 million baht. This is in line with the Company's policy on expansion of its business to other related field in forward growth by applying strategic investment in promising

property in good location which is ready for generating income immediately. The Company has acquired leasehold of Natural Ville Residence and equipment and tools and information for business operation from UOB Apartment Fund (UOBAPF). Natural Ville Residence is a serviced apartment leased by UOBAPF from the Crown Property Bureau. Its location is in downtown to which it can be accessed by both BTS and MRT. According to business profile over the last 10 years, Natural Ville Residence has average occupancy rate at 80% and the average gross profit about 53 million baht per year. Currently, the remaining term of such leasehold is 19 years. This is seen as another income channel for the Company.

Reversal of allowance for doubtful accounts

The Company's income from the reversal of allowance for doubtful accounts in 2014 of 3.45 million baht, year 2013 of 16.44 million baht, a decrease of 12.99 million baht or 79.01% and accounted for 0.09% of total revenue net. This was the result of reversal of allowance for doubtful accounts of account receivables, other receivables and performance guarantee obligation under construction contract for the amount of 4.69, 2.52 and 9.23 million baht, respectively. The Company had taken normal steps to collect these amounts until they were fully paid.

Gain on disposal of equipment

The company had profit from distributing and cutting equipment account. In 2014, there was no such operation but in 2013, the amount was 10.25 million baht. Nevertheless, profit list from distributing and cutting equipment account was caused by distribution of tools. Machinery and construction equipment that had been used for long time and it's not worth expenditure for maintenance; the company considered distributing such equipment.

Cost of construction

Cost of construction per revenue fell by the year 2013 with a rate of 91.82% for the year 2014 with a rate of 88.63% or decrease the rate of 3.19%. The costs include the construction materials, labor and wages and outsourcing. Including depreciation of the office buildings and building improvements. Equipment in some fields has been added to the cost of construction. (Details shown Notes to the financial statements).

Increasing price of material, labor cost, charges for sub-contractor and overtime pay partly resulted from flood in 2011 and its subsequent effect in 2012 caused demand to outnumber the supply resulting in dramatic increase of the price. However, such event has been resolved in 2013 and fixed in 2014

Raising the minimum wage to 300 baht per day in 2013, according to the government policy. This continued in 2014, which is necessary for the adjustment of wages to workers at the company, especially those holding specialized skills in each operation line to enable them to live in economic condition with higher cost of living and to attract them to continue to work with the Company. The ratio of the labour cost against revenue from construction (revenues from being a direct contractor) decreased from 18.52% in 2012 to 18.15% in 2013 or 0.37% decrease and 2014 slight increase 18.71%. The Company places more importance upon welfare for labour to gain loyalty with plan for capacity

building and improvement of quality of life (details of labour competency development Item 3 Risk factors).

The cost for completion before delivery in some projects could not be properly limited. In general, before delivery to the customer, the Company will reserve certain budget for such operation. However, as the project value per square meter increase dramatically, this give rise to higher expectation by the customer and thus causing the cost for completion before delivery to rise and becoming the burden of the Company. From this problem, the Company has carried out the study on the cause, solution and operation plan to avoid such problem and it is being under the process for improvement and application.

Cost of room service

The company had capital from apartment service in 2014 for 80.42 million baht increasing from 2013 for 15.43 million baht to 64.98 million Baht or 421.03%. Mostly, it was decoration cost to make the room luxurious and classy to promote accommodation rate and increase income. This was in line with the Company's policy toward expansion of its business to other related field in forward integration manner (details are discussed under the item Revenue from accommodation service).

Administrative expenses

Expenditure for management in 2014 was 334.96 million Baht and in 2013, it was 288.49 million Baht increasing for 46.46 million Baht or 16.11%. The expense that had change mostly was from cost of personnel development of the company for ultimate potential (details are in Notes to the financial Statement item 5,18, 19, 21, 31, 38, 40)

Gain on sale of available-for-sale investments

In 2014 was the first year that the gain from the sale of investment securities available for sale of 34.21 million baht, in 2013, a loss of 127.35 million baht. The sale of such investments are intended to be used as working capital .The new construction project that has been assigned to perform. In 2014 the company has signed a contract for construction projects and is now under construction on a total of 16 projects with a total value of approximately 8,140 million baht, as well as expanding operations into related businesses which is mentioned above. (Details shown Notes to the Financial Statements 5, 16).

Other expenses

Other expenditures in 2014 was 52.11 million baht increasing from the same tranche of year 2013 from 15.33 million to 36.77 million baht or 239.78%. It was expense from doubtful accounts and estimation of loss from liability from prosecution in 2014 for 45.84 million baht, the Company has adopted a policy on allowance for doubtful accounts to the extent that if there is any significant indicator reflecting debt payment ability, financial status and business operation of the debtor, the Company shall fix the allowance for doubtful accounts immediately as well as continual debt collection. (as detailed in Note to Financial Statements Item 4.3).

Financial cost

The finance costs in 2014 of 47.44 million baht, down from the same period in 2013 of 48.57 million baht or a decrease of 1.13 million baht or equal to 2.33%, includes interest paid to financial institutions amounting to 51.99 million baht net amount to be included. The cost of a qualifying asset capitalized as cost of assets under construction. (Details shown Notes to the Financial Statements 42).

Income taxes

Income tax expense in 2014 was 68 million baht, as in income 2013 equal to 8.10 million baht. According to the Royal Decree issued by virtue of the Revenue Code regarding reduction and exemption of taxation No. 530 B.E.2554 dated 21 December 2011, the corporate income tax shall be reduced for its net profits for three accounting periods during 2012-2017 from 30% to 23%. For the accounting period 2012 started on or after 1 January 2012 and for 20% of net profit for the following two accounting periods in 2013 and 2014 (as detailed in the Note to Financial Statements Items 4, 23 and 43).

Profit (loss) – net

In 2557 the company had a net profit of 394.19 million baht, in 2556 of 79.09 million baht, an increase of 315.10 million baht, representing an increase of 398.38 which to compare the ratios of profitability in the form as follows.

Profitability Ratio	Consolidated			Separate		
	2014	2013	2012	2014	2013	2012
Gross Profit Margin (%)	11.4%	8.2%	4.2%	11.4%	8.0%	4.1%
Operating Profit Margin (%)	6.5%	3.5%	-1.4%	6.8%	3.5%	-1.3%
Net Profit Margin (%)	5.8%	1.3%	-2.7%	5.7%	1.2%	-2.9%

Financial status from statement of financial position-consolidated financial statements

Total assets

Total asset of the company according to consolidated financial statement increased, for 2014, it was 6,180.28 million Baht increasing from the same tranche in 2013 for 5,448.81 million baht or 24.55%. Mostly, it was the increase of non-current asset that mainly was a result of following asset changes such as temporary investment, account receivable, guarantee debtor in construction agreement, inventories, long-term investment, land, premises and equipment and saving with obligation as guarantee

Total liabilities and shareholders' equity

Total liabilities

The company had total liability in 2014 for 3,143.92 million Baht increasing from 2013 as amount of 2,884.18 million Baht for 259.73 million baht 9.01%. The essential lists included account

payable, other creditors, long-term loan that dues within a year, liability according to lease agreement that dues in one year, advance receives according to construction agreement, work guarantee from sub-contractor, short-term loss estimation, deferred income tax, obligation of benefit for employees and long-term liability estimation. The company retained Debt to Equity Ratio as of 31 December 2014 as 1 : 1 not beyond specified principle of 2.5 : 1

Shareholders' equity

Shareholder's equity in 2014 was 3,036.36 million baht increasing from the same tranche in 2013 as a mount of 2,564.62 million Baht for 731.47 million Baht or 13.42%. it was an increase of reserve capital by law and non-allocated accumulated profit.

Liquidity

Overview of Operations in cash and cash equivalents of the year 2014 of 388.99 million baht, down from the year 2013 was 909.03 million baht, down 520.03 million baht or 57.21%.

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

As discussed above that construction industry highly relates to economic condition in the country in the same direction, that is, under well economic growth, construction industry tends to grow and on the contrary, the latter will be significantly affected under slowing down economic condition. The Office of National Economic and Social Development Commission estimated that Thai economic growth would be limited to only 3.5 – 4.5 % in 2015 which was higher than 2014 with supporting factors including recovery of export as the trend of global economic recovery, recovery of tourism section, tendency of recovery in private investment, reduction of oil price, expenditure rush of the government, adaptation to normal condition of auto production and distribution.

Limitations and risk factors in 2018 include reduction of essential agricultural product price, high fluctuation of global economic and financial system, tendency of reduction for essential currency and the increase of genuine interest rate (details are in Risk Factor)

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

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

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

The Board of Directors is of the opinion that the internal control system and the internal audit of the Company are within satisfactory level to be able to establish confidence that the financial statements of Syntec Construction Plc. and its joint ventures for the year ended 31 December 2014 are materially correct in accordance with the generally accepted accounting principles.



Mr.Somchai Sirilerdpanich
Managing Director

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

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

NPS Siam

NPS Siam Audit Limited

555/5-6, SSP Tower,
5th Floor, Soi Sukhumvit 63 (Ekamai),
Sukhumvit Road, Klongton Nua,
Wattana, Bangkok 10110 Thailand

บริษัท เอ็นพีเอส สยาม สอบบัญชี จำกัด

555/5-6 อาคารเอสเอสพีทาวเวอร์
ชั้น 5 ซอยสุขุมวิท 63 (เอกมัย)
ถนนสุขุมวิท คลองตันเหนือ
เขตวัฒนา กรุงเทพฯ 10110
Tel: 66(2) 711 5300
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Independent Auditor's Report

To the shareholders of Syntec Construction Public Company Limited

I have audited the accompanying consolidated and separate statements of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

NPS Siam

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other matter

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



(Manit Warakitjaporn)
Certified Public Accountant
Registration Number 7326

NPS Siam Audit Limited
Bangkok
2 March 2015

Syntec Construction Public Company Limited and its Subsidiaries
Statements of financial position
As at 31 December 2014

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

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of financial position
As at 31 December 2014

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

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



Syntec Construction Public Company Limited and its Subsidiaries
Statements of comprehensive income
For the year ended 31 December 2014

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

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2014

Consolidated financial statements									
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity		Total equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments				
			(in Baht)						
	1,600,000,000	23,744	57,552,792	794,790,642	(303,143,373)	2,149,223,805	47,857,510	2,197,081,315	
	-	-	-	-	-	-	43,650,600	43,650,600	
	-	-	-	-	303,143,373	303,143,373	-	303,143,373	
34	-	-	3,728,310	(3,728,310)	-	-	-	-	
	-	-	-	80,599,445	(58,343,154)	22,256,291	(1,504,839)	20,751,452	
	1,600,000,000	23,744	61,281,102	871,661,777	(58,343,154)	2,474,623,469	90,003,271	2,564,626,740	
	1,600,000,000	23,744	61,281,102	871,661,777	(58,343,154)	2,474,623,469	90,003,271	2,564,626,740	
	-	-	-	-	-	-	24,000,000	24,000,000	
	-	-	-	-	58,343,154	58,343,154	-	-	
34	-	-	19,467,526	(19,467,526)	-	-	-	-	
45	-	-	-	(111,999,326)	-	(111,999,326)	-	(111,999,326)	
	-	-	-	396,628,658	107,194,927	503,823,585	(2,433,502)	501,390,083	
	1,600,000,000	23,744	80,748,628	1,136,823,583	107,194,927	2,924,790,882	111,569,769	3,036,360,651	

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of changes in equity
For the year ended 31 December 2014

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of cash flows
For the year ended 31 December 2014

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

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

Syntec Construction Public Company Limited and its Subsidiaries
Statements of cash flows
For the years ended 31 December 2014

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2014	2013	2014	2013
		(in Baht)			
Cash flows from investing activities					
Interest received		18,597,214	8,589,744	19,826,165	8,415,668
Purchase of current investments		(1,050,982,862)	(1,410,108,284)	(1,050,982,862)	(1,410,108,284)
Proceeds from current investments		386,089,735	1,410,172,701	386,089,735	1,410,172,701
Proceeds from available - for sale investments		113,570,000	332,170,546	113,570,000	332,170,546
Payment of long-term loans for subsidiary		-	-	(200,000,000)	-
Proceeds from sale of investment in subsidiary		-	-	-	350,000
Purchase of investment in subsidiary		-	-	(27,000,000)	(48,699,400)
Purchase of other long-term investments		-	(200,000,000)	-	(200,000,000)
Purchase of property, plant and equipment		(588,886,674)	(429,173,503)	(193,495,063)	(305,278,204)
Purchase of leasehold right		-	(395,000,000)	-	(395,000,000)
Purchase of intangible assets		(769,500)	(391,200)	(769,500)	(391,200)
Sales of equipment		16,067,594	16,257,448	16,067,595	16,257,448
Sales of intangible assets		-	40,000	-	40,000
Pledged deposits at bank		(26,394,598)	2,642,157	(26,394,598)	2,642,157
Net cash used in investing activities		(1,132,709,091)	(664,800,391)	(963,088,528)	(589,428,568)
Cash flows from financing activities					
Interest paid		(49,091,886)	(39,597,307)	(49,091,886)	(38,100,971)
Dividends paid to shareholders of the Company		(111,992,641)	-	(111,992,641)	-
Bank overdrafts		(3,989,412)	(10,585,847)	(3,101,423)	(11,473,835)
Proceeds from short-term loan from financial institutions		450,000,000	665,000,000	450,000,000	600,000,000
Payment of short-term loans from financial institutions		(685,000,000)	(810,000,000)	(620,000,000)	(810,000,000)
Proceeds from long-term loans		177,286,100	525,000,000	-	525,000,000
Proceeds from non-controlling interests		24,000,000	43,650,600	-	-
Finance lease payment		(44,074,320)	(49,447,821)	(44,074,320)	(49,447,821)
Net cash provided by (used in) financing activities		(242,862,159)	324,019,625	(378,260,270)	215,977,373
Net increase (decrease) in cash and cash equivalents		(520,034,663)	662,178,664	(477,109,830)	624,699,709
Cash and cash equivalents at 1 January	6	909,032,939	246,854,275	842,672,542	217,972,833
Cash and cash equivalents at 31 December	6	388,998,276	909,032,939	365,562,712	842,672,542
Non-cash transactions					
Interest expense capitalized in cost of construction in progress	19	4,550,569	1,687,774	-	-

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

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

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

1 General information

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

The Company was listed on the Stock Exchange of Thailand on 12 February 1993.

The Company’s major shareholders who held more than 5% of total paid-up share capital as at 30 December 2014 and 27 December 2013 were as follows:

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

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

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

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

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

2 Basis of preparation of financial statements

2.1 Statement of compliance

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

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

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

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

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
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2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

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

Notes 14, 15 and 16	Allowance for impairment of investments
Notes 22 and 43	Income tax for the current period and deferred tax
Note 30	Lease classification
Note 31	Discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate.
Notes 32	Estimated construction project costs, provision for losses on construction projects and estimated loss under joint venture agreement
Note 46	Valuation of financial instruments
Note 48	Contingent liabilities and litigation

Significant judgments and estimates are summarized as follows:

Impairment of investments in securities

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

Estimated construction project costs

The Group / Company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into

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

account the direction of the movement in these costs. Management applied judgement to review regularly the estimates or whenever the actual costs differ significantly from the figures used in the original estimates.

Provision for losses on construction projects

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

Estimated loss under joint venture agreement

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

Employee benefits obligation

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

The obligation under the post-employment benefits (defined benefit plan) is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates as described in note 31 to the financial statements.

Litigation

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

- 2.5** The consolidated and separate financial statements for the years ended 31 December 2014 and 2013 included the investments and share of loss of investments in an associate, which had been accounted for by equity method of Baht 0.03 million and Baht 0.03 million, respectively, in the consolidated financial statements, based on the financial statements of such associate which had been audited by other auditors. In addition, the Company had no commitments due to any legally guarantee for the above associate. Allowance for impairment of investments in the abovementioned associate was provided as at 31 December 2014 and 2013 in the amount of Baht 10 million and Baht 10 million, respectively in the separate financial statements. Please also see note 15 to the financial statements. However, the values of the investments in the associate are not significant.

3 Significant accounting policies

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

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

3.1 Basis of consolidation

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

Subsidiaries

Subsidiaries are entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Joint ventures

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

Associates

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

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

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

Transactions eliminated on consolidation

Intra-group balances and transactions including unrealized income or expenses which arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains which arising from transactions with affiliates and jointly controlled entities are eliminated against the investment equal of the group’s interest in the affairs of the investee.

Unrealized losses are eliminated in the same way as unrealized gains also, but only when there is evidence of impairment arise.

3.2 Foreign currencies

Foreign currency transactions

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

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

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

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

3.3 Derivative financial instruments

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

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

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

3.4 Cash and cash equivalents

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

3.5 Trade and other receivables

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

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

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

3.6 Inventories

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

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

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

3.7 Construction contracts work in progress

Construction contracts work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable costs incurred in the Group/Company's contract activities based on normal operating capacity.

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

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

3.8 Investments

Investments in subsidiaries and associates

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

Investments in other debt and equity securities

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

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

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

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

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

Disposal of investments

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

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

3.9 Investment properties

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

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

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

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

Condominium	20	years
Condominium improvement	5	years
No depreciation is provided on freehold land.		

Syntec Construction Public Company Limited and its Subsidiaries
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For the year ended 31 December 2014

3.10 Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

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

Leased assets

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

Subsequent costs

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

Depreciation

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

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

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

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

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

3.11 Leasehold right

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

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of asset, from the date that they are available for use, since the most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives of the assets expected the consumption of the future economic benefits are 19 years 7 months 17 days (since 17 October 2013).

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

3.12 Intangible assets

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

Amortisation

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

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

Software licences	5 Years
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Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2014

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 recognized in other comprehensive income.

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

3.14 Interest-bearing liabilities

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

3.15 Trade and other payables

Trade and other payables are stated at cost.

3.16 Employee benefits

a) Short – term employee benefits

Short-term employee benefit obligations, which include salaries, wages, bonuses and contributions to the social security fund are measured on an undiscounted basis and are recognized as expenses when they incurred.

b) Post – employment benefit plans

The Group/Company operates a post-employment benefit from defined of contribution plans (with requirement of Provident Fund Act B.E. 2530) and employee benefits plan (employee retirement obligations with requirement of Thai Labor Protection Act B.E. 2541 (1998)).

- Defined contribution plans

A defined contribution plan contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (Providend Fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

- Defined benefit plan

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

The Group/Company recognised all actuarial gains or losses arising from defined benefit plans in profit or loss in the period in which then arise.

c) Other long-term employee benefits

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

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

d) Termination benefits

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

3.17 Provisions

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

Warranties and penalties

A provision for warranties, which is based on each construction contract, is recognized when receiving payment from customers. If any damages on project would be incurred within the period of time specified in contract, repairing cost is recorded. Penalties are recognized a provision according to contracts which is based on output and a weighting off all possible outcomes against their associated probabilities.

Provision for losses on construction projects

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

3.18 Revenues

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

Revenue from construction

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

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

Sale of construction materials

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

Sale of rendering of service

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

Interest and dividend income

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

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

Other income is recognized on an accrual basis.

3.19 Expenses

Operating leases

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Finance cost

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

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

Other expenses are recognized on the accrual basis.

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3.20 Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

3.21 Earnings per share

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

4 Syntec - Mivan Joint Venture

Syntec Construction Public Company Limited and Mivan (Thailand) Co., Ltd. entered into the initial joint venture agreement on 18 November 2005 to prepare jointly the documents for bidding the Eua- Arthorn Housing Project of National Housing Authority. The proportionate ventures were as follows:-

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

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

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

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

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

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

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

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

Syntec – Mivan Joint Venture had suffered recurring and had significant deficit in ventures' equity. In addition, Syntec – Mivan Joint Venture lacked of liquidity and ceased operation. These circumstances raise substantial doubt about the joint venture's on the ability to continue as a going concern. However, the Company, Syntec - Mivan Joint Venture and a related company mutually agreed to enter into the memorandum to construct, modify and repair a construction project until complete. In addition, the above related company entered into an acknowledged debt agreement on liable debts. As at 31 December 2014 and 2013, the Company recognized the estimated loss under joint venture agreement amounted to Baht 66 million and Baht 43 million, respectively in the separate financial statements as described in note 32 to the financial statements.

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5 Related parties

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

Relationships with related parties were as follows:

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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
19. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group/Company (whether executive or otherwise).

The pricing policies for particular types of transactions are explained further below:

	Pricing policies
Sale of steel and others	Invoice price (at cost)
Interest income	4.75% and MLR – 2.375 per annum
Cost of construction	Market price
Service apartment management expense	Contract price
Service expenses	Contract price
Administrative expenses	Market price
Rental expenses	Contract price, near the normal market rate
Directors benefit expenses represent meeting allowance and director bonus	Approval from the Company's directors and shareholders
Directors and management benefit expenses represent salary and bonus	Approval from the Company's directors and shareholders
Purchase of leasehold land and Natural Ville Residence building with furnishings, equipments and information used in business operations	Lump sum price based on actual condition of the property (the value was determined by the independent appraiser)

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

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

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

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

Other receivables - related parties

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

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As at 31 December 2014 and 2013, advance to project managers in the amount of Bath 4.27 million and Baht 3.18 million represented the petty cash to use in construction projects in the amount of Baht 50,000 to Baht 100,000 per a project.

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

Other long-term investments

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

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

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

Long-term loans - related parties

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

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

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

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

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

Trade accounts payable – related parties

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

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

Other accounts payable – related parties

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

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

The commitments with related parties

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

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

Significant agreements with related parties

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

On 7 October 2014, the Company had entered into the loan agreement with a subsidiary ("SCR Asset Management Co., Ltd.") in the amount not exceeding Baht 65 million, interest monthly charged at 4.75% per annum, requiring repayable principal on demand. The principal and interest will be repayable within 2 years.

On 25 November 2014, the Company had entered into the loan agreement with a subsidiary ("SCR Asset Management Co., Ltd.") in the amount not exceeding Baht 135 million, interest monthly charged at MRL-2.375 per annum requiring repayable principal on demand. The principal and interest will be repayable within 2 years.

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

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

On 18 October 2013, the Company had entered into a service agreement with Natural Ville Service Apartment and Management Co., Ltd. ("the subsidiary") to provide the properties management including to manage building and land with furnishings, systems and facilities of the Natural Ville Project such as to service to tenants or customer and personnel management. The agreement is effective from 25 October 2013 onward, requiring a monthly management fee of Baht 2,000,000 (including salaries and other administration expenses) and a disbursements to be approved by the Company.

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

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6 Cash and cash equivalents

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

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

7 Current investments

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

Movements for the years ended 31 December were as follows:

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

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

Please see also note 50 to the financial statement.

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

8 Trade accounts receivable

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

Aging analyses for trade accounts receivable were as follows:

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

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

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

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

9 Other Receivables

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

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10 Retentions receivable under construction contracts

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

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

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

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

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

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

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11 Unbilled construction work in progress

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

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

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12 Inventories

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

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

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

13 Advance payments to subcontractors

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

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

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14 Investments in subsidiaries

Movements for the year ended 31 December were as follows:

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

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Investments in subsidiaries as at 31 December 2014 and 31 December 2013 were as follows:

	Ownership interest		Paid-up capital		Cost method		Separate financial statements Impairment	
	2014	2013	2014	2013	2014	2013	2014	2013
	(%)						(in million Baht)	
<i>Direct subsidiary</i>								
SCR Asset Management Co., Ltd.	52.00	52.00	240	190	124,800,000	98,800,000	-	-
Syntec Asset Management Co., Ltd.	54.97	54.97	1	1	549,700	549,700	-	-
Natural Ville Service apartment and Management Co., Ltd	99.97	99.97	2	1	1,999,700	999,700	-	-
Total					127,349,400	100,349,400	-	-

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

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

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

15 Investments in associates

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

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Investments in associates as at 31 December 2014 and 2013 were as follows:

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

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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.

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

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

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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:

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

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16 Other long-term investments

	Consolidated and separate financial statements			
	Cost		Fair value	
	2014	2013	2014	2013
	(in Baht)			
General investments	55,788,000	55,788,000	-	-
Available-for-sale investments	221,747,612	301,107,612	335,741,271	242,764,458
Debt securities held to maturity	-	35,000,000	-	35,000,000
Total	277,535,612	391,895,612	335,741,271	277,764,458
General investments				
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)
Net	-	-	-	-
Available-for-sale investments				
Bangkok Metro Public Co., Ltd.	221,747,612	301,107,612	355,741,271	242,764,458
Less unrealized gain (loss) on valuation adjustment	133,993,659	(58,343,154)	-	-
Net	355,741,271	242,764,458	355,741,271	242,764,458
Unrealized gain (loss) on valuation adjustment for the year recognized directly in equity net tax	107,194,927	(58,343,154)	107,194,927	(58,343,154)
Debt securities held to maturity				
Debenture	-	35,000,000	-	35,000,000

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

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

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

Please see also note 50 to the financial statements.

17 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
Related parties	4,956,268	4,956,268	204,956,268	4,956,268
Other parties	3,000,200	3,000,200	3,000,200	3,000,200
	7,956,468	7,956,468	207,956,468	7,956,468
<i>Less allowance for doubtful accounts</i>	<i>(7,956,468)</i>	<i>(7,956,468)</i>	<i>(7,956,468)</i>	<i>(7,956,468)</i>
Net	-	-	200,000,000	-

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

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

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

Long-term loans of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

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18 Investment properties

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

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

Investment properties as at 31 December 2014 and 2013, in part of land, cost value amounted to Baht 99.64 million represented the latest appraisal value which was appraised by the appraiser based on market price of Baht 166 million as the appraisal report 22 January 2015, and condominium with book value amounted to Baht 1.18 million and Baht 1.92 million respectively, represented the appraisal value which was appraised by the appraiser based on market price of Baht 5.95 million as the appraisal report 7 January 2015.

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

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	Separate financial statements							Total
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
<i>Cost</i>					(in Baht)			
At 1 January 2013	57,702,316	259,995,734	1,097,937,626	508,727,874	99,732,646	136,869,950	29,414,424	2,190,380,570
Additions	-	-	111,129,034	30,773,626	18,446,367	41,542,814	103,386,363	305,278,204
Transfers	-	100,245,051	3,335,209	-	-	-	(103,580,260)	-
Disposals	-	(9,391,341)	(13,525,086)	(11,565,788)	(7,618,720)	(25,408,542)	-	(67,509,477)
At 31 December 2013 and 1 January 2014	57,702,316	350,849,444	1,198,876,783	527,935,712	110,560,293	153,004,222	29,220,527	2,428,149,297
Additions	5,477,277	195,012	58,274,817	31,199,712	17,791,457	19,298,000	61,258,788	193,495,063
Transfers	-	44,664,155	11,825,487	-	-	-	(56,979,785)	(490,143)
Disposals	-	(27,195,037)	(33,443,105)	(1,970,662)	(2,573,909)	-	(2,095,804)	(67,278,517)
At 31 December 2014	63,179,593	368,513,574	1,235,533,982	557,164,762	125,777,841	172,302,222	31,403,726	2,553,875,700

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	Land	Buildings and building improvement	Construction machinery and equipment	Separate financial statements (in Baht)				Construction in progress	Total
				Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles			
Accumulated depreciation									
At 1 January 2013	-	127,061,440	724,776,675	442,940,692	71,965,071	93,895,124	-	-	1,460,639,002
Depreciation charge for the year	-	24,201,885	57,802,021	8,634,985	13,530,715	13,812,866	-	-	117,982,472
Disposals	-	(3,194,294)	(13,444,223)	(11,565,780)	(7,577,182)	(25,393,840)	-	-	(61,175,319)
At 31 December 2013									
and 1 January 2014	-	148,069,031	769,134,473	440,009,897	77,918,604	82,314,150	-	-	1,517,446,155
Depreciation charge for the year	-	36,816,776	70,752,697	16,329,362	14,976,828	17,486,025	-	-	156,361,688
Disposals	-	(12,783,121)	(33,267,573)	(1,970,661)	(1,590,835)	-	-	-	(49,612,190)
Transfer	-	(490,143)	-	-	-	-	-	-	(490,143)
At 31 December 2014	-	171,612,543	806,619,597	454,368,598	91,304,597	99,800,175	-	-	1,623,705,510
Net book value									
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	
Total at 31 December 2013	57,702,316	202,780,413	429,742,310	87,925,815	32,641,689	70,690,072	29,220,527	910,703,142	
Owned assets	63,179,593	196,901,031	313,821,535	102,796,164	34,473,244	62,438,548	31,403,726	805,013,841	
Assets under finance leases	-	-	115,092,850	-	-	10,063,499	-	125,156,349	
Total at 31 December 2014	63,179,593	196,901,031	428,914,385	102,796,164	34,473,244	72,502,047	31,403,726	930,170,190	

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Depreciation was included in: -

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

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

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

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

As at 31 December 2014 and 2013, land, buildings and building improvement in the amount of Baht 49 million and Baht 54 million, respectively, including indemnity from fire insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks as mentioned in note 50 to the financial statement.

As at 31 December 2014 and 2013, land of the subsidiary ("SCR Asset Management Co.,Ltd") amounted to Baht 165 million with building as collateral for contingent due to the letter of guarantee issued by the domestic commercial banks.

Please see also note 50 to the financial statements.

20 Leasehold right

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

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

Amortization for the year 2014 was included in :

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

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

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

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

- Lesser is the ownership of land and a residential building of 28 floors and a basement, located at Pathumwan District, Langsuan Road, Lumpini, Pathumwan, Bangkok, as part of the land, title deed no. 710.
- Lessee was transferred the right of leasehold land from UOB Apartment Property Fund I (Leasehold) (“former lessee”). The former lessee made a letter to transfer right of such lease to lessee on 15 October 2013 to comply with the regulation of the lesser.
- Lesser consents the lessee to have the right in instead of former lessee
- The lease period covers 19 years, 7 months and 17 days from 15 October 2013 to 31 May 2033.
- The objective of lease is use in the rental business as the residences and sub-lease in a single time within the lease period.
- Lessee agrees to pay fee of transferring the right of leasehold in the amount of Baht 10,648,000.
- Lessee agrees to pay monthly rental a rate of Baht 1.06 million – Baht 1.89 million.

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- Lease agreement has certain conditions regarding lessee such as not disposal/transfer of the right under the agreement to another person or use the leasehold as a security for repayment etc.

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

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

On 17 October 2013, the Company and the Crown Property Bureau registered the dividing land agreement with Department of Land.

21 Intangible assets

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

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Amortization for the year was included in :-

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

22 Deferred income tax

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

For the year ended 31 December 2014

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

For the year ended 31 December 2013

	Consolidated and separate financial statements		
	(Charged) / credited to		
	At 1 January 2013	Profit or loss Other comprehensive income (loss) <i>(in million Baht)</i>	At 31 December 2013
<i>Deferred tax assets</i>			
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
Total	30	(24)	6

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

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

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

The tax losses expire in 2015 to 2018. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group and the Company can utilize the benefits there from.

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

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

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

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23 Pledged deposits at banks

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

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

24 Other non-current assets

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

25 Bank overdrafts and short-term loans from financial institutions

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

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

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

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

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

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

26 Trade accounts payable

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

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

27 Other payables

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

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

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28 Current portion of creditors under the rehabilitation plan

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

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

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

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

29 Long-term loans

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

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

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

Loans from financial institution

On 23 September 2013, a subsidiary (SCR Asset Management Co., Ltd.) entered into a loan agreement with a local financial institution in credit line of Baht 224 million, drawdown amounted to Baht 177 million and balanced Baht 47 million, requiring monthly repayable principal with interest within 8 years and 6 months. The and first repayment is made nineteenth month of Baht 1.3 million to Baht 4 million. These loans were secured by 11 plots of land and buildings as collateral.

Debentures

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

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

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

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

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

30 Finance lease liabilities

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

As at 31 December 2014 and 2013, finance lease liabilities of Baht 110 million and Baht 154 million, respectively, represented the creditors under the hire purchase agreements on machinery, and vehicles with 5 other companies and 7 other companies, respectively, for 30 agreements and 57 agreements, respectively. The term of agreements covered for the period of 3-5 years, requiring monthly payable amounting to Baht 10,000 to Baht 400,000.

31 Employee benefit obligations

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

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Movement in the present value of the defined benefit obligations

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

Expense recognized in profit or loss

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

The above expense is recognized in the following line items:

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

Principal actuarial assumptions at the reporting date

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	Consolidated financial statements		Separate financial statements	
	2014	2013		2014
			(%)	
Discount rate	3.56 - 3.75	3.65 - 3.75	3.61	3.65 - 3.75
Salary increase rate	4.00 - 8.00	6.00 - 8.00	7.05	6.00 - 8.00
Staff turnover rate	0 - 21.00	0 - 18.00	0 - 21.00	0 - 18.00
Mortality rate (Thai Mortality Ordinary Table 1997 and 2008)	TMO 2008 5% of mortality rate	TMO 1997, 2008 5% of mortality rate	TMO 2008 5% of mortality rate	TMO 1997, 2008 5% of mortality rate
Disability rate				

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

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

	Employee benefit obligations		Experience adjustments	
	Consolidated financial statements	Separated financial statements	Consolidated financial statements	Separated financial statements
			(in million Baht)	
Year 2014	103	102	-	-
Year 2013	86	86	-	-
Year 2012	71	71	-	-
Year 2011	57	57	-	-
Year 2010	47	47	-	-

32 Provisions

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

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Movements for the years ended 31 December 2014 and 2013 were as follows:

[illegible]

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Provision for losses on Construction project

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

Estimated losses under joint venture agreement

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

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

Please also see note 48 to the financial statements.

33 Share capital

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

Share premium

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

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Reserves comprise :

Appropriation of profit and / or retained earnings.

Legal reserve

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

The Company appropriated legal reserve at 5% of net profit for 2014 and 2013 amounting to Baht 19.47 million and Baht 3.73 million, respectively.

Other components of equity

Fair value changes of available-for-sale investments

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

35 Segment information

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

The Group / Company comprise the 3 reportable segments as follows:

- Segment 1 : Construction business
- Segment 2 : Real estate development for apartment service
- Segment 3 : Operate the management business for hotel, service apartment and other properties.

Geographical segments

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

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

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

	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Profit or loss				
Total profit for reportable segment	463	71	457	66
Elimination of inter-segment profits	-	-	-	-
Profit before income tax	463	71	457	66

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Assets				
Total assets for reportable segments asset as reported	4,652	4,336	4,759	4,202
Investment in subsidiary	-	-	127	100
Property, plant and equipment	1,528	1,113	930	911
Total assets	6,180	5,449	5,816	5,213
Liabilities				
Total liabilities for reportable segments liabilities as reported	3,144	2,844	2,903	2,743
Other liabilities	-	-	-	-
Total liabilities	3,144	2,844	2,903	2,743

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Major customers

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

36 Other income

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

37 Selling expenses

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

38 Administrative expenses

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

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39 Employee benefit expenses

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

Partial employee benefit expenses were included in cost of construction.

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

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

40 Expenses by nature

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

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

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

41 Other expenses

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

42 Finance costs

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

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43 Income tax expense (income)

Income tax expense (income) recognised in profit or loss

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

Reconciliation of effective tax rate

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

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

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Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods (2013 and 2014) which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2014 dated 10 November 2014 grants a constant in the corporate income tax rate at 20% for the following accounting periods after 1 January 2015 until 31 December 2015.

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

44 Earnings per share

Basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholder of the Company and the number of ordinary shares outstanding during the years calculated as follows:

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

45 Dividends

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

The Board of Directors Meeting held on 13 August 2014 resolved approval to interim dividends from profit for the period from 1 January 2014 to 30 June 2014 at the rate of Baht 0.02 per share amounting to Baht 32 million and the Company paid interim dividends to shareholders on 10 September 2014.

46 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company do not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group/Company's

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risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group/Company does not use derivative financial instruments to manage those exposures.

The effective interest rates of deposit at the banks, debt securities and interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	
2014					
Current					
Cash and cash equivalents	0.44	389	-	-	389
Current investments	4.70	761	-	-	761
Bank overdrafts and short-term loans from financial institutions	4.06	(160)	-	-	(160)
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Finance lease liabilities	6.06	(46)	-	-	(46)
Non current					
Pledged deposits at the banks	1.40	-	179	-	179
Finance lease liabilities	6.06	-	(64)	-	(64)
Debentures	5.67	(175)	(527)	-	(702)
Total		739	(412)	-	327
2013					
Current					
Cash and cash equivalents	0.46	909	-	-	909
Current investments	5.83	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	5.38	(399)	-	-	(399)

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Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Finance lease liabilities	6.15	(40)	-	-	(40)
Non current					
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)
Total		500	(451)	-	49

Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	Total
2014					
Current					
Cash and cash equivalent	0.43	366	-	-	366
Current investments	4.70	761	-	-	761
Bank overdrafts and short-term loans from financial institutions	4.06	(160)	-	-	(160)
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Finance lease liabilities	6.06	(46)	-	-	(46)
Non current					
Long-term loans	4.75	-	200	-	200
Pledged deposits at the banks	1.40	-	179	-	179
Finance lease liabilities	6.06	-	(64)	-	(64)
Debentures	5.67	(175)	(350)	-	(525)
Total		716	(35)	-	681

2013					
Current					
Cash and cash equivalent	0.47	843	-	-	843
Current investments	5.83	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	5.40	(333)	-	-	(333)

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		Separate financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in million Baht)			
Creditors under rehabilitation plan	-	(30)	-	-	(30)
Finance lease liabilities	6.15	(40)	-	-	(40)
Non current					
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)
Total		500	(451)	-	49

Foreign currency risk

The Company is exposed to foreign currency risk relating to creditors denominated in foreign currencies of which is immaterial, however, the Company does not utilize any forward exchange contracts. As at 31 December 2014 and 2013, the Company had creditors denominated in the following currencies: -

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

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group / Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers, historical payment and legal opinion analysis, requiring credit over a certain amount. Collection in advance before starting projects and collection based on the completion of work are performed. The exposure to credit risk is represented by the carrying amount less an allowance for doubtful accounts in the reporting date as described in note 8 to the financial statement. However, due to the large number of parties comprising the Group's / Company's customer base, management does not anticipate material losses from its debt collection.

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Liquidity risk

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

Determination of fair values

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

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

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

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

Fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position sheets at 31 December were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
2014				
<i>Current</i>				
Deposit at the financial institutions	389	389	365	365
Current investments	761	761	761	761
Trade accounts receivable	836	836	813	813
Other receivables	53	53	53	53
Retention receivables under construction contracts	616	616	584	584
Unbilled construction in progress	557	557	557	557
Advance payments to subcontractors	40	40	40	40
Bank overdrafts and short-term loans from financial institutions	(160)	(160)	(160)	(160)
Trade accounts payable	(544)	(544)	(484)	(484)
Other payables	(351)	(351)	(288)	(288)
Creditors under rehabilitation plan	(30)	(30)	(30)	(30)
Current portion of debentures	(175)	(175)	(175)	(175)
Finance lease liabilities	(46)	(46)	(46)	(46)

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	Consolidated		Separate	
	financial statements		financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
Advances received from customers				
under construction contracts	(624)	(624)	(624)	(624)
Retentions payables from subcontractors	(292)	(292)	(292)	(292)
Undue value added tax	(94)	(94)	(89)	(89)
Non-current				
Other equity securities	356	356	356	356
Withholding tax	128	128	127	127
Pledged deposits at the banks	179	179	179	179
Debentures	(527)	(527)	(350)	(350)
Finance lease liabilities	(64)	(64)	(64)	(64)
Employee benefit obligations	(99)	(99)	(98)	(98)
Total	909	909	1,135	1,135
2013				
Current				
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)
Non-current				
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)
Total	776	776	840	840

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47 Commitments with non-related parties

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

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

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

48 Contingent liabilities

As at 31 December 2014, contingent liabilities were as follows:

- The Company had contingent liabilities due to be sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 32 million. Such case has been in the process of consideration by the Court, which has not been finalized.

Litigations

- On 11 February 2011, the black case no. 270/2554, the Company, as the plaintiff, sued Kempin Siam Company Limited ("the Employer") regarding false of construction agreement in the amount of Baht 301 million. Subsequently, on 30 September 2011, the Employer sued the Company as the black case no. 1146/2554 regarding false of construction agreement and claim compensation in the amount of Baht 2,864 million. The Court appointed to conciliate but did not agree, then the Court had an appointment to consideration on 14 June 2013 but did not still agree. Subsequently, on 26 July 2013, the Court made an appointment for settlement of issue and taking of evidence from the plaintiff from 4 to 13 January 2014 and from the defendant on 25 to 28 March 2014. Subsequently, the Court adjourned the case and appointed to hear the negotiation on 9 March 2015.
- On 28 June 2011, the black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million. The Court made an appointment for agreement on 20 August 2012. Subsequently, the Court ordered dispose this case and on 7

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September 2012, as black case no. 2206/2555, the Company sued National Housing Authority to the Federal Administrative Court. The sued amount was Baht 874 million. As of 2 March 2015, the case has been in the process of the Court's consideration, the result has not been finalized.

- SVK joint venture ("Joint venture"), sued to claim loss from a public company regarding false of agreement in the amount of Baht 12.13 million. Meanwhile the Company and venturer was sued by that public company to claim a compensation in the amount of Baht 31.80 million. Subsequently, on 13 February 2013, the Court of First Instance adjudged the Company and venturer to settle to this public company. Subsequently, on 11 April 2013, the Company appealed to the Court and the Appeal Court adjudged the Company and venturer to settle to public company amount of Baht 31.80 million with interest rate 7.5% per annum from 14 October 2010 onwards

Subsequently, on 19 September 2014, the Company filed a petition to the Supreme Court. As of 2 March 2015, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 31 December 2014 the Company already recorded the provision on the above lawsuits amounting to Baht 31.80 million.

- The Company had sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 46.39 million. Subsequently, on 28 December 2012, the Court of First Instance adjudged the Company to settle to the other person in the amount of Baht 13.10 million. Subsequently, on 26 August 2013, the Company appealed to the Court and the Appeal Court adjudged the Company to settle to the above person in the amount of Baht 14.05 million with interest rate 7% per annum from 1 February 2011 onwards.

Subsequently, on 15 May 2014, the Company filed a petition to the Supreme Court. As of 28 February 2015, the case has been in the process of the Court's consideration, the result has not been finalized. However, as at 31 December 2014 the Company already recorded the provision on the above lawsuits amounting to Baht 14.05 million.

49 The rehabilitation plan of the Company

The rehabilitation plan of the Company dated 27 December 2000 and a petition to amend the Plan dated 7 February 2001, which were accepted by the meeting of creditors and approved by the Central Bankruptcy Court.

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

50 Pledged assets

As at 31 December 2014 and 2013, the Company's cash at banks of Baht 179 million and Baht 153 million, respectively, was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks and guarantee to the Court for the settle debt to a creditor as the Court's judgment.

As at 31 December 2014 and 2013, debt securities held to maturity represented debenture of a domestic commercial bank amounted to Baht 35 million which were used as collateral for guarantee on the payment and obligations of the Company pursuant to the pledge contract dated on 22 May 2012.

As at 31 December 2014 and 2013, investment properties, land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 148 million and Baht 153 million, respectively, including of indemnity from fire insurance of those assets were mortgaged as collateral for loans from banks issuance of the letter of guarantee from banks, other short-term loans and other long-term loans from others pursuant to the mortgage agreements dated 28 May 2003, 8 May 2008 and 28 July 2009 in the credit line amounting to Baht 1,256 million and Baht 556 million, respectively.

As at 31 December 2014, land of a subsidiary (SCR Asset Management Co., Ltd.) of Baht 165 million with structures to be constructed in future are mortgaged as collateral with a domestic commercial bank in accordance with the mortgage agreement dated 12 June 2014 in the credit line amounting to Baht 229 million.

51 Events after the reporting period

On 26 January 2015, the Board of Directors Meeting approved to acquire land from the related persons for support the expansion of space to store equipment and machinery in the amount of Baht 13.50 million.

52 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Company does not plan to adopt these TFRS early.

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

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

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

The Company has made a preliminary assessment of the potential initial impact on the Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application except the following new and revised TFRS :

TAS 19 (revised 2014) – Employee Benefits

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