

Annual Report 2014

บริษัท ศรีราชาคอนสตรัคชั่น จำกัด (มหาชน)

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Message from Chairman

In 2013, the recession had hit the entire world economy severely especially in the United States and European countries. This caused the world economic growth rate figure to decrease to 2.9 %. However, the world economic situation is expected to go in the better direction in 2014. Thai economy expanded at only 3 percentages in 2013 and expected to grow at the rate of 4-5 percentages in 2014 (if there is no effect from political instability). However, the global energy and petrochemical industries seem to expand fairly and tend to invest more in expanding manufacturing base in 2014 thus Thai Oil Public Company Limited will invest around \$60 million dollars to construct the new para-xylene manufacturing plants base which is a good sign for the future of heavy industrial business.

From 2012 to 2013, Sriracha Construction Public Company Limited has earned mainly from carrying out a relevant operation in the construction and installation of new machineries and equipments for new refinery plant project, distillation unit renovation project, production of modules and machines parts, and machinery maintenance and repair services both domestic and abroad. These services helped strengthen our operating revenues at about 2,600 million baht in 2013. The Company focused on highest safety standards, quality of works, teamwork, excellent planning, fast operation, and complete the job within the specified time period. The work on hand that has carried over from last year is at 500 million baht to begin with at the beginning of the year 2014. The company also earned additional work and service from both domestic and abroad with approximate total value of 2,000 million baht. In 2014, The company expected the annual revenues of around 2,500-3,000 million baht. Moreover, the company is interested in extending work scope to the Module Business which will focus on building large, heavy, prefabricated components or building oil drilling rig. In order to support these operations, the Company already prepared the shops in Rayong province with total capital of 150 million baht and should be completed around June.

Besides, the Company also emphasizes on the Corporate Social Responsibility (CSR). In 2013, the Company held the community relations activities in surrounding areas for example, provided financial support to 3 Phase Power Systems Project of Wat Pibulsanha-dhamma school, provided financial support Children's Day activities, and provided scholarship for low-income students in the Sriracha area. Moreover, the Company also provided financial support to build Medical Center and Nursing Home of Somdej Na Sriracha Hospital, The Thai Red Cross Society, the Office of Investments, Charitable Organization, and Foundations.

On behalf of the Company, I would like to express my most sincere gratitude to our Board of Directors, Management Team, executive committee, employees, and shareholders as well as our customers, business partners, business alliance, financial institutions, government agencies, and private sector for your great collaborating, trust, reliability you gave to the Company.

These benefit the Company and help us succeed in achieving business goals for 2013 and 2014. we promise and commit to operate the businesses to grow our business and to become one of the top business leaders at the national and international levels.

Yiem Chunprasit

Chairman



Audit Committee Report 2013

The Board of Directors of Sriracha Construction Public Company Limited has appointed three (3) Audit Committee members. All of them are independent Audit Committee members with full qualifications in compliance with the definitions of the Stock Exchange of Thailand (SET). The Board of Directors has set up the Audit Committees' qualification, with certain period of working term in the office. The Audit Committee's roles and responsibilities is written and announced formally in the Charter of the Audit Committee.

The audit committee consists of

- | | |
|--------------------------|---------------------------------|
| 1. Mr.Dusit Choopanya | Chairman of the Audit Committee |
| 2. Mr.Narong Sooksawasdi | Audit Committee member |
| 3. Mr.Trairak Tengtrirat | Audit Committee member |

The Audit Committee held a total of four (4) meetings in 2013. During the meetings, the Audit Committee met in private session with our independent auditor in order to audit and verify financial reports results quarterly and the annual financial statements. Moreover, the Audit Committee held the meeting with Internal Audit and Management Teams to acknowledge the results of the internal audit outcomes. In addition, there was an assessment of the adequacy of the company's internal control system. The Audit Committee also reported the results of all meetings to the Board of Directors. The key findings of these reports are also summarized as of follows:

● **Verification of Financial Statements** The Audit Committee had verified all important information of the quarterly financial results and the annual financial statements of 2012 with the Executive Management Committee and the Auditor by listening, questioning, and taking some additional information from the auditors as to consider and share with the Management Team in order to improve and to find the most suitable accounting system and business operations relating to the Company. Moreover, the Audit Committee also provided some recommendations to increase efficiency and accuracy of the Company's financial statements information to ensure full compliance with accounting standards, laws and regulations. The Company could be able to reveal its financial statements within the duration definitions of the Stock Exchange of Thailand (SET) by proposing to the Board of Directors, shareholders, and concern person in accordance with the defined requirements. In 2013, the Audit Committee agreed with the Auditor that the information presented in the Company's financial statements is in conformity with the essential of generally accepted accounting principles.

● **Verification of Internal Control and Internal Auditing Supervision.** The verification was taken in order to ensure that the Company maintained sufficient with appropriate and effectiveness of internal control and internal audit systems. A consideration of assessment validity in relation to the internal control system of the Company in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The observations presented in the verification comply with the report from Internal Audit Departments and Auditor. It revealed that the Company's internal control system was sufficient with appropriate and contain no important weak point or fault. Furthermore, there was also the consideration and verification of the Company's internal control system assessment that would be reported quarterly. In addition, the audit activities and the Charter of the Internal Auditor were reviewed and modified to suit the changing of business conditions.

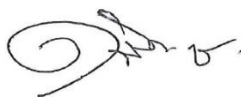
● **Verification of Good Corporate Governance** There was the supervision on the disclosure of information in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). So that the Audit Committee had verified each transaction in action to make sure that the Company operated in accordance with rules and regulations of the supervisory authority. There was also the opinion that the reference transaction was reasonably operated by taken in to consideration of company's best benefit.

● **Verification of Risk Management** The observation on operational performance which was performed by the Executive Management Committee and the audit committee were discussed sharing with the Administrative Department to prevent and reduce the risks that may occur in operating system as well as consider the risk management plans to plan the proper compliance audit plans for the Internal Audit.

● **Procedure for the Selection and Appointment of Auditors** There was the verification of the Auditor's qualification and remuneration has been proposed to the Board of Directors then propose to the Annual General Meeting of shareholders 2013 to appoint AST Master Company as the Auditor of the Company and subsidiary company for the year 2013. The Auditor mentioned above have always performed well with their job and duties and work at their best abilities and functions. In addition, they were fully qualified to perform duty according to the notice of the Securities and Exchange Commission.

● **Development of Audit Committees' Responsibilities** The Audit Committee had considered and reviewed the Charter of the Audit Committee in order to ensure that such practices comply with the federal laws related and other problems to improve its compliance.

In conclusion, the overall performance outcomes were at substantial level and there is no major mistake found during the accounting period ending on 31 December, 2013. In addition, it did not present any significant impact problems or items on the financial statements.



Dusit Choopunya

Chairman of Audit Committee

The Report of Directors' Responsibilities for Financial Statements

The Board of Directors of Sriracha Construction Public Company Limited was responsible for financial statements of the Company and subsidiary company. The financial statements were well prepared and done in accordance with the Generally Accepted Accounting Principles. Appropriate accounting policies were selected and applied consistently to each financial statements in which the Board of Directors responsibilities for careful use of discretion in accordance with the Generally Accepted Accounting Principles. Appropriate in order to sufficiently clear and complete disclosure of all information in the notes to financial statements.

Since 2011, The members of the Audit Committee shall be appointed by the Board of Directors in order to oversight of accounting policies, financial reporting quality, and verification of internal control and internal audit systems which was an independent organization, who must be directly report to the Audit Committee. This aimed to assure that accuracy, completeness, sufficiency, and up to date of the accounting records with the best internal control system in order to prevent fraud and corruption. The opinion of the Audit Committee regarding their roles and responsibilities in year 2013 was included in the Audit Committee's report in the annual report 2013 (financial report). Besides, the Company also developed the Company's holistic resource management system in order to improve efficiency and effectiveness of operation and management.

The Board of Directors believed that the financial statements of the Company and subsidiary company as of 31 December, 2012 were reliable. Moreover, the Company's financial statements presented the accurate and truthful information on financial status, operational performance, and cash flow as well as the notes to financial statements in accordance with the essential characteristic of category of the Generally Accepted Accounting Principles according to the Auditor's opinion presented in the Auditor's report.



Yiern Chunprasit

Chairman

Mission and Objective

Mission

To become one of the leading company with world class standard that sustained the reliability and acceptability in mechanical and engineering construction from people in heavy industrialized business both domestic and international and to be known as one of the most reliable and acceptable construction company worldwide.

Organization values

- To complete work within the specified time period.
- To maintain the highest level of safety standard.
- To submit work in accordance with customer's requirements
- To increase the competency of staffs, management system, information system with advance technologies system
- To Keep up with the World class Construction Standard
- To have a strong corporate social responsibilities.

Board of Directors

Board of Directors' Profile

Mr. Yiem Chundprasit (Age 74)
Chairman

Director Details

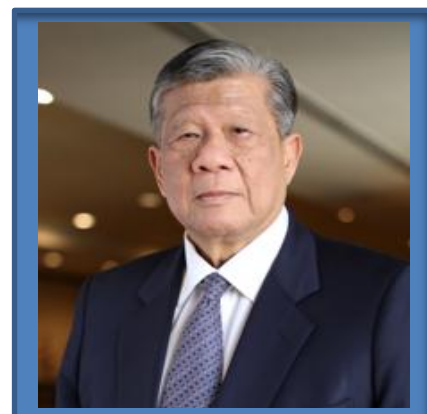
- Appointed since July 12, 2011
- Director term 3 years

Family Relation with executive committee

- None

Shares Held at 31 December 2013

- None



Education & Training Background

- Master of Chemical Engineering, University of Kansas, USA
- Bachelor of Chemical Engineering, Chulalongkorn University
- Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)

Work Experience

- CEO of Chemical Engineering,

The Engineering Institute of Thailand Under H.M. The King's Patronage 2008 – present

- Juristic Person Manager, YC Engineering Consultants 2000 – 2010

Other Current Positions

- Chairman, Sriracha Construction Public Company Limited 2011 - present
- Executive Vice President, Thai Oil Public Company Limited 1995 - 1999

Mr. Dusit Choopanya (Age 75)

Audit Committee / Chairman of Audit Committee

Director Details

- Appointed since July 12, 2011
- Director term 3 years

Family Relation with Executives

- None

Shares Held at 31 December 2013

- None



Education & Training Background

- Diploma in Aeronautical Engineering, First Class, Royal Aeronautical College, London
- Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)
- Certificate of Audit Committee Program (ACP), Class 38/2012, Thai Institute of Directors (IOD)

Work Experience

- Development Project Engineer, Thai Oil Public Company Limited 1963 – 1999

Other Current Positions

- Independent Director and Chairman of Audit Committee,
Sriracha Construction Public Company Limited 2013–present

Mr. Narong Sooksawasdi (Age 73)

Independent Director / Audit Committee

Director Detail

- Appointed since July 12, 2011
- Director term 3 years

Family Relation with Executives

- None

Shares Held at 31 December 2013

- None



Education & Training Background

- Diploma in Mechanical Engineering, Rajamangala University of Technology
- Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)
- Certificate of Audit Committee Program (ACP), Class 38/2012, Thai Institute of Directors (IOD)

Work Experience

- Process Manager TORC1 & 2, Thai Oil Public Company Limited 1995 – 2000

Other Current Positions

- Independent Director and Audit Committee,
Sriracha Construction Public Company Limited 2012- present

Mr. Trairak Tengtrairat

Independent Director / Audit Committee

Director Details

- Appointed since August 13, 2013

Family Relation with Executives

- None

Shares Held at 31 December 2013

- None



Education & Training Background

- MBA Business and Management, Seattle University
- Bachelor in Business Administration, Chulalongkorn University

Work Experience

- | | |
|---|----------------|
| Managing Director, Head of Investment Banking and Equity Capital Markets Group | 2010 – present |
| Advisor to Minister of Finance (Khun Korn Chatikavaniji) | 2009 - 2010 |
| Assistant Managing Director, Investment Banking Department,
Phatra Securities Public Company Limited | 2006 – 2009 |
| Director, Investment Banking Department, Phatra Securities Company Limited | 2002 – 2006 |
| Vice President, Investment Banking Department,
Merrill Lynch Phatra Securities Company Limited | 1999 - 2002 |

Other Current Positions

- | | |
|--|----------------|
| Independent Director and Audit Committee, Sriracha Construction PLC. | 2013 - present |
|--|----------------|

Mr. Kamol Ratanachai (Age 46)

Audit Committee

Director Details

- Appointed since March 26, 2012
- Director term 3 years

Length of Service

- 3 years

Family Relationship with Executives

- None

Shares Held at 31 December 2012

- None

Education & Certifications

- M.B.A., Bangkok University
- B.A.(Accounting), Bangkok University
- Certified Internal Auditor (CIA), The Institute of Internal Auditors, U.S.A.
- Certificate of Director Accreditation Program (DAP), Class 73/2008, Thai Institute of Directors (IOD)
- Certificate of Audit Committee Program (ACP) Class 23/2008, Thai Institute of Directors (IOD)
- Successful Formulation and Execution of Strategy (SFE) Class16/2012, Thai Institute of Directors (IOD)

Work Experience

- Independent Director and Audit Committee Member, Eastern Printing PLC 2011-Present
- Independent Director and Audit Committee Member, Matching Maximize Solution PLC 2010-Present
- Independent Director, Gear Head Co., Ltd. 2012-Present
- Independent Director, Matching Entertainment Co., Ltd. 2012-Present
- Independent Director, Goody Film BKK Co., Ltd. 2012-Present
- Independent Director, Book Maker Co., Ltd. 2012-Present
- Independent Director, Matching Movie Town Co., Ltd. 2012-Present
- Independent Director, Matching Broadcast Co., Ltd. 2012-Present
- Independent Director, Matching Studio Plus Co., Ltd. 2012-Present
- Senior Vice President : Internal Audit Department , Secondary Mortgage Corporation 2010-Present

Other Current Positions

- Independent Director, Sriracha Construction PLC. 2011 – Present



Mr. Boonkrua Khemapiratana (Age 72)

Director / Managing Director

Director Detail

- Appointed since July 12, 2011
- Director term 3 years

Family Relation with Executives

- Brother of Mrs. Boonlom Farkmitra (CFO)
- Father of Mr. Chatmongkol Khemapirat, Director and
- Father of Mrs. Sudchinda Sethakulvichai, Director and Company Secretary



Shares Held at 31 December 2013

- 42,400,500

Education & Training Background

- High School, Wat Suthiwararam School
- Certificate of Director Accreditation Program (DAP), Class 84/2010, Thai Institute of Directors (IOD)

Work Experience

- | | |
|---|----------------|
| ● Managing Director, Sriracha Construction (1994) Co., Ltd. | 1994 – 2011 |
| ● Independent Director, Sriracha Construction PLC. | 2011 – Present |
| ● Director, Thai Taihei Co., Ltd. | 2011 – Present |

Other Current Positions

- | | |
|---|----------------|
| ● Director/Managing Director , Sriracha Construction PLC. | 2011 – Present |
|---|----------------|

Mr.Gridsada Potisomporn (Age 56 years)

Director/Deputy Managing Director

Director Detail :

- Appointed since April 10, 2013
- Director term 3 years

Family Relation with Executives

- None

shares held at December 31, 2013

- Amount 9,962,500 shares

Education & Training Background :

- Civil of Engineering, University of Melbourne, Australia
- Certificate in Director Certification Program (DCP) Class 139/2010 Thai Institute of Directors (IOD)
- Certificate in Director Accreditation Program (DAP) Class 84/2010 Thai Institute of Directors (IOD)

Work Experiences :

- General Manager, Sriracha Construction (1994) Company Limited 1994 - 2011

Other Current Positions

- Director/Deputy Managing Director 2011-present



Mr.Chatmongkol Khemapirat

Director/Assistant Managing Director in Operation

Director Detail :

- Appointed since April 10, 2013
- Director term 3 years

Family Relation with Executives

- Son of Mr.Boonkrua Khemapiratana (position : Director/Managing Director)
- Brother of Mrs.Sudchinda Sethakulvichai (position : Director/Company Secretary)



Shares held at December 31, 2012:

- Amount 3,984,900 shares

Education & Training Background :

- Master of Business Administration, Oklahoma City University, USA
- Bachelor of Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University
- Certificate in Director Accreditation Program (DAP) Class 84/2010 Thai Institute of Directors (IOD)
- Certificate in Director Certification Program (DCP) Class 139/2010 Thai Institute of Directors (IOD)

Work Experiences :

- Director of Sriracha Construction (1994) Company Limited 1994 - 2011
- Subcommittee of Defining Computer Specification for 250,000 Set ,
Ministry of Information and Communication Technology 2005

Other Current Positions

- Director and Assistant Managing Director in Operation Section of Sriracha construction public company limited
- Managing Director of Teamwork Solution Company Limited
- Managing Director of Pattay.com company limited
- Managing Director of Chonburi108.com company limited
- Managing Director of Buycoms company limited
- Managing Director of Quickmedia company limited

Mrs.Sudchinda Sethakulvichai (Age 43 years)
Director/Company Secretary

Director Detail :

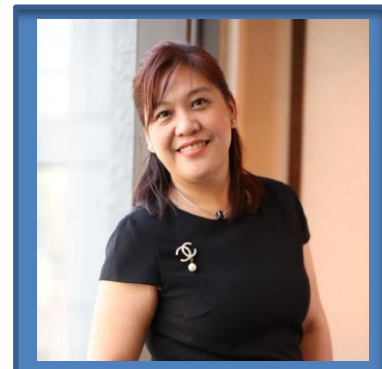
- Appointed since March 26 , 2012
- Director term 3 years

Family Relation with Executives

- Daughter of Mr.Boonkrua Khemapiratana (Director/Managing Director)
- Sister of Mr.Chatmongkol Khemapirat (Director/Asst Managing Director)

shares held at December 31, 2012:

- NONE



Education & Training Background :

- Bachelor of Business Administration, International Business, Assumption University
- Master of Science in Procurement and Logistics, Golden Gate University, USA
- Certificate in Director Certification Program (DCP) Class 139/2010 Thai Institute of Directors (IOD)
- Certificate in Financial Statements for Directors (FSD) Class 14/2011 Thai Institute of Directors (IOD)
- Certificate in Effective Minute Taking (EMT) Class 18/2010 Thai Institute of Directors (IOD)
- Certificate in Board Reporting Program (BRP) Class 4/2010 Thai Institute of Directors (IOD)
- Certificate in Company Secretary Program (CST) Class 37/2010 Thai Institute of Directors (IOD)

Work Experiences :

- Director, Sriracha Construction (1994) Company Limited 1994- 2011

Other Current Positions

- Director/Company Secretary 2011 - present

Mrs.Boonlom Farkmitra

Executive Committee/Assistant Managing Director in Finance &

Family Relation with Executives

- Sister of Mr. Boonkrua Khemapiratana, Director and Managing Director

Shares Held at 31 December 2012

- 37,500 shares

Education & Certifications

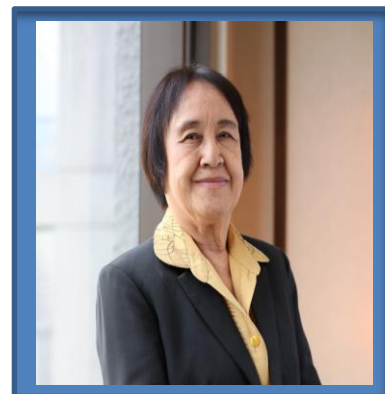
- Mini MBA, Thammasat University
- Bachelor of Accounting, Thammasat University

Work Experience

- Financial Accounting Manager, Sriracha Construction (1994) Co., Ltd. 2003 – 2011
- Financial Accounting Manager, (Thailand) Co., Ltd. 1968 – 2003

Other Current Positions

- Executive committee/ Assistant Managing Director Finance & Account,
Sriracha Construction PLC. 2011 – Present



1. Financial data

Significant financial data

For the year of 2013 ended 31st December, 2013

	หน่วย	2011	2012	2013
Financial status				
Total Assets	(million baht)	2,163.2	2505.77	2,795.19
Total Liabilities	(million baht)	1,063.9	285.68	522.66
Total shareholder's equity	(million baht)	1,099.3	2505.77	2,795.19
Issued and paid-up share capital	(million baht)	225.0	303.25	305.22
Operational performance				
Revenue from construction	(million baht)	2,588.9	1860.51	1,896.35
Revenue from services	(million baht)	243.2	237.20	641.79
Other income	(million baht)	56.3	49.15	156.70
Cost of construction	(million baht)	1,122.8	576.47	943.08
Cost of Services	(million baht)	168.7	140.06	344.01
Administrative expenses	(million baht)	212.2	232.79	236.36
Profits before financial costs and income tax	(million baht)	1,385.2	1197.55	1,171.39
Financial Costs	(million baht)	0	0.04	0.26
Profits before income tax	(million baht)	1,385.2	1197.51	1,171.13
Income tax	(million baht)	(267.2)	(151.31)	(235.52)
Net profits	(million baht)	1,118.0	1046.20	935.61
Financial ratio				
Liquidity ratio	(times)	1.61	7.42	4.25
Gross profit margin	(%)	54.40	66.62	52.24
Net profit margin	(%)	38.34	48.09	34.07
Return on equity ratio	(%)	94.26	62.14	39.69
Return on assets ratio	(%)	46.42	44.19	33.92
Debt-equity ratio	(times)	0.99	0.13	0.23
Equity ratio				
Profits per share	(million baht)	4.92	3.89	3.01
Book value per share	(million baht)	4.89	8.37	7.93

2. General data

Company's name	:	Sriracha Construction Public Co., Ltd.
Business type	:	Mechanical Engineering and Construction
Location	:	97 Moo3 Kao Kilo Rd., Surasak Sub-district, Sriracha District, Choburi Province 20110
Company's registration	:	No. 0107554000305
Telephone	:	+66 38 317 - 555
Fax	:	+66 38 317 - 577
website	:	www.sricha.com
Registration capital	:	310,000,000.00 baht
Paid-up capital	:	305,223,200.00 baht
Numbers of ordinary shares	:	305,223,200 shares
Par value	:	1 baht

Company's name (1)	:	SCC Maintenance Services Company Limited
Shares	:	75 %
Business type	:	Maintenance services
Location of head office	:	97 Moo3 Kao Kilo Rd., Surasak Sub-district, Sriracha District, Choburi Province 20110
Telephone	:	+66 38 317 - 555
Fax	:	+66 38 317 - 577
Paid-up capital	:	1,000,000.00 baht
Numbers of ordinary shares	:	100,000. shares
Par value	:	10 baht

Company's name (2)	:	KCBS Store Company Limited
Company's name in English	:	KCBS Store Company Limited
Shares	:	99.99 %
Business type	:	Supply the construction material
Location of head office	:	97 Moo3 Kao Kilo Rd., Surasak Sub-district, Sriracha District, Cholburi Province 20110
Telephone	:	+66 38 317 - 555
Fax	:	+66 38 317 - 57
Paid-up capital	:	1,000,000.00 baht
Numbers of ordinary shares	:	100,000 shares
Par value	:	10 baht

Other parties

Securities registrar	:	Thailand Securities Depository Co., Ltd.
Location	:	62 Stock Exchange of Thailand Building 4,7 floor Ratchadaphisek Rd., Klongteoy, Bangkok 10110
Telephone	:	+66 2229 2800
Fax	:	+66 2359 1259

Auditor	:	AST Master Co., Ltd.
Location	:	790/12 Thonglor Tower, Soi Thonglor 18, Sukhumvit 55 Rd., Klongtan Neau, Wattana, Bangkok 10110
Telephone	:	+66 2714 8842-3, +66 2185 0342
Fax	:	+66 2185 0225

3. Business Overview

3.1 Background and significant development during the past period

Sriracha Construction PLC (“the Company”) operates business in Mechanical Engineering and Construction. Most tasks are complicated and require high proficiency, for example, Mechanical Construction, pipeline system construction, and large metal tanks including the installation of Machine and Equipment. The Company has a lot of experience in Detailed Engineering, Procurement, and Construction of industrialized business focusing on the specialty in the construction of heavy industrial factories.

The Company was established by Mr. Boonkrua Khemapiratana in 1994 with the registration capital of 10 million baht. After that, the registration capital was increased for serving the operational expansion in the future. At present, the registration capital of the Company is at 310 million baht. The Company is located in Chonburi Province near the location of industrial estates and industrial factories which are the main target groups of the company, for example, petroleum industrial factories, petrochemical industrial factories, energy industrial factories, power plants, and large food and agriculture industrial factories.

Earlier, most tasks were the civil construction and mechanical Construction. Especially for the Mechanical Construction, it could bring a lot of fame to the Company proven by the tasks both in the quality and the Track Record. The Company was also acceptable and well known among customers in the heavy industrial business both domestic and international. Therefore, the Company changes the strategy to focus more on Mechanical Construction which can create more profits and reduce the work of Civil construction which creates lower profits.

The Company is well aware of the tendency for the continually increasing demand of the Mechanical Construction in heavy industrialized business, on July 23rd, 1997, the Company had increased the registration capital from 10 million baht to 50 million baht. The Par value was at 100 baht per share as to serve the expansion of the company which require an increasing capital. The Company was invited to participate in the expansion of production in the oil distillation factory of Esso (Thailand) Public Co., Ltd. The Foster Wheeler company was the administrator of the main project leading the fame to the Company including the acceptance from the project’s owner both in the construction operation with quality and in the punctual submission of tasks to be acceptable in the construction of heavy industrialized business, especially in the petroleum and petrochemical industries. The Company gained great reliability from construction contractor of oil distillation factories and other large industrial factories and become well known among customers ever since.

For more than 18 years, the Company has continually succeeded in the construction of several projects in the heavy industry, for example, petroleum, petrochemical industrial factories, energy industrial factories, power plant, mineral smelting factories, and food and beverage production factories. This results in the fame of the company to be reliable

among customers for the standardized construction operation, the quality of work, the punctuality in work submission, and the highest safety during the operation. The successful and experience history made the Company to be able to enlarge the scope of service to cover the large construction for both domestic and international.

In 2008, the company was awarded the project with value over 7,000 million baht by the large construction company from foreign countries. Then the Company decided to increase the registration capital to 225 million baht in 2010 and to 310 million baht in 2011 respectively as to serve the rapid expansion of Company's operation in the future. Presently, the Company has 3 factories based to support the construction in several projects, for example, factory of cutting and welding mechanical construction, factory of cutting and welding pipelines, and factory of sand blasting and painting. The 3 factories have productivity in mechanical instruction and pipelines in the quantity of about 20,000 tons per year including the productivity in the welding of metal pipes of about 1,000,000 Diameter Bore/year.

The Company develops the organization to reach the international level by improving the organization structure, developing the operational process and internal control, and developing the knowledge and competence of personnel. The continual development causes the Company to reach international standard and receive several certificates, for example, the standard of ISO 9001:2008 for the mechanical construction and pipe assembly as well as the certificate of safety from the Main contractors of the world.

Summarization of background history and significant development of the company

In 1994

- Sriracha Construction (1994) Co., Ltd. was established with the registration capital of 10 million baht. Mr. Boonkhreu Khemaphirat and Mr. Chatmongkol Khemaphirat held the total shares of 61.5% and the group of executive engineers held the total shares of 38.5%.
- The Company expanded the production in the oil distillation factory of Esso (Thailand) Public Co., Ltd. causing the Company to become well-known and acceptable in the construction field of heavy industrial business, especially oil industry. This made the Company become more reliable as the contractor for the oil distillation factories rather than other companies.

In 1997

- The registration capital increased from 10,000,000 baht (ten million baht) to 50,000,000 baht (fifty million baht) divided into 500,000 ordinary shares (five hundred thousand shares). The par value was 100 baht each (one hundred baht) and the shares were fully paid.
- The Company invested in increasing the entire productivity in mechanical construction and pipelines from 5,000 tons per year to 10,000 tons per year including the welding of metal pipes from 200,000 DB per year to 500,000 DB per year.

In 2005

- The income from the engineering service of the Company increased to 1,000 million baht (thousand million baht).

In 2006

- The Company was officially awarded by foreign company for the first time with the assistance from JGC Corporation of Japan which was the main contractor in the Dolphin Project of Qatar. It was the construction project of Liquid Natural Gas Plant (LNG Plant) with the project value of more than 900 million US dollars. The project value in the construction part responsible by the Company was around 500 million baht. The Company sent the team of 1,000 executives and staffs to operate this project.

In 2008

- The Company was granted with the management standard of ISO 9001:2000 for the production of mechanical construction and pipe assembly.
- The Company was granted with the certificate of excellent works from Thai Oil Public Co., Ltd.
- The Company signed the contract with Dynatec Madagascar which was the joint venture among SNC Lavalin (Canada), Sherritt International Corporation (Canada), Sumitomo Corporation (Japan), and Korea Resource Corporation (Korea) for the construction project of Ambatovy in which SNC Lavalin acts as the project owner. The Ambatovy Project was the construction of large smelting plant including power plant and other related fundamental structures. The Company gained the total income of 3,196 million baht with the Offshore and Onshore contract. Later, the Company was assigned more tasks resulting in the total of project value under the Company's operation increase to around 7,129 million baht.

In 2009

- The Company was invited by Exxon Mobil and Foster Wheeler Parsons for attending the project of Singapore Parallel Train in Singapore with the cooperation from Plant Detailed Engineering & Construction in Singapore. The value gained by the company was around 1,000 million baht.
- The Company achieved management standard of ISO 9001:2008 for the production of mechanical construction and pipe assembly.

In 2010

- The Company increased the registration capital to 225 million baht in order to increase the potential in operating the construction of heavy industrial factories which were gradually larger as well as investing in increasing the entire productivity in mechanical instruction and pipelines in the quantity of about 20,000 tons per year including the productivity in the welding of metal pipes of about 1,000,000 Diameter Bore/year.

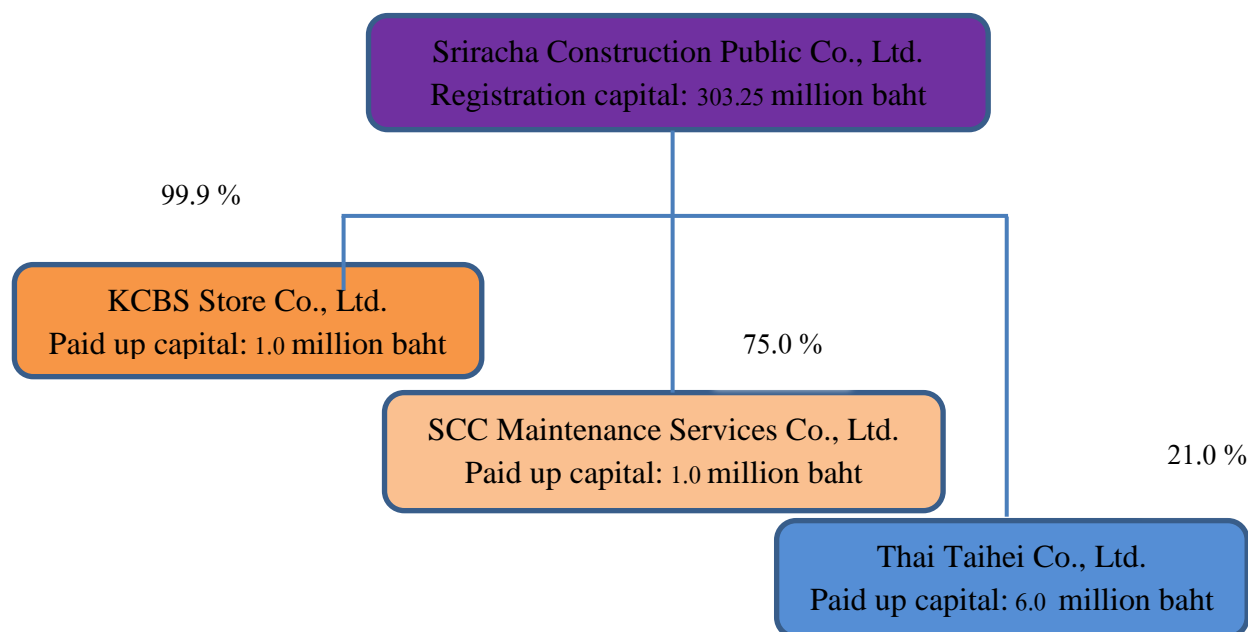
In 2011

- The Company converted to public company limited on 14th December, 2011. The name changed from "Sriracha Construction (1994) Co., Ltd." to "Sriracha Construction Public Co., Ltd." and the registration capital increased to 310 million baht with the purpose to register with the Stock Exchange of Thailand.

In 2012

- On 2nd July, 2012, the Company was registered in SET 50 by offering the sale of 78.25 million value-increasing ordinary shares to people. After the sale offer, the paid up registration capital of the Company was 303.25 million baht.

3.2 Company Structure and the affiliates.



Sriracha Construction Public Co., Ltd. has 3 affiliates with different ratio of investment in which one of them was directly invested holding the total of shares at 99.9%, another one was invested by holding the shares of 75.0% and the last one which was invested by holding the shares of 21.0%. The details of the affiliates can be described as follows:

Affiliates

1. KCBS Store Co., Ltd. (“KCBS”): the Company holds the shares of 99.9%

The paid up registration capital was 1 million baht. The affiliate was established in 2010 for procurement in the construction materials and equipment purpose, for example, steel pipes, stainless pipes, I – beam steel, H – beam steel, and other consumable equipment. At present, this affiliate is now ceased in operation.

2. SCC Maintenance Services Co., Ltd. (“SMS”): the Company holds the shares of 75.0%

The paid up registration capital was 1 million baht. The affiliate was established in 1998 for maintenance services, installation, and improvement of machines and equipment, especially in the petrochemical industry and food manufacturing plants. The Company held the total shares of 75.0% while 25.0% of the rest was held by executive engineers of SCC Maintenance Services Co., Ltd.

Joint-stock company

3. Thai Taihei Co., Ltd. (Joint-stock company): the Company holds the shares of 21.0%

With the registration capital of 6 million baht, the affiliate was established in 1990 by Taihei Denkyo Kaiza Co., Ltd. which was the construction company with proficiency in the design and construction of power plants. Taihei Co., Ltd. was established for construction of power plants business in Thailand. The Company joined as shareholder for the benefits of acquiring and joining the power plants project. At present, Taihei Co., Ltd. does not have any significant construction work.

3.2 Revenue structure

The revenue structure of the Company and the affiliates in 2011 - 2013 was classified and described as follows:

Unit : million baht

Types of Income		2010		2011		2012	
		Approved FS		Approved FS		Approves FS	
		Value	%	Value	%	Value	%
1. Steel Structure							
Domestic	SCC	202.7	7.2	411.2	14.5	668.2	26.3
International	SCC	316.4	11.2	288.9	10.2	-	-
2. Piping and and installation							
Domestic	SCC	113.4	4.0	4.5	0.2	999.9	39.4
International	SCC	1,534.3	54.2	288.9	10.2	-	-
3. Machine and equipment installation							
Domestic	SCC	-	0	9.7	0.3	211.2	8.3
International	SCC	281.3	9.9	722.1	25.5	-	-
4. Installation and maintenance							
Domestic	SCC/SMS	248.0	8.8	236.2	8.3	275	10.8
International	SCC/SMS	-	0.0		0.0	364.3	14.4
5. Other income*							
Domestic	SCC/SMS	11.8	0.4	1.0	0.0	19.5	0.8
International	SCC/SMS	124.3	4.4	144.4	5.1	-	-
Total		2,832.2	100.0	2,097.8	100.0	2,538.1	100

Note: SCC = Sriracha Construction Public Co., Ltd.
SMS = SCC Maintenance Services Co., Ltd.

3.4 Objectives

The Company sets the clear vision to become one of the leading company with world class standard that sustained the reliability and acceptability in mechanical and engineering construction from people in heavy industrialized business both domestic and international and to be the most reliable and acceptable construction company worldwide. In order to achieve such vision, the Company sets the objectives of 3 main aspects; to success in mechanical construction of heavy industrial business, to continue develop the capabilities of the staffs, and to work in transparency.

■ To success in mechanical construction of heavy industrialized business.

The Company focuses on developing the organization and increasing the potential in business operation in several aspects as follows:

● To become the leader in construction business of heavy industrialized business

The Company focus on being the leader in mechanical, engineering construction and services of heavy industrialized business as the main business of the Company, The Company emphasizes on developing the competency of staffs, management, information system and advance technologies system so that the Company can gain the best in service qualities with world class standard and to complete the project in time.

● Enhance the financial status

In conversion to public company limited and in registration with the Stock Exchange of Thailand, the company has a great chance to raise fund for business expansion in the future. It also enhances the company's profile that would also give a greater chance of acquiring a good project in the future from both domestic and international clients.

● Create and maintain the business allies

Presently, the company has business allies who are the project executives or the main contractors in many international projects. The Company is generally accepted and well known for the best quality of work as from history the company has shown the competent in completing many projects that required good experiences, proficiency, highest safety standard and special expertise in the operation. The mentioned business alliance increased the opportunity to earn the big construction or services projects in foreign countries continuously. The Company has set the goal of creating more alliance both in the numbers and the relationship.

■ The objective in developing and maintaining the staffs

The Company is well aware that staff is one of the most crucial part for successful of the company. That's why there are the policies that enhance the development of staff in both management and operational levels, especially engineer which is considered to be the most important resources of the Company. The Company sets forth the plan to continually develop the knowledge and competence of staffs both in special fields and principle of project management as well as encouraging team work for exchanging the opinion and learning from others. There is also

the development of efficiency in operation while maintain the competitiveness of work. Moreover, the company also plan to create the learning institute for developing the proficiency of all human resources of the company.

The Company maintains valuable human resources by monitoring their needs and constantly assess their performance as to provide the benefit that match their ability. An increase in salaries, bonus and other benefit of the employee depends on individual work performance along with the financial status and work performance of the Company. Furthermore, the Company also issued an ESOP (Employee Stock option) to employees and key persons of the Company. The company believes that if employees' need and requirement are met, they will work happily and devote more to the company. These all enforce the Company to be able to maintain the staffs with quality and significance for the Company.

■ The objective in business operation with transparency

The Company sets the goal in operating with transparency, honesty, and efficiency. The policies are set for good governance that cover the important principle in the rights of shareholders, the treat with shareholders equally, the consideration on the roles of stakeholder, the sufficiently revelation of data for all related person and the responsibilities of committees. These will be the guidelines in operating the business to achieve the objectives and the goals set in the business operation following the correctness and transparency.

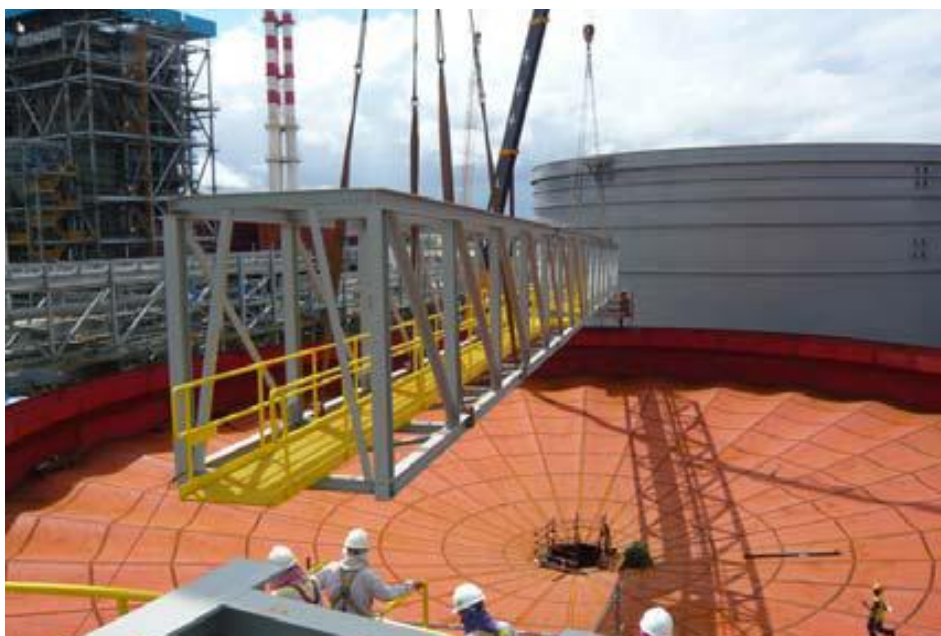
4. Business Types.

Products and services

Our products and service can be classified into 4 types as follows:

4.1 Steel Structure

The company works with fabrication and installation of steel structure for heavy industrial factories, by using steel plate and structural steel from both domestic and international as the main materials. Those steel structures will be prefabricating from our fabrication shop in order to reduce time consume and solving problem before deliver to site for installation. At present, the Company can produce the steel structure in the maximum of 20,000 tons per year. The constructions of steel structure mostly use in a large scale industrial, particularly, power plants, oil and gas, petrochemical and oil refinery.



4.2 Piping

The company has high proficiency in piping installation. Most customers will usually provide pipe material for the company due to engineering design. Those pipes are imported from overseas due to high quality of pipe in which cannot produce domestically. Most of pipes are seamless with special diameter and thickness more than pipes used in other industries. For example, Carbon Steel, Stainless Steel and Alloy with special metal such as titanium. Especially for the pipelines in petrochemical factories and oil refinery factories, those pipes are used for carrying chemical substance in the production process. The materials used in those industrial must be resistant to high pressure and heavy environmental conditions. Therefore, that type of work will need high accuracy in the construction. We have a very high experienced engineering team with proficiency in piping installation and fabrication along with the quality control of inspection.



4.3 Tanks, Equipment & Mechanical Installation

The company provides the service of fabrication, installation and modification of liquid tanks, equipment, and materials including Heavy Lift Operation in industrial factories, for example, oil refinery factories, beverage manufacturing factories, plastic manufacturing factories and petrochemical factories, etc. The examples of this kind of work are the installation of metal tanks, compressors, big pumps, etc. We provide service from the material supply until complete installation or only installation depends on customer demand.



4.4 Other operations; maintenance of machines and equipment

We provide maintenance service of machines and equipment in industrial factories for increasing the efficiency in the operation and for the expansion of capacity. The operation mostly consists of lifting, transferring, and installing machines and equipment in which requires special competence and experience construction team while those plant are running (Live Plant). Most of the operations are the projects with limited duration and high regulation of safety. We provide service of maintenance mostly for petrochemical factories, oil refinery factories, beverage manufacturing plants, etc.

4.2 Marketing Conditions and Competition

4.2.1 Marketing Strategies

In selecting a contractor for the construction project in most heavy industrial business, the owner/main contractor will consider mainly on the contractor's reputation and their past experience. This is because the failure, delay, or construction under-standard will vastly and directly effect on the operation of the owner/main contractor. As a result, the main strategies of the Company are to build a strong relationship with customers and maintain a good reputation of the company. The long term strategic plan for achieving the Company's objectives will be as follows:

Operational Safety Standard

The safety at work is considerably important both for the owner/main contractor and the contractor. The occurring accident can directly affect the project possibly causing the project to delay or damage. Moreover, the occurrence of accident may affect the encouragement of the employees as well. Therefore, controlling the operation to have high level of safety standard is the most important factor in creating the reliability to the owner/main contractor and reputation of the Company. Before start construction a new project, the Company will do an analysis on the possibility of accident which may occur in each process as well as finding the preventive to reduce the risk from accident, training the employees to be aware of the possibility of accident, educate employees, and increase the carefulness. In each project, the Company provides adequate Personal Protection Equipment (PPE) to all employees in order to meet with international safety standard. The Company has excellent history in safety proven record as can be seen by various safety award certificates received from the customers (Please see section 4.5; Safety certificates and past construction record).

Continual Improving High Quality of Work

The reputation of the quality construction work is the keys success factors in the construction industry. The company has long-lasting reputation and contains vast experience in the construction field. Our mission is to strengthen the quality of construction works which will be a strong point in supporting company growth in the future. The Company continually develops the competitiveness both in the employees, technologies, machinery, and operational process. For employees, the Company provides continual training for improving knowledge and skill in relation to their work field. The company also seeks to acquire new higher efficiency machinery and to improve the operational process. This is to ensure that the Company can continually improve the quality of work.

Completion of Work On Time

The construction of steel structure in mechanical work requires long time planning and it is very importance to finish the work within the specified time period. The Company has reputation in complete the work on time. This is one of the successful factors in the construction business. The Company has the systematic planning in all processes for

continually develop the competitiveness of the Company. This is to ensure that our operation will succeed within the specified time.

4.2.2 Contract Award Process

The company provides construction services in mechanical areas both domestic and international. The main channels of the Company to be awarded the construction projects are 1) bidding directly from Project Owner and 2) bidding from the Main Contractor.



Bidding from Project Owner

The Company directly contacts the project owners for several projects. Most project owners which are the Company's customers are the leading companies in basic industry of the country and the industry group which has plan to expand the investment in order to increase productivity and/or improve the factories to operate with more efficiency, for example, oil and gas refinery plants, power plants, food industry, small and medium plastic plants and petrochemical plants, etc. Most customers have good relationship with the Company.



Bidding from Main Contractors

The Company has vast experience in the construction for both domestic and international through international main contractors. The Company usually works as sub-contractor. The main contractors will have huge investment capital with international reputation. The main contractor will operate the bidding in the large construction projects or the entire project from the project owners. After that, the main contractor will divide the area and hire Sub-contractors to perform the construction work. The main contractors will select only the sub-contractors with the performance reputation of quality construction with international standard in the industry. The company continually receives the contract from a main contractor.

4.2.3 Group of Customers and Target Group

The target groups of customers can be classified into 4 groups as follows:



Petroleum and Petrochemical Industry

The group of customers in the petroleum and petrochemical industry are oil and gas group and refinery industry group, for example, oil refinery plants, gas refinery plant, etc. which are the upstream industry and the product of petroleum industry, for example, olefin manufacturing factories used as the raw material in manufacturing plastic industry and other aromatic products, also to be used as the raw material in manufacturing Polyurethane and foam and also the group of downstream products such as other petroleum products. The Company has proven records in construction both green field and brown field from construction a new plant to expansion the existing plant. From previous construction work in the past, the Company has a potential to be the main contractor in the expansion project for Thai Oil PCL as well as being the contractor of oil refinery plant for international oil refinery in the

world such as: Esso Standard (Thailand) Co.,Ltd. and Caltex Oil (Thailand) Co.,Ltd. in which Caltex is renamed to Chevron (Thailand) Co.,Ltd., also is the affiliated to Chevron Corporation. The work experience continues in the oil refinery plants lead us a good reputation and to be accepted in the petrochemical industry which caused the Company to have a chance to be the contractor continually in petroleum and petrochemical industries.

Energy Industry

The group of customers of the Company in the energy industry is power plants. Most operations of the Company are the construction of power plants, assembly and installation of gas and steam pipes including the maintenance of machines and equipment. Previously, the Company was the contractor for the construction of Bangpakong Power Plant by responsible for the construction of steel structure unit 3 and 4 of 4 units of power plant, also the construction of COCO Phase III Project of the Co-Generation Co.,Ltd. (currently is Glow Energy PCL) which is the power plant from coals, and including construction Small Power Producer – SPP Projects.

Mining Industry

The groups of customers in mining industry are manufacturing plants and processing plants; for instance, steel plant, aluminum plants, copper plant, etc. At present, the Company has finish the construction which submitted in early 2012 are the construction project of Ambatovy in Madagascar which the project was joint venture between Sherritt International Corporation (Canada), Sumitomo Corporation (Japan) and Kores (Korea). This project is considered to be the largest mining project with the total value about 7,500 million baht. The company is responsible for all construction works of steel structure, including assembly and installation gas pipelines, storage tanks, machinery and equipment installation.

Others Industry

The Company's customers in others industry are in mechanical engineering such as: food processing manufacturing, large agricultural industrial factories and others processing plants. Previously, the Company was the contractor in the construction project of brewery plant in Kamphaengpetch Province of Beer Thai (1991) PCL owned by Thai Beverage Group PCL. This competence in continually operating the construction work with higher value contract indicates the success in competitiveness of the Company.

4.2.4 Industrial conditions and competition

Industrial condition of construction in heavy industry

As the customer of the company are heavy industry the growth of those heavy industry, for example, energy industry, petroleum and petrochemical industry, mine industry, and other heavy industries positively affect the

Company's business. These heavy industries continually grow following the demand of energy usage and petrochemical products. Besides, the growth of Gross Domestic Products (GDP) of the world along with the economic and industrial growth at present are also likely to grow a lot indicate the increase of energy demand as well as the industrial expansion in energy and petrochemical industry. Moreover, the rapid economic growth of China and India is also the main factor in the growth of world economy with the average growth rate (CAGR) 10.7% and 7.8%, respectively during 2001 to 2010. The rapid expansions of both countries lead to increase demand of consumption products of the world significantly. As a result the product prices are increasing due to the demand, for example, oil price and mineral price. Those are factors in increasing demand of construction in heavy industrial factories.



Competition in the mechanical construction

Most of the Mechanical Construction has slight competition as the customers always choose the reputation contractors from proven record in the field in order to ensure that the contractors can perform the construction work which meets the specified design and standard. This is due to the size of the project with mostly huge investment. The emerging of new born contractor is very difficult due to lack of trust from the owner and no proven record for the industry. From this reason, the competition is not a big issue as there are few of companies with proficiency and potential in the construction. Each contractor possesses some different strong points and different target group. The Company has strong points in the operation of construction with standard. The quality of work is reliable and the submission is also punctual. Besides, the competence in safety control during the operation with international standard also makes the company to be accountable and reliable in the field of Mechanical Construction throughout 18 years of experiences. The companies in which in same business in Thailand are STPI PCL, Shino-Thai Engineering and Construction PCL, and Watthanapaisan Engineering Co., Ltd. However, each company focuses differently. The Company focuses on the mechanical Construction with less proportion of engineering design and Procurement of raw materials compared to those above companies. For the construction in foreign countries, the Company received the construction work directly from the project owners or the main contractors.

Future Trend

The continual expansions of world economy and industry lead the construction in mechanical work are likely to increase. Moreover, the maintenance of machines and equipment in the industrial factories following the usage duration and the shutdown in production line for improving the efficiency of factories as well as the increase in productivity also lead the mechanical construction business likely to expand more in the future, especially for petroleum and petrochemical industry which is expected to have some investment in the new project and the maintenance of factories around the world of not less than 56,430 million US dollars and 63,875 million US dollars, respectively in 2011 and it is likely to gradually increase.

Those above factors increase the opportunity of the company in the construction in other countries. The Company has an alliance whose are the expert in the mechanical construction in the international level and are the leaders in the construction service of industrial factories which are internationally reliable among project owners. Therefore, the Company alliance has a project the company will have a chance to receive a construction work as well. For the previous projects in foreign countries which the Company has done the construction work, the project owners are confident in the quality and operation standard of the Company. As a result the company has many of contract amendment with high value continually.

For the construction in Thailand, although the expansion rate of investment in petroleum and petrochemical expansion slows down due to the fluctuation of oil price in the world market, the investment in the construction of new plant and/or the expansion of productivity in Thailand still remain. The Company is well-known among business operators in the industry and is reliably in the quality of work leading the Company to have a construction work continually.

4.3 Procurement of Raw Material

The procurement process of raw materials for the mechanical construction seeks from several suppliers. The Company has no policy to buy from any single supplier. The raw materials procured for the Company's operation can be classied into 2 types as follows:

Raw Materials

The Company specifies the properties of raw materials together with the customers and purchases the raw materials with the quality to meet the customer's demand/standard. The Company will check the price from several supplier and suppliers for comparing the price, quality, and conditions to be suitable before deciding to purchase in order to receive the raw materials with the highest quality and good price. Moreover, the Company also has the policy in not depending on any particular supplier or producer for reducing the risk in business operation and increasing the bargaining power to the company. Most raw materials are metal pipes, fitting, and several types of iron such as steel sheet, structural steel, etc.

Machines and Equipment

At present, the Company has sufficient machines and equipment for the construction. In the case of the Company has to procure more machines and equipment, the Company will purchase and/or rent following the suitability. In the process of purchase or rental, the Company will consider the properties, price, and conditions from several suppliers before making final decision to purchase.

4.4 Environment Impact

The company objectives is to operate our construction work without negative impact to environment. The Company sets the policies to following all environment regulations. Moreover, the Company has never received any complaint from the communication and has never prosecuted from the government agency

4.5 Certificates from past construction works

The Company earns high reputation in the field of steel construction in industrial plant from the success in the previously which can be proved by several certificated given to the Company from several project owners and main contractors during the past 10 years as follows:

Customer's names	Project's features	Granted certificates
Thai Gypsum Products PCL	Expansion Project	Excellent contractor
Esso (Thailand) PCL	Steel Structure Fabrication and Equipment installation	Excellent work
Thai Oil PCL	Improvement and maintenance work	Excellent work
Aromatics (Thailand) PCL	Turnaround	Operation following the safety policy with efficiency
Thai Gypsum Products PCL	Steel Structure Fabrication and Equipment installation	Excellent contractor
Electrowatt-Ekono (Thailand) Ltd.	Construction of power plant	Excellent safety

Reputation work history of the Company during the past 10 years can be summarized as follows:

No.	Customer's names/project's location	Project's features	Operational duration	Value (million baht)
1.	Foster Wheeler/Philippines	Steel Fabrication and piping installation	1.08 year (2001-02)	8
2.	Bayer Thai/foster Wheeler/Thailand	Steel Fabrication and piping installation	7 months (2001)	150
3.	JGC Corporation/ Thailand	Steel Fabrication and Machine installation	1.08 year (2002-03)	220
4.	JGC Corporation/ Thailand	Steel Fabrication, machine & piping installation	9 months (2005)	120
5	Kvaener/ Thailand	Steel Fabrication and Equipment & piping installation.	11 months (2003-04)	590
6	MKK/ Thailand	Steel Structure Fabrication and Equipment installation and piping work	9 months (2004-05)	100
7	BPB Thai Gypsum Product Co.,Ltd/Laemchabang Industrial Estate, Sriracha	Steel Fabrication, Equipment and piping installation	1 year (2004-05)	200
8	Foster Wheeler/Indorama/ Thailand	Steel Fabrication and Equipment installation and piping work	1 year (2005-06)	520
9	Beer Thai/ Thailand	Steel Fabrication and Equipment installation and piping work	1.8 year (2005-06)	450
10	JGC/Qatar	Steel Fabrication and Equipment installation and piping work	1 year	600
11	Thai Oil CDU3 Revamp//Thailand	Steel Fabrication and Equipment installation and insulation pipelines	1 year (2007-08)	1440
12	Exxon/FWP/PEC/Singapore	Steel Fabrication and Equipment installation and piping work	2 years (2010-11)	950
13	Dynatec Madagascar/Madagascar	Ambatovy Project/construction of nickel and cobalt production	4.5 years June 2008- December 2012	7382
14	Thai Paraxylene Co., Ltd. /Thailand	Steel fabrication and installing and piping work	1 year Sept. 2011 – Sept. 2012	172
15	SLL Manufacturing / Thailand	Tiger Project/ Assembly and installation of tanks	9 months	21

4.6 Value of remaining works

Regarding the works which have not been submitted on 31st December, 2012, there were in-process operations in the total value of 2,014 million baht. The total value of Backlog was 1,710 million baht.

Source : Company

Customer's names/project's location	Project's features	Duration Time	Project value	Backlog
Thai Oil PLC / Thailand	Emission Improvement and PSA3	15 months	2,102	261.5
Dynatec Madagasca /Madagascar	Maintenance Services	1 year	772	400
Work in Process of subsidiary company / SCC Maintenance Services Co.,Ltd.	Maintenance Services		685	400
รวม			3,559	1,061.50

5. Business Risk

5.1 The Risk of Revenue Fluctuation

The main revenues of the Company are from construction contracts and services. In the fiscal accounting period of 2010, 2011, and 2012, the estimated annual net revenue of construction contracts and services were 98.0%, 97.7%, and 94.2% of the company's total revenue respectively. The fluctuations in revenue depends on the business cycle of petroleum and petrochemical industries, energy industry, and mining industry. Over the past three years, demand for mechanical construction in petroleum and petrochemical industries, energy industry, and mining industry has been continually grown up. In addition, this growth rate depended on the demand of Commodity in which results from the growing demand of countries with have a lot of population such as China and India. However, the Company could not predict the future trend of the industry. In the event of global demand for petroleum products, petrochemical products, energy products and mining products decrease that could make entrepreneurs and project owners to delay or to terminate the production expansion project which possibly impacted to revenue and profits of the Company eventually. Moreover, earning revenue also depends on the Company's capabilities for bidding, the uncertainty of bidding project in which could be delay by itself. These impacted to the Company's revenue to be fluctuated by the uncertainties in quantities of awarded projects. Although, the Company attempts to maintain the company's revenue by producing the high quality and standards of performance, on time delivery, offering reasonable price, satisfying customers' needs, and building strong relation with the main contractors. However, the Company cannot assure that the above mentioned strategy for risk management will be able to assist the Company to maintain revenue and profits level continually. In the past, the Company's revenue had fluctuated significantly due to the Company was awarded on the very large, high-value projects.

Risk Prevention and Reduction

The Company constantly recognizes and pays close attention to the above mentioned issues. In the event of the Company cannot be awarded any construction contract for the large, high-value project in the future, the Company has a business plan focusing to get other jobs by planning to run in-parallel of the project and also to work as subcontractor for contracted work; for example, modular steel structure, storage tanks assembly and installation, machinery and equipment installation, heavy lift operation, industrial machinery and equipment repair and maintenance, annual overhauling, and production modification. The Company has production capacity, tool and equipment, and personnel with special expertise available any times. However, the Company still focuses on own policy to get only high profitable margin job as mandatory. Since getting a lot of lean profit margins jobs may result the Company could loss an opportunity to get the large, high profit margin job. In order that, to get any job,

Company will consider environment situation,, changes and business cycle of the industry in order to continue generate revenue for the Company.

5.2 The Risk of Human Resources Loss

The mechanical construction of steel structure in large-scale industry is requires special expertise and high proficiency in the field. Since this construction is to support the heavy industry. Therefore, the construction must support high pressure, high temperature, pH level, and also corrosion resistance which possibly occurring. If there is non-standard work, it could cause damage to the entire production processes. These constructions require the high competency engineering and technicians teams who have high experience and competency. Thus, losing these key human resources may cause the Company to loss in competitiveness and will greatly affect the company's future operating performance.

Risk Prevention and Reduction

Personnel are defined as one of the main key factors that directly contributing to the achievement of business strategy, especially for the construction of large mechanical construction of steel structure, in which, the Company has high-level competence personnel with special proficiency and expertise in this field. To prevent and reduce the risk of losing valuable personnel, the Company set up the policy to keep these valuable personnel by consideration promotion and remuneration annually, including special remuneration based on skill and expertise.

5.3 The Risk of Operation

5.3.1 The Risk of work complete out of time

For the construction companies, general contracts and agreement will specify the completion date and will have penalty item in case failure to deliver on time. The delay could occur from several causes; some causes could not control by the Company such as delay by subcontractor or other subcontractor. Although the Company did not have any record of delay which lead to pay the penalty. However, The Company cannot ensure that all future projects will be able to deliver on time. If the company unable to deliver the project on time which specified in the contracts, the company will have to pay a late penalty and impact to increase operating costs and to reduce company's profits greatly. This might cause the company to loses its reputation for reliability among other customers and also impact to future business opportunities.

Risk Prevention and Reduction

In order to prevent risk factors of a delayed delivery, the company has focused on the detail of agreement. Due to long-term experience, the Company found that most awarded construction contracts are the modification or Change Order /Decreasing in almost every projects, including some cases by other subcontractor which could cause delay. For these factors, the Company would make a concisely contract and some conditions to cover these risk factors every time. However, with business operations and management philosophy of the Company has clear goal to

emphasize on quality. The Company also has focused on personnel potential and sufficient personnel resources to complete project on time and to achieve the defined goal.

5.3.2 The Risk of Fluctuations of Raw Materials and Constructional Materials

The cost of raw material and constructional materials are the major cost of the Company's Operation which accounted for 30% of the total construction costs. Generally, the Company attempts to reduce the risk of fluctuation in the price of raw materials and constructional materials by negotiating with the customer that the price shall be adjusted as per the market price and/or by negotiating the customers to be responsible for procurement and/or purchasing with suppliers when the project is awarded. However, practically, the company may not be able to avoid the responsibility or put all the burden cost of raw materials to the customers and the Company could not purchase all raw materials on the date of award also. Consequently, the company still has the risk of fluctuation of raw materials and constructional materials price. If the price of raw materials and constructional materials is increased, it could increase the cost of construction also and impact to the Company's performance eventually.

Risk Prevention and Reduction

The Company has developed raw material and constructional materials management system by maintaining the strong relationship with all distributors, also monitoring and tracking the raw materials price all the time, as well as opening for the competition among the distributors in order to create the most price advantage for the Company, then could use for planning and maintaining appropriate cost level and comply with current raw materials market pricing. Or, the Company could confirm the purchase order in order to fix the price in accordance with the bidding price.

5.3.3 The Risk of the Political Situation

National political stability is one of the most important factors for investment decision making by foreign investor, especially high-value project with long-duration; for example, the investment in a new manufacturing plant to expand production bases. Because the instability in the nation political may result in the change of policy and government regulations which can impact on the investment project.

Risk Prevention and Reduction

In this case, the Company is closely monitoring the situation, including setting up plan to expand its service to overseas markets. This could help the Company to reduce the risk of the political instability but also increase business opportunities. However, over nearly 20 years of business operation, the Company had never served in any public service project and currently, there is no such policy.

5.4 The Risk of Managing and Administrating the Company Businesses

The Risk of Controlling the Votes at a Shareholder's Meeting by Majority Shareholders

Khemaphirat family including juristic persons (holding company), which this family has a larger portion of shares more than 60% of the paid-up capital after offering ordinary shares in this time contributes that the Khemaphirat family still in the position of executive management, and authorized person to sign on behalf of the Company. This makes them to be the major shareholder holding power in controlling the company's operations and management including the control of votes in shareholder's meeting for nearly the whole both in the nomination of committee or any resolution in other subjects which requiring majority votes from the shareholder's meeting except for the subjects specified by the law or company's regulations specifying that shall receive 3 of 4 votes of the shareholder's meeting. Therefore, it is very difficult for other shareholders to collect shareholders' votes for inspection and balancing consideration subjects proposed by the largest shareholder.

Risk Prevention and Reduction

The Company attempts to develop a transparency and controllable system. The Company appoints five (5) Independent Committees in which three (3) of them serve as Audit Committee. There is also Internal Audit and Internal Control Department which report directly to the Audit Committee to be a mechanical for monitoring and inspection the Company's operation and management. Moreover, there are six (6) directors from nine (9) directors who are not in the Khemaphirat family which can balance the powers in proposing any subject for consideration to the general shareholder's meeting.

5.5 The Risk of Unable to Pay Dividend

At present, although, the Company's Board of Directors has a dividend policy proposing to shareholders to pay dividend at least 50% of net profit before foreign exchange shown in financial statement under the conditions of the investment plans and any other relevant factors. Payment future dividend payment (if any) will depend on the discretion of the Company's Board of Directors as specified in the Public Company Limited Act B.E.2535 (and additional amendments) including other conditions; for example, actual cash flow, profits, financial status, demand for capital, and any other investment of the Company as well as any other factors that the board of directors consider that it relevant to the company's business. The Company cannot guarantee that the Company will earn enough profit and pay out a dividend in any year. In spite of the Company may earn enough profit, it may not approve for paying dividends to shareholders. By the way, according to the Public Company Limited Act B.E.2535 (and additional amendments), if there is still accumulated losses, it is prohibited to pay dividend, no matter that the Company has the net profits in that year or not.

6.Shareholders and Equity

6.1 Company's major shareholders and equity

On 31st December, 2012, the Company had registration capital of 310,000,000 baht. The paid-up capital was 305,223,200.00 baht of 305,223,200 ordinary shares with 1 baht of par value. The Company approve the warrant of ESOP to their employees of the Company for 6,750,000 shares to increase the encouragement and motivation to the Company's employees with the exercise periods of 3 years from the date of warrant sold.

6.1 Shareholders

Name list of 15 main shareholders on 31st December, 2012

No.	Name list	On 31 st December, 2012	
		Paid-up capital of 303,250,000 baht	
		Numbers of shares	Percentage
1.	Sriracha Holding Co.,Ltd.	145,300,000	47.60
2.	Mr.Boonkrua Khemapirtana	42,400,500	13.89
3.	Mr.Gridsada Potisomporn	9,962,500	3.26
4.	Mr.Vichai Akeudomsilp	5,436,000	1.78
5.	Mr.Preecha Angkhumsap	5,050,000	1.65
6.	Mr.Charoen Akeudomsilp	4,550,000	1.49
7.	Thai NDVR	4,120,218	1.35
8.	Mr.Sompong Cha-umpong	4,091,300	1.34
9.	Mr.Chatmongkol Khemapirat	3,984,900	1.31
10.	Mr.Kamthorn Youngkong	3,957,600	1.30
11.	Mr.Sompak Rirermsoonthorn	2,716,600	0.89
12.	Mr.Somboon Yingyongkitmongkol	2,631,300	0.86
13.	Mrs.Supitcha Vasprasertsook	2,595,400	0.85
14.	Ms.Sureerat Techakamolsook	2,400,000	0.79
15.	Mr.Sorasak Chunvirat	2,185,700	0.72

Note : Shareholders of the Company and Sriracha Holding and also the committee and/or executives

(*) Sriracha Holding Co., Ltd. is the Holding company containing the largest proportion of shareholders on 31st December, 2012, as follows:

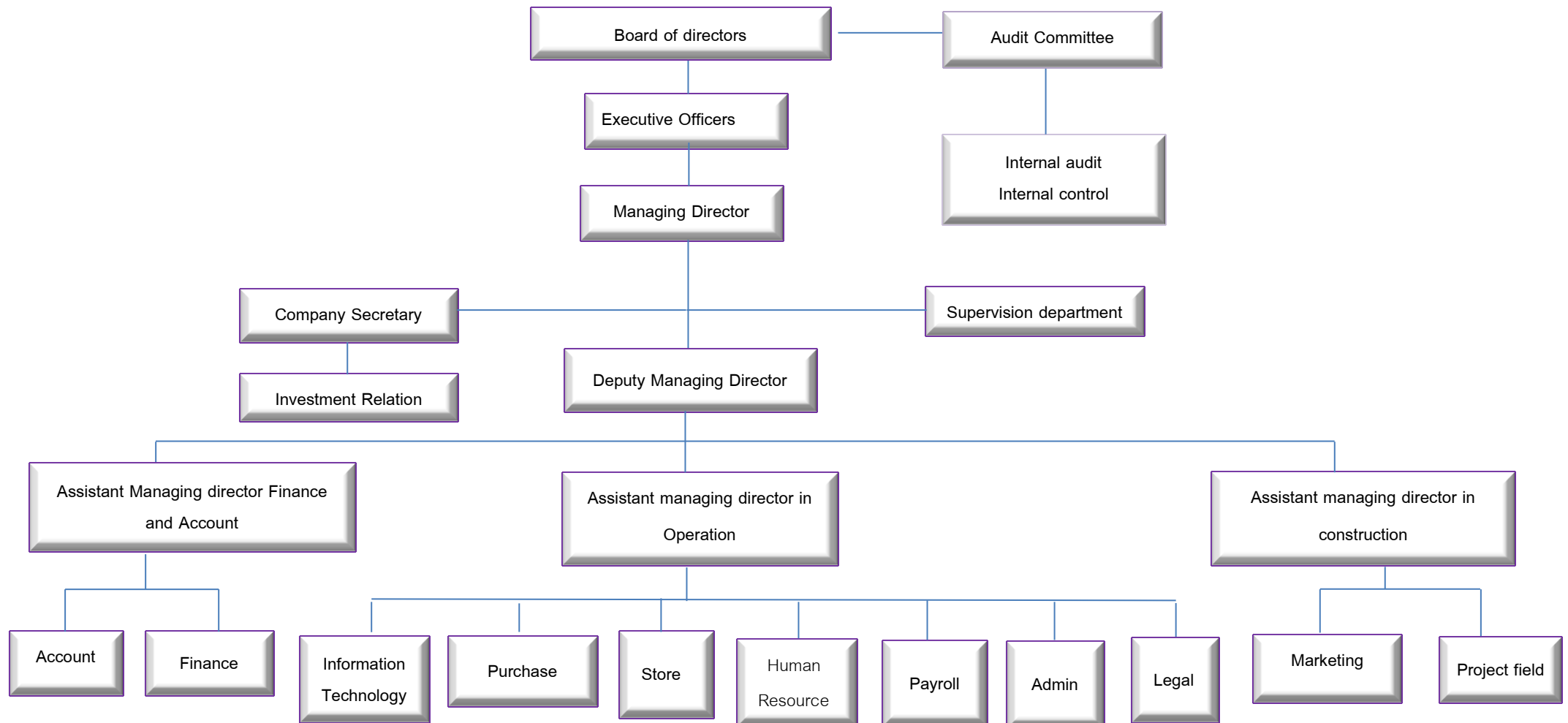
No.	Shareholders	Numbers of shares	As of 31 st december, 2012
			Percentage
1.	Group of Boonkrua Khemaphiratana	84,564,600	27.71
2.	Mr.Gridsada Potisomporn	18,162,500	5.95
4.	Mr.Kamthorn Youngkong	7,119,700	2.33
5.	Mr.Sompong Cha-umpong	6,102,600	2.00
6.	Mr.Somboon Yingyongkitmongkol	4,794,900	1.57
7.	Mr.Sompak Rirermsoonthorn	4,794,900	1.57
8.	Mr.Sorasak Chunvirat	3,777,800	1.24
9.	Mr.Jarin Sawangjaeng	2,906,000	0.95
10.	Mr.Chaiporn Sirichan	2,906,000	0.95
11.	Mr.Sakdadet Sridaumpha	2,906,000	0.95
12.	Mr.Ekachai Thanomrat	2,760,700	0.90
13.	Mr.Soracja Ruangworadakul	2,615,400	0.86
14.	Mr.Somchai Yahatta	1,888,900	0.62
Total		145,300,000	47.60

6.3 Dividend Policy

The Board of Directors will consider from the company's performance each year and see if the company has earned enough profit to pay dividend and has yet remained the substantial Capital fund to accommodate growth and business expansion. However the company must reserve the legal amount of 31,000,000 baht which is 10% of registered capital in accordance with the law and AOA article 59 of the company. The Dividend policy of the company is to pay dividend at no less than 50% of net profit which is stated and shown in the approved company financial statement each year. The Board of Directors will propose for approval from shareholder in annual general meeting each year. The Board of Directors also has the right to approve an interim dividend if there is enough profit to spare. However, if there is an accumulation loss, the dividend shall not be paid. The affiliates of the Company sets the policy to pay dividend of not less than 50.0% of net profits from financial statements of the affiliates after the deduction of corporate income tax, legal reserves, and all necessity reserves by considering together with cash flow, financial status, liquidity, and investment plan in each period.

7. Organization structure

Sriracha Construction Public Company Limited



7.1 Company Board of Director's Structure

In 2012, the company management's structure categorized into 3 groups of; The Board of Director, Audit Committee (responsible for the internal audit and risk management) and Executive Committee. Each group has different scope of duties and responsibilities as follows:

7.1.1 The Board of Directors

The Board of Directors consists of 9 persons full with qualification, competence, and work experiences. At present, the Board of Directors consists of 9 persons who are 4 directors and 5 independent directors. An independent director means being the director without any participation in company's management. They do not held any position as the executives or the permanent employees of the Company as well as not having any authorization in signing following the Company's regulations. The executives director mean the director who participate greatly in the Company's management or be the permanent employees who receive regular salaries as well as having an authorization in signing following the Company's regulations.

On 31st December, 2013 the Company's Committees consist of 9 committees as follows:

ลำดับ	รายชื่อ	ตำแหน่ง
1.	Mr. Yiem Chundprasit	Chairman
2.	Mr. Dusit Choopanya	Independent director and chairman of Audit Committee
3.	Mr. Narong Sooksawasdi	Independent director and Audit Committee
4.	Mr. Aphinant Klewpatinond	Independent director and Audit Committee
5.	Mr. Kamol Ratanachai	Independent Director
6.	Mr. Boonkrua Khemapiratana	Director/Managing Director
7.	Mr. Gridsada Potisomporn	Director/Deputy Managing Director
8.	Mr. Chatmongkol Khemapirat	Director/Asst. Managing Director in operation
9.	Mrs. Sudchinda Sethakulvichai	Director/Company Secretary

Authorized Director who has the power of signing on behalf of the Company and the affiliates

Sriracha Construction Public Co., Ltd.

Mr.Boonkrua Khemapiratana, Mr.Chatmongkol Khemapirat and Mrs.Sudchinda Sethakulvichai are directors with authorization to sign on behalf of the company and two directors must sign together along with the company seal.

SCC Maintenance Services Co., Ltd.

Either Mr. Boonkrua Khemapiratana or Mr. Chatmongkol Khemaphirat or Mrs.Sudchinda Sethakulvichai has the authorization to sign on behalf of the company along with company seal.

Board of Directors Detail

The Board of Directors consists of 9 persons with 4 executive directors and 5 independent directors. All directors are qualified fully according to related law or official regulations. The Board of Directors meeting must consist of no less than half of the board to attend the meeting.

Scope of duties and responsibilities

1. Provide overall business Strategies and Tactics including setting up the policy, direction, vision, plan, guidance and budget etc. of the executive board then supervise and control the company to go as directed.
2. Supervise and manage the Company to operate in accordance with law, objectives, and Company's regulations as well as the resolution of shareholder's meeting with honesty, loyalty, and carefulness in maintaining the Company's benefits
3. Having the financial and accounting report that present the real status of the Company's Finance statement that follows the accounting standard and to propose to the shareholder's meeting for consideration and approval
4. Consider the nomination of directors, audit committees and/or other sub-committees following the suitability and necessity for supervising and managing system together with internal control to be in accordance with specified policies as well as nominating the suitable top executives management for supervising the Company's operation assigned by the Board of Directors including the consideration and specification on the remuneration of Top management.
5. Consider the suitability in assigning and specifying the scope of duties of sub-committees
6. Manage to receive enough information from management team in order to work fully and accordingly with the scope of work and responsibilities as stated.
7. Manage to have the good corporate governance as a general practice of the company.
8. Consider and propose for the nomination of auditor and fixing the suitable remuneration before proposing to the shareholder for the approval
9. Consider the approval of operational expense within the financial budget under the authorization of managing director, executive board, and other sub-committees
10. Perform other operations related to the business operation in comply with the law, regulations, and resolution of the shareholder's meeting of the Company

7.1.2 Executive Committee

On 31st December, 2013, the Executive Committees consist of 5 committees as follows:

No.	Name – Surname	Position
1.	Mr. Boonkrua Khemapiratana	Chief Executive Officer / Managing Director
2.	Mr. Gridsada Potisomporn	Executive director / Deputy Managing Director
3.	Mr. Chatmongkol Khemapirat	Executive director / Assistant Managing Director in operation
4.	Mrs. Sudchinda Sethakulvichai	Executive director / Purchase Manager
5.	Mrs. Boonlom Farkmitra	Executive director/ Assistant Managing Director in Finance and Account

Executive Committee

The Executive committee with management power and authorization consists of not less than 5 persons appointed by the Board of directors. The meeting of Executive Committee shall consist of no less than half of the whole committee to attend the meeting.

Scope of duties and responsibilities of Executive Committees are as follows:

1. Plan and set the policies, direction, strategies, financial plan, budget, and other managements to meet with the economic conditions and competitive conditions of market and to propose to the Board of Directors for the approval
2. Study the possibility for new projects. Consider the approval to participate in bidding as well as supervise and control the current project to go as directed.
3. Inspect and observe the operation following the policies and guidelines in the management specified by the Company efficiently for facilitating the business operation and report the operational result to the meeting of Company's Committee
4. Give some advice and consultation. Specify the policies and authorization of managing director and committees for supporting the business of the Company
5. Consider the approval of authorization in the management and business operation to the executives following the Company's regulations
6. Consider the approval of payment for the management and business operation in the part over the financial budget of managing director following the approval announced at that time. Report to the Company's Committee is required in the first meeting of Company's Committee from the date of approval
7. Operate others following the policies assigned by the Company's Committee

The aforementioned authorization to the Executive Committees must be under the regulation of law and Company's rules. In the case that any operation with or possibly with the benefits or stakes of Executive

Committees and/or persons possibly with conflict, the Executive Committees and/or assigned persons do not have authorization in approving the mentioned operation. This must be proposed to the Company's Committee for the consideration later.

7.2.3 Audit Committee

On 31st December, 2012, the Audit Committee of the Company consists of 3 persons who are independent directors with diverse abilities in each field of occupation for both engineering, and Finance Account. They are responsible for considering and approving of the company's financial statements and the affiliates, verifying the internal audit and internal control, holding the meeting with the auditor, assistant managing director in financial and accounting department and considering the referential details. The Audit Committees consist of:

ลำดับ	รายชื่อ	ตำแหน่ง
1	Mr. Dusit Choopanya	Chairman of Audit Committee
2	Mr. Narong Sooksawasdi	Auditing Committee
3	Mr. Aphinant Klewpatinond*	Auditing Committee
4	Mr. Trairak Tengtrairat**	Auditing Committee

*resigned on August 13,2013

**appointed on August 13,2013

Mrs.Sudchinda Sethakulvichai is the secretary of Audit Committee

The Audit Committee term is 3 years except resignation case following the Company's regulation. They can be re-elected to return to the position again.

Elements of Audit Committee

Among 3 audit committee, there must be at least 1 Auditing Committee with proficiency in accounting or financial management of the Company. The meeting of Audit Committee consists of no less than two third to attend the meeting.

Scope of duties and responsibilities of Auditing Committee – in internal audit

1. Verify the Company to have correct, complete, sufficient, and reliable financial report
2. Verify the Company to have sufficient, suitable, and effective internal control and internal audit systems.
Consider the independence of internal audit department and consider approving the nomination, transfer and dismiss the head of internal audit department
3. Verify that the company works in comply with the related law and regulation.

4. Consider recruiting or nominating the persons to be independently responsible for the auditor of the Company and propose the remuneration of such persons as well as attending the meeting with the auditor without the participation of management department for at least once a year
5. Openly conduct the report of the Audit Committee in the annual report of the Company. The mentioned report must be signed by the Chairman of Audit Committee and must consist of the following data:
 - 1) Opinion on the correctness, completeness, and reliability of financial report of the Company
 - 2) Opinion on the sufficiency of internal control system of the Company
 - 3) Opinion on the conformity to the law related to the Company's business
 - 4) Opinion on the suitability of auditor
 - 5) Opinion on the details possibly related party transaction.
 - 6) Other details which the shareholders should be acknowledged under the scope of duties and responsibilities assigned by the Board of directors.
6. Report the operation of the Audit Committee to the Board of Directors for at least four times a year.
7. Be responsible for the duties of Audit Committee. The Audit Committee has authorization in holding the meeting with the executives or employees to request for necessary data being use by the Audit Committee
8. If the Audit Committee find or be doubtful in any detail or activity which may significantly affect the financial status or operational performance of the Company, the Audit Committee must report the Board of Directors to verify such detail or activity immediately
9. Perform other things following the assignment of the Board of Directors and the approval of the Audit Committee

Scope of duties and responsibilities of Audit Committee– in risk management

1. Consider the policies and guidelines in the risk management of the Company covering several kinds of risks, for example, financial risk, the risk affecting the Company's reputation, for proposing to the approval of the Board of Directors.
2. Specify the guidelines in the risk management of the Company to be in accordance with the policy of risk management by assessing, observing, and supervising the amount of risk of the Company to be in the of the Company suitable level
3. Supervise and observe the conformity to the policy of risk management under the guidelines and policies approved by the Board of Directors.
4. Provide the assessment and analysis on the damage possibly occurring systematically and continually for assuring that the risk survey covers all processes of business operation
5. Specify the criteria and limit of risk which is acceptable by the Company
6. Support and develop the risk management to continually occur throughout the whole Company

7. Review the sufficiency of policies and system of risk management including the effectiveness of the system and the conformity to the specified policies
8. Regularly report the operational performance to the Board of Directors on the operation and status of risk of the Company as well as to propose to the Board of Directors for considering the improvement and correction on the Company's operation in order to agree with the specified policies and strategies of risk management

7.2 Recruiting standard for Board of Directors and Executives

7.2.1 Recruiting standard for the Board of Directors.

The Board of Directors must consist of at least 5 persons but not more than 15 persons; independent committee must be at least one third (1/3) of the whole numbers of the board but not less than 3 persons. The directors for at least not less than half (1/2) of the whole numbers of the board must reside within the Kingdom of Thailand and the whole Board of Directors must be qualified without any characters prohibited by law. The Board of Directors can be the Company's shareholders

- 1) One shareholder shall have one vote for one share
- 2) If the number of persons nominated for election as directors does not exceed the number of directors to be elected at such election, general meeting of shareholders shall elect directors from those nominated persons. Shareholders shall cast their votes to elect directors based on the total number of shares that they hold under (1). Such votes for nominated persons cannot be divided. If the number of persons nominated for election as directors exceeds the number of directors to be elected at such election, voting shall be made for each individual nominated person. Shareholders shall cast their votes to elect directors based on the total number of shares that they hold under (1). Such votes for nominated persons cannot be divided. Nominated persons receiving maximum number of votes shall be elected as directors in a descending order in a number of directors required at such election. If the number of nominated persons with equal number of votes exceeds the number of directors required at such election, the Chairman shall cast one extra vote to reach a final decision.

7.2.2 Recruiting standard for executive Committee

The Executive Committee is appointed by the Board of directors which will be responsible in assisting the board of directors in relation with the management and routine works under the authorization of Managing Director. The Executive Committee can consider the subjects in relation with Company's operation in general before proposing to the board of directors' meeting in order to make the Company operate with efficiency, keep up with the situations, and create highest benefits to the Company. This is for allowing the Board of Directors to have more time for the political works and supervision on the management department

7.2.3 Recruiting standard for Audit Committee

All Auditing Committees are appointed by the Board of Directors and they must be an independent directors qualified with the Notification of Committee of Stock Exchange of Thailand No. Thor Jor. 28/2551 and following the supervision principle of the Company. At least 1 Auditing Committee must have proficiency in accounting and/or finance in order to be responsible for inspecting and supervising the Company's operation as well as supervising the financial report, internal control system, selection of auditor, and consideration on the conflict of interest.

7.3 Remuneration

7.3.1 Remuneration for Board of Directors and Audit Committee

The remuneration of the Board of Directors, Audit Committee, and Executive Committee are as follows:

(Unit : baht)

Position	Meting allowance/time	Operational remuneration	
		Monthly	Annual
Chairman	15,000	50,000	The remuneration of all Directors in total is no less than 0.1% but not greater than 0.5% of gross revenue stated in Financial Statement that has been approved by shareholders in the Annual General Meeting.
Directors	15,000	25,000	
Chairmand of audit Committee	20,000	-	
Audit Committee	10,000	-	
Chief Executive Officer	-	10,000	
Executive Officer	-	5,000	

Monthly remuneration and meeting allowance

The criteria of remuneration of Company's Committee, Auditing Committee, and Executive Committee are as mentioned above.

Annual remuneration

The Board of Directors receive remunerations in total of all members is between 0.1 - 0.5 percent of the total revenues of the Company's annual financial statements that have been approved by the Annual General Meeting of shareholders. The annual bonus allocation shall be determined, considered and approved each year by the Board of Directors depending on the operation performance of the company.

The remuneration of the Board of Directors in 2013 in monetary form

Unit : baht

Name		Meeting Allowance	AGM Meeting Allowance	Audit Committee Meeting Allowance	Exe.Com meeting allowance	Monthly fee	Year Bonus	Total
Mr. Yiem	Chundprasit	60,000	15,000	-	-	600,000	600,000	1,275,000
Mr. Boonkrua	Khemapiratana	60,000	15,000	-	120,000	300,000	600,000	1,095,000
Mr. Dusit	Choopanya	60,000	15,000	80,000	-	300,000	600,000	1,055,000
Mr. Narong	Sooksawasdi	60,000	15,000	40,000	-	300,000	600,000	1,015,000
Mr. Aphinant	Klewpatinond	30,000	-	20,000	-	187,500	600,000	837,500
Mr. Trairak	Tengtrairat	15,000	-	10,000	-	112,500	-	137,500
Mr. Kamol	Ratanachai	60,000	15,000	-	-	300,000	600,000	975,000
Mr. Gritsada	Potisomporn	45,000	15,000	-	60,000	300,000	600,000	1,020,000
Mr. Chatmongkol	Khemapirat	60,000	15,000	-	60,000	300,000	600,000	1,035,000
Mrs. Sudchinda	Sethakulvichai	60,000	-	-	60,000	300,000	600,000	1,020,000

The Board of Directors Meeting

The Company specifies the meeting schedule of committee in advance causing the committee to be able to manage their time for attending the meeting. Except for the case of special occasion, the Chairman or directors in numbers specified by the law can hold the meeting following necessity. The board of directors specifies normal meeting in every 3 months. The Office of Managing Director and Company's Secretary will send the invitation letter for the meeting along with the agenda and supplementary documents to the board members for at least 7 days in prior of the meeting date in order to allow sufficient time to the board of directors to study all information.

Each meeting, Chairman will carefully supervise the consideration of each agenda and allow every director to express their opinion freely and mutually discuss. The top executives are required to attend the meeting for explaining the information as directly related persons to the operation before the resolution is passed in each agenda. Moreover, the minute of meeting is also conducted in written form and carefully stored for the audit as well.

In 2012, the Company held the meetings as follows:

Meeting of the Board of Directors

No.	Name		Numbers of attendance in 2013
1.	Mr. Yiem	Chundprasit	4/4
2.	Mr. Boonkrua	Khemapiratana	4/4
3.	Mr. Dusit	Choopanya	4/4
4.	Mr. Narong	Sooksawasdi	4/4
5.	Mr. Aphinant	Klewpatinond	2/4
6	Mr. Trairak	Tengtrairat	1/4
7..	Mr. Kamol	Ratanachai	4/4
8.	Mr. Gritsada	Potisomporn	3/4
9.	Mr. Chatmongkol	Khemapirat	4/4
10.	Mrs. Sudchinda	Sethakulvichai	4/4

Meeting of Executive Committee

No.	Name		Numbers of attendance in 2013
1.	Mr.Boonkrua	Khemapiratana	17/17
2.	Mr Gridsada	Potisomporn	17/17
3.	Mr.Chatmongkol	Khemapirat	17/17
4.	Mrs.Sudchinda	Sethakulvichai	17/17
5.	Mrs.Boonlom	Farkmitra	17/17

Meeting of Auditing Committee

No.	Name		Numbers of attendance in 2013
1.	Mr. Dusit	Choopanya	4/4
2.	Mr. Narong	Sooksawasdi	4/4
3.	Mr. Aphinant	Klewpatinond	2/4
4.	Mr.Trairak	Tengtrairat	1/4

2. Other remunerations of the employees

1) **Provident fund** - The Company and SCC Maintenance Services Co., Ltd. set the provident fund under the management of Kasikorn Asset Management Co., Ltd. since 2011 with the reservation of provident fund at the rate of 3% of income rate respectively.

2) **Warrants issue under ESOP project to employees and executives.** - According to the extraordinary general meeting 4/2554 on 30th November, 2011, approved the resolution to issue the warrants of Company's ordinary shares ("share warrant") to the employees of the Company for 6,750,000 unit with the par value of 0 baht. The warrants will be effective and exercise within 3 years starting from the date of issuance and sale offer of share warrants. One unit is equal to 1 ordinary share of the Company in the 25% discounted price offer to sell to general people for the first time. The warrant's holders can exercise warrant at not more than 15% of all warrants allocated by the Company for their first time. The warrant holders shall exercise at every 6 months for 5 consecutive times at the rate of 15.0%, 15.0%, 15.0%, 20.0% and 20.0% of all the allocated shares respectively. The unexercised warrants remaining can be accumulated to use at later period until expiration. The first exercise is specified to be on January 31, 2013.

7.3 Personnel staff

Numbers of personnel staff

On 31st December, 2013, the Company and the affiliates have number of employees as of follows:

Type of operation	Numbers of employees (person)
	In 2013
1. Permanent employees (including the executives)	271
2. Temporary employees	1,894
Total of employees	2,165

Remuneration to employees

The remuneration of employees in exclusion of the executives and the affiliates on 31st December, 20123

(Unit : Million baht)

Remuneration	Permanent employees	Temporary employees
	In 2013	In 2013
Salaries	146.87	364.80
Special remuneration	80.90	68.45
Contribution to provident fund	1.6	-
Total	229.37	433.25

8. Corporate Good Governance

8.1 Corporate governance principles

Corporate Governance means the system which provides the relation of structure and process among the Directors, management and shareholders in order to create the competitive capability for growth and added value in long term for shareholders by considering the stakeholders.

The Company recognizes the importance of providing good corporate governance in the organization along with the belief that good corporate governance enhances the organization's quality of management, disclose information transparency and standardization which create the confidence for investors, creditors, customers, shareholders and other stakeholders. And this will promote the expansion and sustained Company growth. The corporate governance of the Company are categorized as follows:

1. Right of Shareholders

The company shall not commit any violation or curtail the rights of shareholders, also encourage shareholders to use the basic rights of shareholders.

2. Equitable Treatment of Shareholders

Ensure the equitability in shareholders' treatment, provide measurement to prevent the use of inside information for the benefit of themselves or others in which could cause damage to the shareholders as a whole.

3. Role of Stakeholders

The company shall not commit any violation to the rights of stakeholders, also treat stakeholders in accordance with related law, as well as promote cooperation between companies and stakeholders.

4. Information Disclosure and Transparency

Operates with transparency, accountability, and ensure that any disclosure of important information related to the company will be proper, complete within a appropriate time.

5. Responsibilities of the Board of Directors

The Board of Directors perform duties with integrity for the maximum benefit of the company and fairness to all shareholders including perform following to Company's conduct.

* The full version can be downloaded from website: www.sricha.com

8.2 Quality Management System, Health, safety and Environment Policy

The Company's quality management system, health, safety and environment of the company are the policy of the Company which must abide by the laws and regulations relating to the administration and management in accordance with the quality management system and environmental management strictly. The Company will manage and administer the environment in accordance with international standards as well as promote and encourage all employees to work safely and be aware of the important and concerning with environment. And this shall be responsibilities of all company's employees. The Company has substantial guideline for quality management systems; health, safety and environmental management are as follows

■ The Company and SCC Maintenance Services Co.,Ltd have been certified quality management system standard ISO for international quality management systems as follows:

- The Company has been certified under the ISO 9001: 2000 and ISO 9001:2008 in November 2008 and February 2009 respectively.
- SCC Maintenance Services Co.,Ltd has been certified ISO 9001:2008 in November 2010.

Each year, the Company is inspected and evaluated the performance of various departments by the quality management team of the Company and certified Company 2 times a year to oversee that the Company have been carried out in accordance with the quality management system standard ISO 9001:2008.


■ Provide knowledge and training for safety, health and environment and appropriate work area to employees who perform work in the construction fields and sites as a preventative measure and control of the incident for safety, health and environment continually.


8.3 Control the use of inside information

The Company has provided measure to prevent the use of inside information by providing Guideline for Prevention of Use of Inside Information in writing with the approval of the Board of Director Meeting 15/2011 on September 9, 2011 and the Company has circulated information to employees and managers to strictly comply with regulations. The Company's corporate governance policies and procedures do not permit all directors, executives and employees of the Company to disclose or use data for the purpose of their own benefit including selling and buying securities of the Company are as follows:

■ The Company has determined restriction in using data on the conduct of the Company and regulations regarding the operation. Directors, executives and employees of the Company are forbid to disclose or use data for the purpose of their own benefit.

■ Directors, executives and employees of the Company shall avoid the use of inside information for their own benefit in the purchase or sale of shares of the Company or provide information to third party for the purpose of the purchase or sale of shares of the Company.

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Directors, executives and employees of the Company shall avoid and refrain from trading in securities of the Company stock during the period of one month in prior to the disclosure of financial statements and other important information to the public and should wait at least 24-48 hours after disclosure to the public before purchasing or selling stock of the Company.
- 

The Company educate its directors and executive officers of the Company regarding the obligation in reporting holding securities of the Company including related penalty in accordance with Public Limited Companies Act 1992, (amended) ("Public Limited Companies Act") and the Securities and Exchange Act BE 1992 (amended) ("Securities Act") reports the benefits of the directors and executive stakeholders and the prohibition of the use of inside information in stock trading as well as related penalty under the Securities Act.

9. Internal Control

The Company managed and maintained the effective and balance of internal control system by the Board of Directors. The Audit Committees appointed by Company's Board of Directors having the qualification according to Securities and Act Law to perform its duties to monitor and directly report to the Company's Board of Directors.

The Company has 3 independent directors who serve and monitor through the Audit Committee, and to perform independently and freely access to information as well as cooperation from both executives and involved employees. Such functions include the verification on financial statements of the Company to be transparent, reliable and accurate under Audit Committee.

In order to provide effective control in the Company, it has established an Internal Audit Department to serve as an independent monitor to report directly to the Audit Committee and attend the meeting with the Audit Committee on a regular basis.

Internal Audit is responsible for internal audit and evaluates the activities of the Company, also to ensure the quality of the performance of various departments to create consistent with the objectives and goals of the company, including its duties to control and monitor according to assignment by the Audit Committee and report operating performance directly to the Audit Committee by monitoring of the audit function regularly. The Company hired external independent consultant as the company's advisor. They will verify an internal audit system as well as provide consultation regarding audit policy of the Company including supervision, monitoring and evaluation control system of the Company in accordance with the regulation so that the performance verification and inspection could be performed efficiently. They will report on the implementation of plans of prevention and risk control of the various departments to the Audit Committee, then further report to the Company's Board of Directors.

The company pays attention to the internal control system both in management and operation, then further setup duties, and authorization for management in writing. Moreover, the Company has prepared the evaluation form for internal control system in order to protect any damages to the Company, then could allow the Company to find any error within the appropriate time and in time, as well as reduce the business risk, and operation risk by management and employees of the Company. The evaluation form is prepared under the guideline of The Stock Exchange of Thailand.

The Audit Committee has evaluated the adequacy of internal control system of the Company for the year 2013 together with the Internal Audit Department 1/2014 on February 26, 2014 and presented to the

Company's Board of Directors, 1/2014 on February 26, 2014. The evaluation is measured in five parts; each part consists of 17 elements:

Part 1) Control Environment

1. Organization focuses on integrity and morality.
2. Directors are independent from management team to oversight and develop the internal control.
3. Management team provides the report structure, setup the authority for direction, and appropriate responsibilities in order to achieve objectives under oversight of Directors.
4. Organization focuses on the motivation, development and maintains the competence staffs.
5. Organization specifies employees for duties and responsibilities of internal control in order to achieve objectives of organization.

Part 2) Risk Management

1. Organization sets up objective clearly in order to categorize and assess various related risks in order to achieve organization's objectives.
2. Organization specified and analyzes all kind of risks which could impact greatly to the organization's objectives achievement.
3. Organization considered for the chances of cheating for the risk assessment in order to achieve the organization's objectives.
4. Organization could specify and assess the changing which could impact to internal control system.

Part 3) Control Activities

1. Organization provides control measure in order to reduce the risks for not to achieve the organization's objectives in the acceptable level.
2. Organization selects and develops general control activities with technology system in order to support the objective achievement.
3. Organization provides control activity through policy by setting up the expectation and procedure in order to implement this policy.

Part 4) Information and Communication Measure

1. Organization provides relevant information with quality in order for internal control could perform according to plan.
2. Organization communicates information within organization, including objectives and responsibilities to necessarily internal control to support internal control could perform according to plan.
3. Organization could communicate with external unit for the concerned issues which could impact to internal control.

Part 5) Monitoring

1. Organization monitors and assesses the internal control to ensure that internal could still completely perform in appropriate way.
2. Organization assesses and communicates the defect of internal control in time to the responsible person, including report to top executives and directors as appropriate.

Moreover, The Audit Committee thinks that the Company has appropriate internal control system and could perform company's activities according to Good Corporate Governance, having transparency and fairness, could verify. Moreover, the Company also discloser financial information in Financial Statement of Company completely and appropriate.

9.2 Head of Internal Audit and Head of Compliance

The Audit Committee Meeting 15/2011 on September 9, 2011, was appointed JR Business Advisory Co.,Ltd. and Miss Wanida Kachanasantisak who has experience in internal audit in similar business/industry for 3 years, also was trained in the internal audit course: Internal audit course (for new generation accountant) by Commerce and Accounting of Chulalongkorn University, and also risk management by Federation of Accounting Professions. Furthermore, the consideration and approval, demotion, transfer position and head of internal audit are presented on attachment no.3.

10. Related Party Transaction

Related Party Transaction

Year 2013, the Company has shown no significant related party transaction between the affiliate and stakeholders or more than 1 Million Baht. However, the Company has details of related party transaction as follows:

Person/Juristic which could have some conflicts.	Relation	Description of Transaction	Value Item 1 Jan. 2013 – 31 Dec.2013	Necessity/Reasonable of item	Comment of Audit Committee
1, Thai Taihei Co.,Ltd.	● 2 Director and shareholder are Mr. Boonkrua Khemapiratana and Mr. Krisda Photisomporn are the directors of Thai Taihe.	1, <u>Transaction with the Company:</u> -Management Expenses (Consultant Fee)	900,000 Baht	- The Company has appointed Thai Taihe Co.,Ltd. As a consultant of bidding and design of project related to power plant, and project which has Japanese owner. - Consultant fee is competitive compared to others service provider.	– It's supporting business of the Company. – Estimated price is reasonable.
2. SCC Park Co.,Ltd.	● 1 Related person Mr. Boonkrua Khemapiratana is Director of SCC Park Co.,Ltd.	1, <u>Transaction with the Company:</u> -Renting	1,643,100 Baht	- The Company has rented land for 23 Rais, 31.2 Sq. wa. Of SCC Park Co.,Ltd. to use for Company's operation. - The renting fee was reasonable.	– It's normal transaction. – Renting fee is the marketing rate according to current market.
3. Boontium Pattana Co.,Ltd.	● 1 Related person Mr. Boonkrua Khemapiratana is brother of Director of Boontium Patana Co.,Ltd.	1, <u>Transaction with the Company:</u> -Renting	1,200,000 Baht	- The Company has rented land for 23 Rais, 3 Ngan, 86 Sq. wa. Of Boontium Patana Co.,Ltd. to use for Company's operation. - The renting fee was reasonable.	– It's normal transaction. – Renting fee is the marketing rate according to current market.

Measurement procedures for related party transaction

The Board of Directors of the Company Meeting 15/2011 on September 9, 2011 passed a resolution to establish policies and procedures to ensure the transparency transactions between individuals or entities and to protect the interests of the Company by summarize the policies and procedures as follows:

1. The related transaction or transactions of the Company and the affiliate of the Company shall be in accordance with the regulations of the SEC Act. and notification of the Capital Market Board No. Tor Jor 21/2008 under the topic of Rules in the related transaction with the notification of the Stock Exchange of Thailand, topic: Disclosure of Information and Act of Listed Companies Concerning the Related Transactions including the rules of the SEC and / or related stock exchange as well as to comply with the disclosure in the notes to the financial statements that have been reviewed by the auditors of the Company with the registration statement for the year (56-1).
2. In the event that the Company is required by law to be approved by the Company's Board of Directors or the shareholders before entering any transactions. The Company will assign the Audit Committee to review and comment on that transaction. The Audit Committee's comments will present to the Company's Board of Directors or shareholders as applicable to ensure that the proposed transaction is in the best interests of the Company.

The Audit Committee Meeting 15/2011 has considered and approved the principles for management to approve the transaction if such transaction has commercial agreements in the same manner as ordinary prudence will doing the same situation with the bargaining power of trade without the influence of their status as directors or individuals who are involved. The Company is required to prepare a summary report of transactions exceeds one Million Baht or items with a total value in excess of one Million Baht within six months to report to the Committee at all times.

Policies or trends in future related party transactions

When entering into related transactions or transactions between the Company and affiliates, the Company shall comply with the principles and guidelines of the Stock Exchange of Thailand, Securities and Exchange Commission and the Stock Exchange that is effective if the Company intends to enter into related transactions or the transactions between the Company and affiliates. The Company will comply with the standard described above strictly. The Audit Committee has considered the guidelines by considering the needs of the operations of the Company and comparing prices on comparable items made to third parties (if any) as to the substance of the transaction.

11. Management Discussion and Analysis

Results on operation of the Company and the Affiliates:

In 2013, the Company and the affiliate which focused on the management of the projects on hand both domestic and international have earned revenues in total of around 2500 Million Baht as of 31 December, 2013. The Company still has backlog for 630.3 Million Baht which has not been recognized as the revenue from original contract and add work. Normally for large project, the Company will received add work during operation

Company's Operation Result

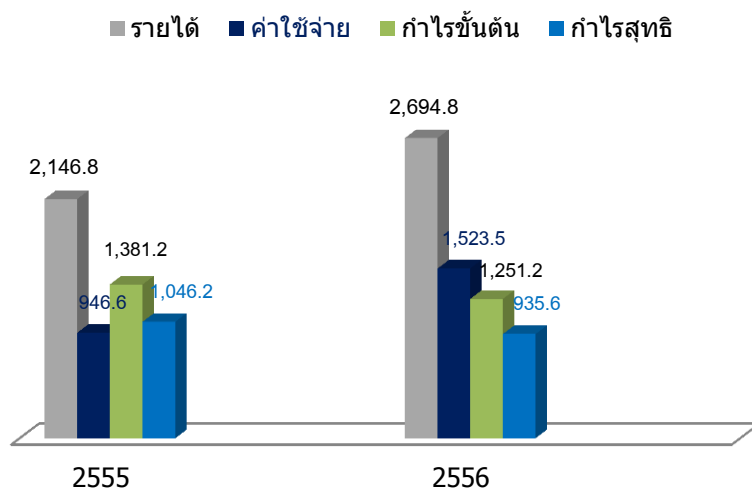
Results on operation of the Company and the affiliates end of 31 December, 2012 and 2013 as follows:

Unit : Million BAht	Ended December 31, 2013			
	2556 Financial Statement	2555 Financial Statement	Increase (Decrease)	
			Amount	Percentage
Revenue from construction	1,896.4	1,860.5	35.9	1.9
Revenue from services	641.8	237.2	404.6	170.6
Others revenue	156.7	49.2	107.5	218.8
Cost of Construction	(943.1)	(576.5)	366.6	63.6
Cost of Services	(344.0)	(140.1)	203.9	145.6
Management Expenses	(236.4)	(232.8)	(3.6)	(1.5)
Financial Cost	(0.3)	(0.0)	(0.3)	(100)
Income Tax	(235.5)	(151.3)	84.2	55.7
Gross Profit	935.6	1,046.2	(110.6)	(10.6)
Net Profit on Equity of shareholders	918.1	1,032.5	(114.4)	(11.1)

Net profit of 2013 decreased 110.6 Million baht or in equivalent to 10.6 percent when compared with 2012. However, revenue from construction is increased 35.9 Million Baht or in equivalent to 1.9 percent. Revenue from Services is increased 404.6 Million Baht or in equivalent to 170.6 percent, these came from supervision and maintenance equipment, major from overseas projects. Other revenues are increased 107.5 Million Baht or in equivalent to 218.8 percent.

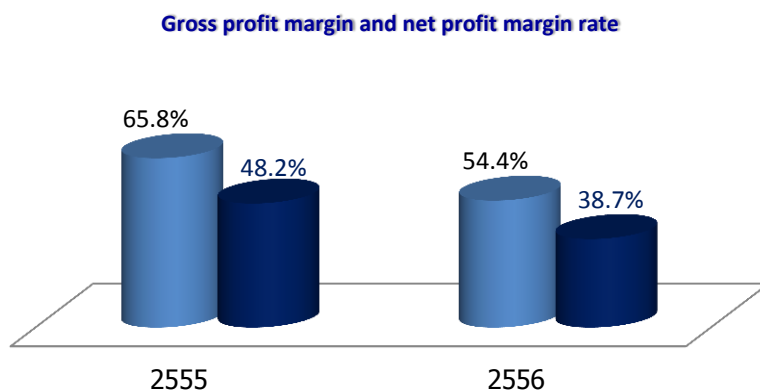
The Company's cost from construction and services increased 366.6 Million Baht or in equivalent to 63.6 percent decreasing from acknowledgement of cost of add work which is not delivery. Cost of services increased 203.9 Million Baht or in equivalent to 145.6 percent increasing proportion to revenue. However, the management expenses decreased 3.6 Million Baht or in equivalent to 1.5 percent. Company income tax increased 84.2 Million Baht or in equivalent to 55.7 percent.

Company's Operation Result in 2012 and 2013



Gross Profit and Net Profit Margin in Compare between 2012 and 2013

Rate of Gross profit margin and Net Profit Margin in compare of 2012 - 2013



Gross Profit Margin and Ratio of Gross profit margin result mainly from construction and services revenue

	2013		2012		Increase (Decrease)	
	Gross Profit (Million Baht)	Profit Ratio (percentage)	Gross Profit (Million Baht)	Profit Ratio (percentage)	Gross Profit (Million Baht)	Profit Ratio (percentage)
Gross profit from construction revenue	953.3	50.3	1,284.0	69.0	(330.7)	(25.8)
Gross Profit from Services	297.8	46.4	97.1	40.9	200.7	206.7
Gross Profit	1,251.1	49.3	1,381.1	65.8	(130.0)	(10.4)

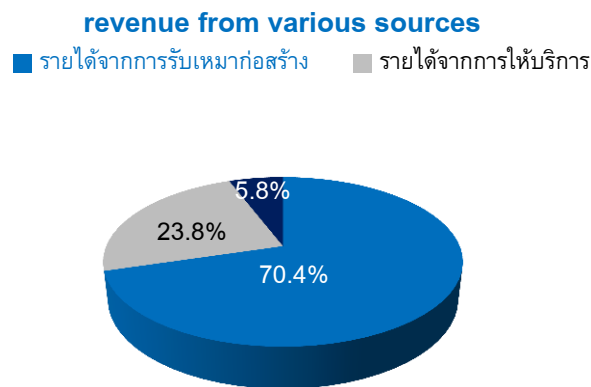
Total Gross Margin of fiscal year 2013 was 1,251.1 Million Baht or in equivalent to 49.3 percent, decreased by 130.0 Million Baht or in equivalent to 10.4 percent comparing to previous year. The decreasing of gross margin dues to in 2013, the Company had gross margin of construction for 953.3 Million Baht or in equivalent to 50.3 percent of construction revenue, decreased by 330.7 Million Baht from the previous year or in equivalent to 25.8 percent. The

fluctuation and decreasing of grow margin caused from recoding of expenses of construction to match with add work performing during the year but not due to delivery, then shown in the decreasing of the gross margin significantly.

As of 31 December, 2013, EBIT was 1,171.4 Million Baht, decreased by 26.2 Million Baht. Net profit of Company's shareholders was 918.1 Million Baht, decreased by 114.4 Million Baht comparing to previous year. The decreasing of net profit dues to the increasing of recording expenses of construction of add work performing during the year but not due to delivery. The increasing of Company's income tax dues to some project did not received BOI exemption caused earning per share ratio decreased from 3.90 to 3.01 Baht. Then Return on Equity (ROE) is 40.2%, decreased by 23.0%. Return on Assets (ROA) is 34.3%, decreased from the previous year or in equivalent to 10.3% due to increasing the net asset by providing land and factory for steel structure for 116.34 Million Baht. However, current asset ratio is equivalent to 1.0 percent same as previous year.

Revenue from Operation

Revenue generate from various source of income which consist mainly from construction revenue, services revenue and other revenue



Ended December 31, 2013

Type of Revenue	Million Baht	% of total revenue
1. Construction Revenue	1,896.3	70.4%
2. Services Revenue	641.8	23.8%
3. Other Revenue	156.7	5.8%
Total Revenue from operation	2,695.0	100.0%

Revenue from construction is the revenue by the Company provides services to customer for the construction factory consists of steel structure, piping assembly and installation, machine and equipment installation. Revenue from services is revenue from machine and equipment maintenance services.

Revenue from construction

The Company's revenue from construction in 2013 totaled 1,896.4 Million Baht, increased by 35.9 Million Baht or 1.9 percent comparing to 2012. Revenue from construction is equivalent to 70.4 percent of total Company's revenue classified as follows:

1. **Steel Structure** for the amount of 685.4 Million Baht, decreased from previous year 14.7 Million Baht or in equivalent to 2.1 percent decreased. Revenue from Steel Structure is equivalent to 36.1 percent of total revenue from construction or in equivalent to 25.4 percent of total revenue.
2. **Piping Assembly and Installation** for the amount of 999.9 Million Baht, increased from previous year 715.5 Million Baht or in equivalent to 251.6 percent increased. Revenue from Piping Assembly and Installation is equivalent to 52.7 percent of total revenue from construction or in equivalent to 37.1 percent of total revenue.
3. **Machine and Equipment Installation** for the amount of 211.1 Million Baht, decreased from previous year 664.9 Million Baht or in equivalent to 75.9 percent decreased. Revenue from Machine and Equipment Installation is equivalent to 11.1 percent of total revenue from construction or in equivalent to 7.1 percent of total revenue.

Increasing or decreasing of volume depends on the work of each customer due to most of the Company's operation are projects works. Then each project will have different type of works.

Revenue from Services

Revenues from services increased 404.6 Million Baht or in equivalent to 170.6 percent comparing to 2012. Revenues from services is equivalent to 23.8 percent of total revenue. This part came from the machine and equipment maintenance service in oversea project and came from machine and equipment service by affiliates.

Other Revenue

Other revenue increased 107.5 Million Baht or in equivalent to 4.9 percent comparing to 2012. Other major revenues came from received dividend, received interest and profit from exchange rate. Other revenue is equivalent to 5.8 percent of total revenue.

Cost of construction and services.

Cost of construction and services consists of material supply, labor cost, and production overhead. In fiscal year 2013, the Company has cost of construction and services totaled 1,287.1 Million Baht, or in equivalent to 84.5 percent of total cost, in which increased 570.6 Million Baht or in equivalent to 79.6 percent comparing to previous year. These cost classified as follows:

Cost of Construction

Cost of Construction has totaled 943.1 Million Baht in which increased by 366.6 Million Baht or in equivalent to 63.6 percent increased comparing to fiscal year 2012. Cost of construction is equivalent to 49.7 percent of total cost of Company's construction or in equivalent to 62.3 of total cost.

Cost of Service

Cost of service has totaled 344.0 Million Baht in which increased by 204.0 Million Baht or in equivalent to 145.6 percent comparing to fiscal year 2012. Cost of service is equivalent to 53.6 percent of total cost of service or in equivalent to 22.7 of total cost.

Expenses in Management

Major expenses in management are employees' salaries, cost associated with employees, and depreciation, etc. In fiscal year of 2013 were 236.4 Million Baht, decreased by 3.6 Million Baht or in equivalent to 1.6 percent comparing to previous year in which decreased little.

Income Tax

The Company's income tax increased 84.2 Million Baht. The increasing of the Company's income tax of previous year were from some items did not received BOI exemption in some area.

Asset

As of 31 December, 2013, the Company and affiliates has asset in total of 2,956.9 Million Baht, increased by 451.2 Million Baht from the previous year or in equivalent to 18.0 percent in which caused from:

Cost of Construction service

The cost of construction in 2012 went down due to the major projects completed this year has caused the main cost including materials and labor costs to greatly reduced.

Financial Statement

Financial Structure

Asset

As of 31 December, 2013, the Company and affiliates has asset in total of 2,956.9 Million Baht, increased by 451.2 Million Baht from the previous year or in equivalent to 18.0 percent in which caused from:

Increased Current Asset has totaled 294.8 Million Baht or increased by 15.7 percent caused from increasing of receivables for 72.0 Million Baht, other receivable for 199.0 Million Baht and also increasing of value incomplete work for 630.0 Million Baht.

Increased of Non-current Asset has totaled 156.4 Million Baht or increased by 25.0 percent caused from increasing deposit for collateral for 101.9 Million Baht, net increasing of land, equipment and building for 116.3 Million Baht. In the same time, there were some decreasing items; items waiting for returned tax from Singapore for 59.3 Million Baht. Non-current Asset had changed significantly due to the Company had deposits for construction, Land, building and equipment collateral, also investment for providing land and new factory for structure fabrication in order to support the increasing work of the Company and also to support the future growth of the Company.

Financial Structure

As of 31 December, 2013, the Company had total liabilities per shareholder resulted in ratio of 0.23, increased by 0.12 from the previous year. The liabilities structure has totaled of 18.2 percent, the major increasing from current liabilities consisted of current capital, especially the advance revenue and accrued expenses. These mentioned items, the Company did not have the interest expenses.

Debt

As of 31 December, 2013, the Company and affiliate had totaled debt for 550.5 Million Baht, increased by 264.9 Million Baht from the previous year or in equivalent to 92.7 percent by increasing from current debt for 258.5 Million Baht or increased by 102.2 percent. This caused from increasing of other creditors for 84.3 Million Baht in which increasing from the Company's transaction, increasing from unearned revenue from owner and unearned construction for 38.9 Million Baht, increased by payment collection from the Company's customers. The changing of unearned revenue depended on operation of the projects, in which the Company increasing invoicing advance payment from oversea projects and also increasing of accrued income tax were equivalent to 125.2 Million Baht.

Shareholders

As of 31 December, 2013, have increased 2,406.4 Million Baht, increased by 186.3 Million Baht from the previous year, or increased 8.4 percent of accumulated profit in which increased 110.7 Million Baht from the operation performance of the Company and affiliate of year 2013 for 935.6 Million Baht. And during the year, there were ESOP allocation to management and employees by exercising SRiCHA-WA for 1.97 Million shares, having surplus share value of 36.3 Million Baht.

Liquidity

Liquidity of the Company and affiliate for the end year of 31 December, 2013, net cash flow decreased 425.4 Million Baht. The Company and affiliate has net cash brought from the previous year for 1337.3 Million Baht in which effected to net cash for the end year was equivalent to 912.0 Million Baht.

Although cash and items equivalent to cash of year end of 2013, the Company and affiliate was equivalent to 912.0 Million Baht, decreased by previous year (2012, cash and items equivalent to cash was equivalent to 1337.3 Million Baht) , but did not impact to the liquidity, in which could see the liquidity ratio was more than 1 or in equivalent to 4.3 times, decreased from the previous year to 7.4 times. Having the fast liquidity ratio was equivalent to 2.5 times, in which was still in good criteria, have capability to pay all liabilities.

12. Auditor Report

Independent Auditor's Report

I have audited the accompanying consolidated financial statements of **Sriracha Construction Public Company Limited and its subsidiaries**, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of **Sriracha Construction Public Company Limited** for the same period.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Sriracha Construction Public Company Limited and its subsidiaries** and of **Sriracha Construction Public Company Limited** as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 6 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*. The Company has restated the financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the statement of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes. My opinion is not qualified in respect of this matter.

NONGRAM LAOHAAREEDILOK Certified Public Accountant Registration No. 4334 Ast Master Co., Ltd. 26 February 2014

13. Financial Statement

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

In Baht							
Consolidated financial statements				Separate financial statements			
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
ASSETS	Notes		(Restated)	(Restated)		(Restated)	(Restated)
CURRENT ASSETS							
Cash and cash equivalents	8	911,974,325	1,337,333,624	706,321,360	811,552,046	1,295,538,977	648,850,384
Short-term investment	9	39,736,071	239,695,794	330,824,678	34,319,515	234,568,139	325,807,243
Trade accounts receivable	10	309,142,601	237,192,671	188,352,777	259,252,802	143,662,175	119,795,400
Other accounts receivable	11	245,794,916	46,794,967	288,483,277	245,265,660	46,394,709	287,770,001
Unbilled completed work	12	630,296,922	-	114,545,353	630,296,922	-	114,545,353
Supplies		35,898,306	17,024,926	11,778,115	32,112,313	14,348,192	9,462,848
Total current assets		2,172,843,141	1,878,041,982	1,640,305,560	2,012,799,258	1,734,512,192	1,506,231,229
NON-CURRENT ASSETS							
Fixed deposits pledged as collateral	13	104,999,713	3,139,995	35,854,584	104,999,713	2,959,995	35,674,584
Investment in subsidiaries	14	-	-	-	9,081,387	9,081,387	9,081,387
Investment in associated company	15	-	-	-	-	-	-
Property, plant and equipment	16	594,364,440	478,101,386	362,009,073	586,332,347	468,972,277	353,586,562
Investment properties	17	59,571,306	60,728,053	61,884,986	59,571,306	60,728,053	61,884,986
Intangible assets	18	17,475,949	17,231,636	3,228,359	15,267,387	14,806,264	2,956,587
Income tax refundable	19	-	59,291,024	59,291,024	-	59,291,024	59,291,024
Deferred income tax assets	6, 20	7,417,883	8,086,303	3,587,234	6,845,463	7,703,136	3,193,988
Other non-current assets		300,095	1,157,058	622,687	290,095	1,147,058	155,143
Total non-current assets		784,129,386	627,735,455	526,477,947	782,387,698	624,689,194	525,824,261
TOTAL ASSETS		2,956,972,527	2,505,777,437	2,166,783,507	2,795,186,956	2,359,201,386	2,032,055,490

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2013

In Baht							
Consolidated financial statements				Separate financial statements			
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
LIABILITIES AND SHAREHOLDERS' EQUITY	Notes		(Restated)	(Restated)		(Restated)	(Restated)
CURRENT LIABILITIES							
Trade accounts payable	22	49,519,717	40,980,104	46,602,846	48,753,834	34,303,064	34,893,222
Other accounts payable	23	218,378,615	134,057,501	149,774,448	203,985,419	123,151,349	144,023,111
Current portion of liabilities under finance lease agreements	24	2,273,702	795,593	214,330	1,616,206	166,078	-
Advances received from customers and prepaid revenue	12	47,850,262	8,888,618	627,352,827	47,850,262	8,888,618	627,352,827
Accrued income tax		193,600,798	68,385,493	194,112,644	186,491,111	57,864,962	182,483,650
Total current liabilities		511,623,094	253,107,309	1,018,057,095	488,696,832	224,374,071	988,752,810
NON-CURRENT LIABILITIES							
Liabilities under finance lease agreements	24	2,874,534	1,104,953	226,631	2,196,900	311,240	-
Employee benefit obligations	25	36,049,206	31,472,231	20,580,937	31,769,385	28,192,629	18,347,994
Provision for project guarantee		-	-	25,000,000	-	-	25,000,000
Total non-current liabilities		38,923,740	32,577,184	45,807,568	33,966,285	28,503,869	43,347,994
TOTAL LIABILITIES		550,546,834	285,684,493	1,063,864,663	522,663,117	252,877,940	1,032,100,804
SHAREHOLDERS' EQUITY							
Share capital	26						
Authorized share capital							
310,000,000 common shares, Baht 1 par value		310,000,000	310,000,000	310,000,000	310,000,000	310,000,000	310,000,000
Issued and paid - up share capital							
2013 : 305,223,200 common shares							
(2012 : 303,250,000 common shares) Baht 1 par value		305,223,200	303,250,000	225,000,000	305,223,200	303,250,000	225,000,000
Premium on share capital	26	1,101,209,757	1,064,865,000	-	1,101,209,757	1,064,865,000	-
Warrants under ESOP		25,704,049	18,656,000	-	25,704,049	18,656,000	-
Retained earnings							
Appropriated for legal reserve	30	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000
Unappropriated		888,695,408	777,966,477	820,489,671	788,721,241	693,099,972	743,954,686
Other components of equity		20,665,592	(4,547,526)	-	20,665,592	(4,547,526)	-
Total parent's equity		2,372,498,006	2,191,189,951	1,076,489,671	2,272,523,839	2,106,323,446	999,954,686
Non-controlling interests		33,927,687	28,902,993	26,429,173	-	-	-
TOTAL SHAREHOLDERS' EQUITY		2,406,425,693	2,220,092,944	1,102,918,844	2,272,523,839	2,106,323,446	999,954,686
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,956,972,527	2,505,777,437	2,166,783,507	2,795,186,956	2,359,201,386	2,032,055,490
The notes to financial statements are an integral part of these financial statements.							

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENT OF COMPREHENSIVE INCOME					
FOR THE YEAR ENDED 31 DECEMBER 2013					
		In Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
	Notes		(Restated)		(Restated)
REVENUES					
Revenue from construction services		1,896,351,039	1,860,513,397	1,896,351,039	1,860,513,397
Revenue from services		641,790,944	237,200,159	374,295,831	9,008,066
Dividends income	7.2	-	-	37,500,000	33,750,000
Other income	31	156,703,323	49,154,318	152,991,793	47,897,602
Total revenues		2,694,845,306	2,146,867,874	2,461,138,663	1,951,169,065
EXPENSES					
Cost of construction services		943,082,115	576,473,710	943,082,115	577,864,323
Cost of services		344,013,184	140,061,354	163,904,184	6,185,932
Administrative expenses		236,362,688	232,786,525	232,868,971	208,230,390
Total expenses		1,523,457,987	949,321,589	1,339,855,270	792,280,645
Profit before finance costs and income tax		1,171,387,319	1,197,546,285	1,121,283,393	1,158,888,420
Finance costs		(256,499)	(35,666)	(175,988)	(6,243)
Profit before income tax		1,171,130,820	1,197,510,619	1,121,107,405	1,158,882,177
Income tax expenses	33	(235,524,915)	(151,310,993)	(218,133,856)	(134,737,891)
Profit for the year		935,605,905	1,046,199,626	902,973,549	1,024,144,286
Other comprehensive income :					
Exchange differences on translating financial statements		25,213,118	(4,547,526)	25,213,118	(4,547,526)
Total comprehensive income for the year		960,819,023	1,041,652,100	928,186,667	1,019,596,760
Profit attributable to:					
Equity holders of the parent		918,081,211	1,032,475,806	902,973,549	1,024,144,286
Non-controlling interests		17,524,694	13,723,820	-	-
		935,605,905	1,046,199,626	902,973,549	1,024,144,286
Comprehensive income attributable to:					
Equity holders of the parent		943,294,329	1,027,928,280	928,186,667	1,019,596,760
Non-controlling interests		17,524,694	13,723,820	-	-
		960,819,023	1,041,652,100	928,186,667	1,019,596,760
Basic earnings per share					
Profit attributable to equity holders of the parent	29	3.01	3.89	2.96	3.86
Diluted earnings per share					
Profit attributable to equity holders of the parent	29	2.98	3.83	2.93	3.80

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

SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

In Baht								
						Retained earnings		Other components of equity
								Other comprehensive income (expense)
			Issued and paid-up share capital	Premium on share capital	Warrants under ESOP	Appropriated for legal reserve	Unappropriated	Exchange differences on translating financial statements
								Total
Balance as at 1 January 2012 - as previously reported			225,000,000	-	-	31,000,000	740,760,698	-
Cumulative effect of the change in accounting policy relating to income tax	6		-	-	-	-	3,193,988	-
Balance as at 1 January 2012 - as restated			225,000,000	-	-	31,000,000	743,954,686	-
Increase in share capital	26		78,250,000	1,064,865,000	-	-	-	-
Stock warrant recognised as expenses	27		-	-	18,656,000	-	-	-
Dividends	28		-	-	-	-	(1,074,999,000)	-
Total comprehensive income for the year			-	-	-	-	1,024,144,286	(4,547,526)
Balance as at 31 December 2012			303,250,000	1,064,865,000	18,656,000	31,000,000	693,099,972	(4,547,526)
Balance as at 1 January 2013 - as previously reported			303,250,000	1,064,865,000	18,656,000	31,000,000	685,396,836	(4,547,526)
Cumulative effect of the change in accounting policy relating to income tax	6		-	-	-	-	7,703,136	-
Balance as at 1 January 2013 - as restated			303,250,000	1,064,865,000	18,656,000	31,000,000	693,099,972	(4,547,526)
Increase in share capital	26		1,973,200	36,344,757	(16,119,457)	-	-	-
Stock warrant recognised as expenses	27		-	-	23,167,506	-	-	-
Dividends	28		-	-	-	-	(807,352,280)	-
Total comprehensive income for the year			-	-	-	-	902,973,549	25,213,118
Balance as at 31 December 2013			305,223,200	1,101,209,757	25,704,049	31,000,000	788,721,241	20,665,592

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



SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	1,171,130,820	1,197,510,619	1,121,107,405	1,158,882,177
Adjustments to reconcile profit to net cash provided by operating activities				
Depreciation	42,317,225	35,373,244	39,577,155	33,250,563
Amortization	2,116,652	535,626	1,899,842	529,226
Gain on disposal of equipment	(1,350,637)	(1,109,098)	(1,350,637)	(1,109,098)
Reversal of allowance for un-refundable income tax	59,291,024	-	59,291,024	-
Loss on assets written-off	367,799	590,423	367,799	-
Employee benefit obligations	4,727,062	10,891,294	3,726,843	9,844,635
Provision for project guarantee	-	(25,000,000)	-	(25,000,000)
Employee benefit expenses under ESOP	23,167,506	18,656,000	23,167,506	18,656,000
Interest expenses	256,499	35,666	175,988	6,243
Profit from operating activities before change in operating assets and liabilities	1,302,023,950	1,237,483,774	1,247,962,925	1,195,059,746
Decrease (Increase) in operating assets				
Trade accounts receivable	(71,949,930)	(48,839,894)	(115,590,627)	(23,866,775)
Other accounts receivable	(198,999,949)	40,017,910	(198,870,951)	39,835,451
Unbilled completed work	(630,296,922)	114,545,353	(630,296,922)	114,545,353
Retention receivables	-	201,670,400	-	201,539,841
Supplies	(18,873,380)	(5,246,811)	(17,764,121)	(4,885,344)
Other non-current assets	18,616,086	586,192	18,616,086	128,647
Increase (Decrease) in operating liabilities				
Trade accounts payable	8,539,613	(5,622,742)	14,450,770	(590,158)
Other accounts payable	84,455,739	(15,914,277)	80,968,697	(21,069,093)
Advances received from customers and construction revenue received in advance	38,961,644	(618,464,209)	38,961,644	(618,464,209)
Employee benefit obligations	(150,087)	-	(150,087)	-
Cash received from operating activities	532,326,764	900,215,696	438,287,414	882,233,459
Income tax paid	(127,400,311)	(282,657,777)	(106,409,157)	(264,986,290)
Net cash provided by operating activities	404,926,453	617,557,919	331,878,257	617,247,169



SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in short-term investments		199,959,723	91,128,884	200,248,624	91,239,104
(Increase) Decrease in fixed deposits pledged as collateral		(101,859,718)	32,714,589	(102,039,718)	32,714,589
Cash paid for investment in a associated company		-	(6,600)	-	(6,600)
Proceeds from disposals of equipment		3,759,262	1,770,037	3,759,262	1,770,037
Cash paid for acquisition of property, plant and equipment					
<i>(Supplement disclosures of cash flows information 1)</i>		(156,413,173)	(149,892,313)	(155,231,024)	(147,669,208)
Cash paid for acquisition of intangible assets		(2,360,965)	(14,538,903)	(2,360,965)	(12,378,903)
Net cash used in investing activities		(56,914,871)	(38,824,306)	(55,623,821)	(34,330,981)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment for liabilities under finance lease agreements		(795,592)	(243,754)	(166,078)	-
Dividends paid to non-controlling interests		(12,500,000)	(11,250,000)	-	-
Dividends paid <i>(Supplement disclosures of cash flows information 2)</i>		(807,486,907)	(1,074,795,069)	(807,486,907)	(1,074,795,069)
Proceeds from issue of common shares		22,198,500	1,173,750,000	22,198,500	1,173,750,000
Cash paid for cost of share subscription		-	(30,635,000)	-	(30,635,000)
Net cash provided by (used in) financing activities		(798,583,999)	56,826,177	(785,454,485)	68,319,931
Increase (Decrease) in translation financial statements		25,213,118	(4,547,526)	25,213,118	(4,547,526)
Net increase (decrease) in cash and cash equivalents		(425,359,299)	631,012,264	(483,986,931)	646,688,593
Cash and cash equivalents, beginning of year		1,337,333,624	706,321,360	1,295,538,977	648,850,384
Cash and cash equivalents, end of year		911,974,325	1,337,333,624	811,552,046	1,295,538,977
SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION					
1. Cash paid for acquisition of property, plant and equipment					
Acquisition of property, plant and equipment during the year		(160,199,956)	(151,559,986)	(158,556,902)	(148,140,284)
Increase in liabilities under finance lease agreements		3,786,783	1,667,673	3,325,878	471,076
Cash paid for acquisition of property, plant and equipment		<u>(156,413,173)</u>	<u>(149,892,313)</u>	<u>(155,231,024)</u>	<u>(147,669,208)</u>
2. Cash paid for dividends					
Dividends paid		(807,352,280)	(1,074,999,000)	(807,352,280)	(1,074,999,000)
Increase (decrease) in accrued dividends		(134,627)	203,931	(134,627)	203,931
Cash paid for dividends		<u>(807,486,907)</u>	<u>(1,074,795,069)</u>	<u>(807,486,907)</u>	<u>(1,074,795,069)</u>

1. GENERAL INFORMATION

Sriracha Construction Public Company Limited is a public company incorporated and domiciled in Thailand. The Company engages in construction business, machinery and equipment rental and consulting on architectural and engineering. The major shareholder of the Company is Sriracha Holding Co., Ltd. which holds 65%. The registered addresses are as follows:

Head Office is located at 97 Moo 3, Surasak sub-district, Sriracha district, Chonburi.

Branch Office 1 is located at 153 Moo 3, Surasak sub-district, Sriracha district, Chonburi.

Madagascar Branch is located at LOT VA 46 TSIADANA AMPASANIMALO - 101 ANTANANARIVO - MADAGASCAR.

The Company was listed on the Stock Exchange of Thailand on 2 July 2012.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

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

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy below.

The consolidated financial statements included the account of subsidiaries that the Company being influence over the control is as follow:

Company name	Country of incorporation	The date of commencing control	Percentage of holding by company
<u>Subsidiaries</u>			
SCC Maintenance Services Co., Ltd. <i>Outsourcing maintenance service business</i>	Thailand	Year 2002	75.0
KCBS Store Co., Ltd. <i>The business of selling tools and machinery.</i>	Thailand	31 March 2011	100.0

Significant transactions with subsidiaries in the consolidated financial statements have been eliminated.

"The Company" represents "Sriracha Construction Public Company Limited" while "The Group" represents "Sriracha Construction Public Company Limited and subsidiaries".

Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within shareholders' equity in the consolidated statement of financial position.

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

3. NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 INCOME TAXES

This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Group has changed this accounting policy in this year and restated the prior year's financial statements, presented as comparative information, as though the Group had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 6 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below;

4.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Deposits at financial institutions that are restricted in use are presented as "Fixed deposits pledged as collateral" under non - current assets in the statement of financial position.

4.2 Short-term investments

Short-term investments consist of 3 - 12 months fixed deposit and investments in unit trusts of mutual funds which the Company holds as investments in securities held for trading are determined at fair value. Gains or losses arising from changes in the value of securities are included in statement of comprehensive income.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

4.3 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount less allowance for doubtful account receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

4.4 Supplies

Supplies are stated at the lower of cost or net realizable value. Cost is determined by the average method.

4.5 Investment in subsidiary

Subsidiary, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations are consolidated. Subsidiary is consolidated from the date on which control is transferred to The Group and is no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiary have been changed to ensure consistency with the policies adopted by the Group.

Information about the non-controlling interests was listed separately in the consolidated statements of financial position and comprehensive income.

Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for loss on diminution in value (if any).

4.6 Investment in associated company

Associates are those companies in which the Company has significant influence over the associates that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associated are stated by equity method in consolidated financial statements. In case of the associates have capital deficiencies the recognition of Company's portion on such investments will be equal to zero only.

Investments in associates are accounted for in the separate financial statement using the cost method net of allowance for loss on diminution in value (if any).

4.7 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets, except for land, are stated at historical cost less accumulated depreciation.

Depreciation of plant and equipment is calculated on the straight line method over their estimated useful lives are as follows:

	<u>No. of Years</u>
Land improvement	10
Building and structure	10 - 20
Machinery and equipment	5 - 10
Fixtures and office equipment	5
Vehicles	5 - 10
Computer	5

When assets are sold or retired, the Group will eliminate their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the statements of comprehensive income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to The Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Work in progress are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

4.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvement	10 years
Building and structure	20 years

4.9 Intangible asset

Intangible asset is right to use a computer program that looks at a specific purchase recorded as an asset when the cost of acquisition and action to a particular computer program used accompanied by a request. It is amortized using the straight-line method over the estimated useful life of 5 years.

4.10 Impairment of assets

The Group reviewed the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount (the higher of an assets selling price or value in use). The review is made for individual assets or the cash generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses in the statements of comprehensive income. The reversal of impairment losses recognized in prior years is recorded as other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased.

4.11 Translation of foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

4.12 Translation of foreign currency financial statements

The financial statements of a branch in foreign country have been prepared in the currency of the Malagasy Ariary. The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

4.13 Leases - where a company is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables.

The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

Defined Benefit Plan - Employee Stock-Ownership Program (ESOP)

On 13 July 2012, the Company allocated the Company's stock warrants of 6,750,000 units without any consideration to the management and employees of the Company and its subsidiaries according to the Employee Stock-Ownership Program. The fair value of the warrants at the grant date was Baht 10.3212 per unit. The fair value is calculated using Binomial Option Pricing Model. The financial input data comprised the underlying stock price at the grant date (13 July 2012) of Baht 19.40 per share, the warrant strike price of Baht 11.25 per share, the expected volatility which was calculated from the historical data of underlying share over the period of 1 year prior to the grant date of 49%, the warrant exercise period of 3 years and the risk-free interest rate of 3.141 – 3.286% per annum and dividend at the rate of 5%.

The fair value of warrant granted under Employee Stock-Ownership Program was recognized as expense in the profit or loss over the period of the program of 3 years.

4.15 Revenue and cost recognition

Revenues from construction services

The Company recognized revenues from construction on a percentage of completion basis. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. Full provision is made for losses on unprofitable contracts as soon as losses can be foreseen. Revenues recognized to date in excess of amounts billed are classified in statement of financial position under the caption of "Unbilled completed work" and for the money the Company collected in excess of revenue recognized in the reporting period is shown "Revenues received in advance" in the statement of financial position.

Costs incurred in construction include direct materials, direct labor and construction overheads. General and administrative expenses are charged to the profit or loss when incurred.

Costs incurred during the year related to future activities under the contract are not included in the cost of construction and is represented as "Work in progress" in the statement of financial position.

Revenues from services

Revenues from services are recognized when the services are rendered based on the stage of completion.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred income tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Basic earnings per share

Basic earnings per share are computed by dividing profit by the weighted average number of common shares during the years.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

4.18 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments, trade accounts receivable, retention receivable and tax refundable. Financial liabilities carried on the statement of financial position include trade accounts payable, payable from acquisition of investments, retention payables and accrued income tax and expenses. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The Group did not adopt any derivative strategies to manage the fluctuation of foreign currency and interest rates.

4.19 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

4.20 Critical accounting estimates and assumption

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Property, plant and equipment and intangible asset

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and intangible asset of the Group which are principally based on technical information. Management will also review the write-down of technically obsolete or un-used assets by disposal or abandonment.

Allowance for doubtful receivables

Allowance for doubtful receivables is considered based on analysis of aging and assessment of the current financial position of customers. The Group determined the aging and status of customers for setting the allowance for doubtful accounts based on the outstanding balances.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques by using the Projected Unit Credit Method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Employee Stock-Ownership Program (ESOP)

The fair value of warrant granted under Employee Stock-Ownership Program was calculated using Binomial Option Pricing Model and recognized as expense in the profit or loss over the period of the program of 3 years.

Revenue recognition

The Group recognized revenues from construction on a percentage of completion basis. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

4.21 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

4.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the Company's shareholders.

5. NEW ACCOUNTING STANDARDS ISSUED DURING THE PERIOD AND NOT YET EFFECTIVE

During the current period, the Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows:

Effective date

		<u>Effective date</u>
Accounting Standard:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 12 (revised 2012)	Income taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
Financial Reporting Standard:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretation:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets – Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmers	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

6. CUMULATIVE EFFECT OF THE CHANGE IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW ACCOUNTING STANDARD

During the year, the Group changed the accounting policy as described in Note 3 to the financial statements, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position are summarised below.

	In Baht					
	Consolidated financial statements					
	31 December 2012			1 January 2012		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
Statements of financial position						
Deferred income tax assets	-	8,086,303	8,086,303	-	3,587,234	3,587,234
Retained earnings	769,880,174	8,086,303	777,966,477	816,902,437	3,587,234	820,489,671
	Separate financial statements					
	31 December 2012			1 January 2012		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
Deferred income tax assets	-	7,703,136	7,703,136	-	3,193,988	3,193,988
Retained earnings	685,396,836	7,703,136	693,099,972	740,760,698	3,193,988	743,954,686

The amounts of adjustments affecting the statements of comprehensive income for the year ended 31 December 2012 are summarised below.

	In Baht					
	Consolidated financial statements			Separate financial statements		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
Statements of comprehensive income						
Income tax	155,810,063	(4,499,070)	151,310,993	139,247,039	(4,509,148)	134,737,891
Profit for the year	1,041,700,556	4,499,070	1,046,199,626	1,019,635,138	4,509,148	1,024,144,286
Basic earnings per share	3.85	0.04	3.89	3.82	0.04	3.86

Details of deferred income tax are disclosed in Note 20.

7. TRANSACTIONS WITH RELATED PARTIES

7.1 Relationships and pricing policies

The relationship and pricing policies among the Company with related parties are as follows:

	Relationships
<u>Parent company</u>	
Sriracha Holding Co., Ltd.	The Company's shareholder and directorship
<u>Associated company</u>	
Thai Taihei Co., Ltd.	The Company own 21% and Directorship
<u>Subsidiaries</u>	
SCC Maintenance Services Co., Ltd.	Shareholding and directorship
KCBS Store Co., Ltd.	Shareholding and directorship
<u>Related companies</u>	
Sriracha Yokohama Co., Ltd.	Directorship
Sriracha Leasing Co., Ltd.	Directorship
SCC Park Co., Ltd.	Directorship
GL Online Co., Ltd.	Directorship
Printing 108 Co., Ltd.	Directorship
B.K.One Sriracha Co., Ltd.	Directorship
Teamwork Solution Co., Ltd.	Directorship
Boontiem Pattana Co., Ltd.	Directorship
<u>Related Persons</u>	
Boonkrua Khemapiratana	The Company's director and shareholder
Gridsada Potisomporn	The Company's director and shareholder

Pricing policies for significant transactions

Pricing policies for the related parties :

Guarantee and the use of collateral	No fee charge.
Revenue from services	At price which had been agreed upon.
Sales	At normal business prices, as same as other entities.
Rental income	At contract prices.
Purchase of materials	At normal business prices, as same as other entities.
Rental and service expenses	At contract prices.
Administrative expenses	At normal business prices, as same as other entities.
Acquisition of assets	At cost plus.
Consultant fee	At contract prices.

7.2 Balances of transactions with related parties

Balances of transactions with related parties as at 31 December 2013 and 2012 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable				
SCC Maintenance Services Co., Ltd.	-	-	121,200	2,354,190
Trade accounts payable				
SCC Maintenance Services Co., Ltd.	-	-	2,539,835	343,388
KCBS Store Co., Ltd.	-	-	-	484,184
Total	-	-	2,539,835	827,572
Other accounts payable				
SCC Maintenance Services Co., Ltd.	-	-	-	51,662
KCBS Store Co., Ltd.	-	-	-	400,000
SCC Park Co., Ltd.	273,850	200,000	273,850	200,000
Boontiem Pattana Co., Ltd.	150,000	-	150,000	-
Total	423,850	200,000	423,850	651,662

7.3 Revenues and expenses with related parties

Transaction with related parties for the years ended 31 December 2013 and 2012 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Revenues from services				
SCC Maintenance Services Co., Ltd.	-	-	6,260,251	6,185,932
Sales				
SCC Maintenance Services Co., Ltd.	-	-	-	6,991
Rental income from property				
SCC Maintenance Services Co., Ltd.	-	-	1,310,400	1,448,400
Dividend income				
SCC Maintenance Services Co., Ltd.	-	-	37,500,000	33,750,000
Purchase of materials				
KCBS Store Co., Ltd.	-	-	-	10,740,380
Purchases of services				
SCC Maintenance Services Co., Ltd.	-	-	-	633,413
KCBS Store Co., Ltd.	-	-	-	105,249
Printing 108 Co., Ltd.	-	600	-	600
Total	-	600	-	739,262
Rental expense				
SCC Park Co., Ltd.	1,643,100	1,200,000	1,643,100	1,200,000
Boontiem Pattana Co., Ltd.	1,200,000	-	1,200,000	-
Total	2,843,100	1,200,000	2,843,100	1,200,000
Administrative expenses				
KCBS Store Co., Ltd.	-	-	-	104,962
GL Online Co., Ltd.	-	30,000	-	-
Printing 108 Co., Ltd.	-	57,310	-	50,310
Total	-	87,310	-	155,272
Acquisitions of assets				
KCBS Store Co., Ltd.	-	-	-	1,119,455
Consultant fee				
Thai Taihei Co., Ltd.	900,000	1,620,000	900,000	1,620,000

Directors and management's benefits

For the years ended 31 December 2013 and 2012, the Company had salaries, meeting allowances and other benefits of their directors and management totaling Baht 19.34 million and Baht 39.0 million, respectively.

8. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	521,971	424,528	431,971	304,528
Current deposits	86,337,735	214,239,675	64,728,360	180,815,521
Saving deposits	486,380,233	1,013,583,284	483,702,478	1,011,259,712
Fixed deposits, maturity less than 3 months	60,377,143	109,086,137	54,331,994	103,159,216
Bill of exchanges, maturity less than 3 months	278,357,243	-	208,357,243	-
Total	911,974,325	1,337,333,624	811,552,046	1,295,538,977

The weighted average effective interest rates of deposits at financial institutions were 0.75% to 2.50% per annum (2012 : 0.75% to 3.10% per annum).

9. SHORT-TERM INVESTMENTS

	In Baht					
	Interest rates (%)		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
6-month fixed deposits	2.00	1.70 - 2.12	5,416,556	5,127,654	-	-
12-month fixed deposits	2.00 - 2.15	2.00 - 2.50	34,319,515	133,543,438	34,319,515	133,543,438
Unit trust	-	-	-	101,024,702	-	101,024,701
Total			39,736,071	239,695,794	34,319,515	234,568,139

10. TRADE ACCOUNTS RECEIVABLE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable - related companies (Note 7.2)	-	-	121,200	2,354,190
Trade accounts receivable - other companies	244,911,727	153,651,700	225,427,944	102,056,905
Accrued income	64,230,874	83,540,971	33,703,658	39,251,080
Total	309,142,601	237,192,671	259,252,802	143,662,175

Aging of trade accounts receivable as at 31 December 2013 and 2012 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable - related companies				
Within credit terms	-	-	121,200	2,354,190
Total trade accounts receivable - related companies	-	-	121,200	2,354,190
Trade accounts receivable - other companies				
Within credit terms	243,796,408	149,750,123	225,427,944	102,056,905
Overdue - less than 3 months	1,115,319	3,901,577	-	-
Total trade accounts receivable - other companies	244,911,727	153,651,700	225,427,944	102,056,905

11. OTHER ACCOUNTS RECEIVABLE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Receivable for tax refund from oversea (Note 19)	173,908,473	-	173,908,473	-
Value added tax receivable	-	340,430	-	340,430
Cash advances for Project	40,000,000	40,000,000	40,000,000	40,000,000
Other accounts receivable	31,886,443	6,454,537	31,357,187	6,054,279
Total	245,794,916	46,794,967	245,265,660	46,394,709

12. UNBILLED COMPLETED WORK / ADVANCES RECEIVED FROM CUSTOMERS AND CONSTRUCTION REVENUE RECEIVED IN ADVANCE

	In Baht	
	Consolidated and separate financial statements	
	2013	2012
Total value of signed construction contracts	2,450,078,100	10,162,267,518
Construction revenues recognized to date	2,188,580,454	8,440,947,400
<u>Less</u> Installments due to date	(1,558,283,532)	(8,449,836,018)
	630,296,922	(8,888,618)
<u>This disclosure consists of :</u>		
Current assets		
Unbilled completed work	630,296,922	-
Current liabilities		
Advances received from customers	47,850,262	-
Construction revenue received in advance	-	8,888,618
Total	47,850,262	8,888,618

13. FIXED DEPOSITS PLEDGED AS COLLATERAL

	Interest rates (%)		In Baht			
			Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
3-month fixed deposits	2.00	2.00	420,213	411,995	420,213	411,995
6-month fixed deposits	-	2.12	-	180,000	-	-
12-month fixed deposits	2.15 - 2.25	2.50	104,579,500	2,548,000	104,579,500	2,548,000
Total			104,999,713	3,139,995	104,999,713	2,959,995

3-month and 12-month fixed deposits were pledged as collateral against credit facilities from the financial institutions (Note 21).

14. INVESTMENT IN SUBSIDIARIES

Separate financial statements

Company name	Paid - up capital (In Baht)	Holdings (%)	In Baht	
			At Cost	
			2013	2012
SCC Maintenance Services Co., Ltd.	1,000,000	75.0	4,972,619	4,972,619
KCBS Store Co., Ltd.	1,000,000	100.0	4,108,768	4,108,768
Total			9,081,387	9,081,387

15. INVESTMENT IN ASSOCIATED COMPANY

Separate financial statements

Company name	Paid - up capital (In Baht)	Holdings (%)	In Baht	
			2013	2012
Thai Taihei Co., Ltd.	6,000,000	21.0	606,600	606,600
<u>Less</u> Allowance for impairment of investment			(606,600)	(606,600)
Net			-	-

Consolidated financial statements

Company name	Holdings (%)	At Cost		Carrying amounts based on equity method	
		2013	2012	2013	2012
Thai Taihei Co., Ltd.	21.0	606,600	606,600	-	-

Thai Taihei Co., Ltd. was incorporated in Thailand and is engages in business of consultant in the construction contract.

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16.PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements

	In Baht							Total
	Land and land improvement	Structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Work in progress	
As at 1 January 2012								
Cost	174,797,402	96,186,207	185,032,405	8,666,648	34,350,384	8,183,383	-	507,216,429
<u>Less</u> Accumulated depreciation	(1,285,912)	(15,393,946)	(102,022,980)	(4,592,460)	(19,011,974)	(2,900,084)	-	(145,207,356)
Net book value	<u>173,511,490</u>	<u>80,792,261</u>	<u>83,009,425</u>	<u>4,074,188</u>	<u>15,338,410</u>	<u>5,283,299</u>	<u>-</u>	<u>362,009,073</u>
Transactions during the year ended 31 December 2012								
Opening net book value	173,511,490	80,792,261	83,009,425	4,074,188	15,338,410	5,283,299	-	362,009,073
<u>Add</u> Acquisitions	40,931,656	3,655,010	35,227,362	2,538,011	10,232,056	1,586,202	57,389,689	151,559,986
<u>Less</u> Disposals / written-off	-	-	(590,423)	-	(577,599)	(83,340)	-	(1,251,362)
Depreciation	(549,773)	(8,786,300)	(16,383,068)	(1,725,440)	(5,414,880)	(1,356,850)	-	(34,216,311)
Closing net book value	<u>213,893,373</u>	<u>75,660,971</u>	<u>101,263,296</u>	<u>4,886,759</u>	<u>19,577,987</u>	<u>5,429,311</u>	<u>57,389,689</u>	<u>478,101,386</u>
As at 31 December 2012								
Cost	215,729,058	99,841,217	219,565,219	11,204,659	41,448,927	9,622,803	57,389,689	654,801,572
<u>Less</u> Accumulated depreciation	(1,835,685)	(24,180,246)	(118,301,923)	(6,317,900)	(21,870,940)	(4,193,492)	-	(176,700,186)
Net book value	<u>213,893,373</u>	<u>75,660,971</u>	<u>101,263,296</u>	<u>4,886,759</u>	<u>19,577,987</u>	<u>5,429,311</u>	<u>57,389,689</u>	<u>478,101,386</u>

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	In Baht							Total
	Land and land improvement	Structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Work in progress	
Transactions during the year ended 31 December 2013								
Opening net book value	213,893,373	75,660,971	101,263,296	4,886,759	19,577,987	5,429,311	57,389,689	478,101,386
<u>Add</u> Acquisitions	30,450,000	-	20,600,439	1,780,661	19,564,248	5,951,782	81,972,826	160,319,956
Transfer in (out)	-	16,248,208	1,070,000	-	-	-	(17,438,208)	(120,000)
<u>Less</u> Disposals / written-off	-	-	(1,736,968)	(87,129)	(952,327)	-	-	(2,776,424)
Depreciation	(549,631)	(9,993,105)	(21,222,265)	(1,705,287)	(5,403,555)	(2,286,635)	-	(41,160,478)
Closing net book value	<u>243,793,742</u>	<u>81,916,074</u>	<u>99,974,502</u>	<u>4,875,004</u>	<u>32,786,353</u>	<u>9,094,458</u>	<u>121,924,307</u>	<u>594,364,440</u>
As at 31 December 2013								
Cost	246,179,058	116,089,425	235,672,422	12,803,528	57,679,410	15,574,585	121,924,307	805,922,735
<u>Less</u> Accumulated depreciation	(2,385,316)	(34,173,351)	(135,697,920)	(7,928,524)	(24,893,057)	(6,480,127)	-	(211,558,295)
Net book value	<u>243,793,742</u>	<u>81,916,074</u>	<u>99,974,502</u>	<u>4,875,004</u>	<u>32,786,353</u>	<u>9,094,458</u>	<u>121,924,307</u>	<u>594,364,440</u>

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	In Baht							Total
	Land and land improvement	Structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Work in progress	
As at 1 January 2012								
Cost	174,797,402	96,186,207	172,755,812	7,604,911	31,189,996	6,905,579	-	489,439,907
<u>Less</u> Accumulated depreciation	(1,285,912)	(15,393,946)	(96,104,556)	(3,879,426)	(17,429,506)	(1,759,999)	-	(135,853,345)
Net book value	<u>173,511,490</u>	<u>80,792,261</u>	<u>76,651,256</u>	<u>3,725,485</u>	<u>13,760,490</u>	<u>5,145,580</u>	<u>-</u>	<u>353,586,562</u>
Transactions during the year ended 31 December 2012								
Opening net book value	173,511,490	80,792,261	76,651,256	3,725,485	13,760,490	5,145,580	-	353,586,562
<u>Add</u> Acquisitions	40,931,656	3,655,010	33,980,458	2,374,336	8,319,907	1,437,566	57,441,351	148,140,284
<u>Less</u> Disposals / written-off	-	-	-	-	(577,599)	(83,340)	-	(660,939)
Depreciation	(549,773)	(8,786,300)	(14,701,465)	(1,609,674)	(5,145,479)	(1,300,939)	-	(32,093,630)
Closing net book value	<u>213,893,373</u>	<u>75,660,971</u>	<u>95,930,249</u>	<u>4,490,147</u>	<u>16,357,319</u>	<u>5,198,867</u>	<u>57,441,351</u>	<u>468,972,277</u>
As at 31 December 2012								
Cost	215,729,058	99,841,217	206,736,270	9,979,247	36,376,390	8,196,363	57,441,351	634,299,896
<u>Less</u> Accumulated depreciation	(1,835,685)	(24,180,246)	(110,806,021)	(5,489,100)	(20,019,071)	(2,997,496)	-	(165,327,619)
Net book value	<u>213,893,373</u>	<u>75,660,971</u>	<u>95,930,249</u>	<u>4,490,147</u>	<u>16,357,319</u>	<u>5,198,867</u>	<u>57,441,351</u>	<u>468,972,277</u>

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	In Baht							Total
	Land and land improvement	Structure	Machinery and equipment	Fixtures and office equipment	Vehicles	Computer	Work in progress	
Transactions during the year ended 31 December 2013								
Opening net book value	213,893,373	75,660,971	95,930,249	4,490,147	16,357,319	5,198,867	57,441,351	468,972,277
<u>Add</u> Acquisitions	30,450,000	-	20,131,953	1,747,855	18,618,248	5,807,682	81,921,164	158,676,902
Transfer in (out)	-	16,248,208	1,070,000	-	-	-	(17,438,208)	(120,000)
<u>Less</u> Disposals / written-off	-	-	(1,736,968)	(87,129)	(952,327)	-	-	(2,776,424)
Depreciation	(549,631)	(9,993,105)	(19,427,745)	(1,582,183)	(4,664,718)	(2,203,026)	-	(38,420,408)
Closing net book value	<u>243,793,742</u>	<u>81,916,074</u>	<u>95,967,489</u>	<u>4,568,690</u>	<u>29,358,522</u>	<u>8,803,523</u>	<u>121,924,307</u>	<u>586,332,347</u>
As at 31 December 2013								
Cost	246,179,058	116,089,425	222,374,987	11,545,309	51,660,873	14,004,045	121,924,307	783,778,004
<u>Less</u> Accumulated depreciation	(2,385,316)	(34,173,351)	(126,407,498)	(6,976,619)	(22,302,351)	(5,200,522)	-	(197,445,657)
Net book value	<u>243,793,742</u>	<u>81,916,074</u>	<u>95,967,489</u>	<u>4,568,690</u>	<u>29,358,522</u>	<u>8,803,523</u>	<u>121,924,307</u>	<u>586,332,347</u>

17. INVESTMENT PROPERTIES

Consolidated and Separate financial statements

	In Baht		
	Land and land improvement	Structure	Total
As at 1 January 2012			
Cost	60,421,618	7,650,849	68,072,467
<u>Less</u> Accumulated depreciation	<u>(4,454,899)</u>	<u>(1,732,582)</u>	<u>(6,187,481)</u>
Net book value	<u>55,966,719</u>	<u>5,918,267</u>	<u>61,884,986</u>
Transactions during the year ended 31 December 2012			
Opening net book value	55,966,719	5,918,267	61,884,986
<u>Less</u> Depreciation	<u>(774,193)</u>	<u>(382,740)</u>	<u>(1,156,933)</u>
Closing net book value	<u>55,192,526</u>	<u>5,535,527</u>	<u>60,728,053</u>
As at 31 December 2012			
Cost	60,421,618	7,650,849	68,072,467
<u>Less</u> Accumulated depreciation	<u>(5,229,092)</u>	<u>(2,115,322)</u>	<u>(7,344,414)</u>
Net book value	<u>55,192,526</u>	<u>5,535,527</u>	<u>60,728,053</u>
Transactions during the year ended 31 December 2013			
Opening net book value	55,192,526	5,535,527	60,728,053
<u>Less</u> Depreciation	<u>(774,146)</u>	<u>(382,601)</u>	<u>(1,156,747)</u>
Closing net book value	<u>54,418,380</u>	<u>5,152,926</u>	<u>59,571,306</u>
As at 31 December 2013			
Cost	60,421,618	7,650,849	68,072,467
<u>Less</u> Accumulated depreciation	<u>(6,003,238)</u>	<u>(2,497,923)</u>	<u>(8,501,161)</u>
Net book value	<u>54,418,380</u>	<u>5,152,926</u>	<u>59,571,306</u>

As at 31 December 2013, the fair value of investment properties was Baht 71.4 million.

As at 31 December 2013, such land with net book value amounting to Baht 49.4 million are mortgaged as collateral against credit facilities obtained from a financial institution (Note 21).

18. INTANGIBLE ASSETS

	In Baht	
	Consolidated financial statements	Separate financial statements
As at 1 January 2012		
Cost	13,337,330	13,065,330
<u>Less</u> Accumulated depreciation	(10,108,971)	(10,108,743)
Net book value	3,228,359	2,956,587
Transactions during the year ended 31 December 2012		
Opening net book value	3,228,359	2,956,587
<u>Add</u> Acquisitions	14,538,903	12,378,903
<u>Less</u> Depreciation	(535,626)	(529,226)
Closing net book value	17,231,636	14,806,264
As at 31 December 2012		
Cost	27,876,233	25,444,233
<u>Less</u> Accumulated depreciation	(10,644,597)	(10,637,969)
Net book value	17,231,636	14,806,264
Transactions during the year ended 31 December 2013		
Opening net book value	17,231,636	14,806,264
<u>Add</u> Acquisitions	2,360,965	2,360,965
<u>Less</u> Depreciation	(2,116,652)	(1,899,842)
Closing net book value	17,475,949	15,267,387
As at 31 December 2013		
Cost	30,237,198	27,805,198
<u>Less</u> Accumulated depreciation	(12,761,249)	(12,537,811)
Net book value	17,475,949	15,267,387

19. INCOME TAX REFUNDABLE

	In Baht	
	Consolidated and Separate financial statements	
	2013	2012
Income tax refundable	-	118,582,048
<u>Less</u> Allowance for un-refundable income tax	-	(59,291,024)
Income tax refundable – net	-	59,291,024

Income tax refundable was withholding tax deducted by customer in Singapore at the rate of 17% of service income.

On 23 January 2014, the Company received a tax refund for the withholding tax from Singapore amounting to Dollar Singapore 6.77 million, equivalents to Baht 173.91 million that the Company filed the tax refund in 2013. As at 31 December 2013, the allowance for un-refundable income tax has been reversed and recorded the difference from the refunded tax with the received tax amounting to Baht 114.62 million as “Other income” (Note 31).

20.DEFERRED INCOME TAX ASSETS AND LIABILITIES

The gross movement and the deferred income tax account is as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
At 1 January	8,086,303	3,587,234	7,703,136	3,193,988
Credited to profit or loss	(668,420)	4,499,069	(857,673)	4,509,148
At 31 December	<u>7,417,883</u>	<u>8,086,303</u>	<u>6,845,463</u>	<u>7,703,136</u>

The movement in deferred tax assets and liabilities during the year is as follows:

	In Baht		
	Consolidated financial statement		
	At 1 January 2013	Charged (credited) to profit or loss	At 31 December 2013
Deferred tax assets			
Employee benefit obligations	6,213,668	878,590	7,092,258
Employee Stock Options Plan (ESOP)	<u>3,731,200</u>	<u>1,409,610</u>	<u>5,140,810</u>
Total	<u>9,944,868</u>	<u>2,288,200</u>	<u>12,233,068</u>
Deferred tax liabilities			
Depreciation	(1,858,565)	(2,956,620)	(4,815,185)
Total	<u>(1,858,565)</u>	<u>(2,956,620)</u>	<u>(4,815,185)</u>
Deferred tax - net	<u>8,086,303</u>	<u>(668,420)</u>	<u>7,417,883</u>

	In Baht		
	Separate financial statement		
	At 1 January 2013	Charged (credited) to profit or loss	At 31 December 2013
Deferred tax assets			
Employee benefit obligations	5,638,525	597,769	6,236,294
Employee Stock Options Plan (ESOP)	<u>3,731,200</u>	<u>1,409,610</u>	<u>5,140,810</u>
Total	<u>9,369,725</u>	<u>2,007,379</u>	<u>11,377,104</u>
Deferred tax liabilities			
Depreciation	(1,666,589)	(2,865,052)	(4,531,641)
Total	<u>(1,666,589)</u>	<u>(2,865,052)</u>	<u>(4,531,641)</u>
Deferred tax - net	<u>7,703,136</u>	<u>(857,673)</u>	<u>6,845,463</u>

	In Baht		
	Consolidated financial statement		
	At 1 January 2012	Charged (credited) to profit or loss	At 31 December 2012
Deferred tax assets			
Employee benefit obligations	4,113,510	2,100,158	6,213,668
Employee Stock Options Plan (ESOP)	-	3,731,200	3,731,200
Total	4,113,510	5,831,358	9,944,868
Deferred tax liabilities			
Depreciation	(526,276)	(1,332,289)	(1,858,565)
Total	(526,276)	(1,332,289)	(1,858,565)
Deferred tax - net	<u>3,587,234</u>	<u>4,499,069</u>	<u>8,086,303</u>

	In Baht		
	Separate financial statement		
	At 1 January 2012	Charged (credited) to profit or loss	At 31 December 2012
Deferred tax assets			
Employee benefit obligations	3,669,598	1,968,927	5,638,525
Employee Stock Options Plan (ESOP)	-	3,731,200	3,731,200
Total	3,669,598	5,700,127	9,369,725
Deferred tax liabilities			
Depreciation	(475,610)	(1,190,979)	(1,666,589)
Total	(475,610)	(1,190,979)	(1,666,589)
Deferred tax - net	<u>3,193,988</u>	<u>4,509,148</u>	<u>7,703,136</u>

The financial position of deferred tax assets and liabilities is as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deferred income tax assets	12,233,068	9,944,868	11,377,104	9,369,725
Deferred income tax liabilities	(4,815,185)	(1,858,565)	(4,531,641)	(1,666,589)
Deferred income tax assets - net	<u>7,417,883</u>	<u>8,086,303</u>	<u>6,845,463</u>	<u>7,703,136</u>

21.SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 31 December 2013, the Company has credit facilities including short-term loans and other facilities with certain local financial institutions totaling Baht 121.3 million. (2012: amount Baht 121.3 million). Such loans are guaranteed by fixed deposits (Note 13), land (Note 16) and certain of the Company's directors.

22.TRADE ACCOUNTS PAYABLE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts payable - related companies (Note 7.2)	-	-	2,539,835	827,572
Trade accounts payable - other companies	49,519,717	40,980,104	46,213,999	33,475,492
Total trade accounts payable	<u>49,519,717</u>	<u>40,980,104</u>	<u>48,753,834</u>	<u>34,303,064</u>

23.OTHER ACCOUNTS PAYABLE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other payable – Revenue Department (Note 33)	57,957,687	-	57,957,687	-
Accrued expenses	90,914,837	85,745,087	77,860,970	75,700,849
Other payables	69,506,091	48,312,414	68,166,762	47,450,500
Total other accounts payable	<u>218,378,615</u>	<u>134,057,501</u>	<u>203,985,419</u>	<u>123,151,349</u>

24.LIABILITIES UNDER FINANCE LEASE AGREEMENTS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Liabilities under finance lease agreements	5,448,995	2,134,443	4,045,794	510,675
<u>Less</u> Deferred interest	<u>(300,759)</u>	<u>(233,897)</u>	<u>(232,688)</u>	<u>(33,357)</u>
Total	5,148,236	1,900,546	3,813,106	477,318
<u>Less</u> Current portion of liabilities under finance lease agreements	<u>(2,273,702)</u>	<u>(795,593)</u>	<u>(1,616,206)</u>	<u>(166,078)</u>
Net	<u>2,874,534</u>	<u>1,104,953</u>	<u>2,196,900</u>	<u>311,240</u>

The ownership of the assets under finance lease agreements will be transferred to the Company when the last installment is paid.

25.EMPLOYEE BENEFIT OBLIGATIONS

The Group operate post-employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

Movements of provision for long-term employee benefits during the year ended 31 December 2013 and 2012 are summarised below.

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Balance as at 1 January	31,472,231	20,580,937	28,192,629	18,347,994
Benefit paid by the plan	(150,087)	-	(150,087)	-
Current service costs	3,625,784	2,414,573	2,746,113	1,830,915
Current interest costs	1,101,278	689,114	980,730	607,536
Actuarial losses	-	7,787,607	-	7,406,184
Balance at 31 December	36,049,206	31,472,231	31,769,385	28,192,629

The above expense recognized in profit or loss is recognized in the following line items.

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
For the years ended 31 December				
Cost of construction services	1,179,940	3,839,408	1,179,940	3,839,408
Cost of services	1,000,219	1,046,659	-	-
Administrative expenses	2,546,903	6,005,227	2,546,903	6,005,227
Total	4,727,062	10,891,294	3,726,843	9,844,635

Principal actuarial assumptions at the reporting date

	Consolidated and Separate financial statements
For the years ended 31 December 2013 and 2012	
Discount rate	3.9% per annum
Salary increase rate	3.0 - 7.0%
Employee turnover rate	Scale related to Age ranging from 0 - 40.0%
Mortality rate	According to Thailand TMO 2008 male and female tables

26.SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

Consolidated and Separate financial statements

	Shares	In Baht		
		common shares	Premium on share capital	Total
Balance as at 1 January 2012	225,000,000	225,000,000	-	225,000,000
Increase in share capital	78,250,000	78,250,000	1,064,865,000	1,143,115,000
Balance as at 31 December 2012	303,250,000	303,250,000	1,064,865,000	1,368,115,000
Warrants exercised during the year	1,973,200	1,973,200	36,344,757	38,317,957
Balance as at 31 December 2013	305,223,200	305,223,200	1,101,209,757	1,406,432,957

As at 31 December 2013, the Company has authorized share capital of Baht 310 million, (divided into 310 million common shares of Baht 1 each) and paid - up share capital divided into 305,223,200 common shares of Baht 1 each amounting to Baht 305.22 million (31 December 2012 : divided into 303,250,000 common shares of Baht 1 each amounting to Baht 303.25 million).

27.EMPLOYEE STOCK OPTIONS PLAN (ESOP)

At the extraordinary shareholder's meeting No.4/2011 held on 30 November 2011, the shareholders passed the resolution to allocate the ESOP warrants of 6,750,000 units without any consideration to employees of the Company. The warrants are 3-year maturity commencing from date of issue and can be exercised at the last official day of July and January. The exercise price is Baht 11.25 per share under the exercise ratio of 1 warrant per 1 new share. The warrants have exercise conditions as follow;

No	Exercise conditions
1	Warrant holders are entitled to exercise no more than 15% of their allocated warrants.
2	Warrant holders are entitled to exercise no more than 15% of their allocated warrants.
3	Warrant holders are entitled to exercise no more than 15% of their allocated warrants.
4	Warrant holders are entitled to exercise no more than 15% of their allocated warrants
5	Warrant holders are entitled to exercise no more than 20% of their allocated warrants
6	Warrant holders are entitled to exercise no more than 20% of their allocated warrants

As at 31 December 2013, total fair value of stock warrants allocated to the employees according to the program was Baht 55.31 million (accounted for 6.75 million units of allocated warrant with fair value of Baht 7.979 – 8.341 per unit).

The movement of allocated warrant for the years ended 31 December 2013 and 2012 was as follow:

	Unit : 1 unit of warrant	
	Consolidated and Separate financial statements	
	2013	2012
Outstanding warrant at the beginning of the year	6,750,000	-
Warrants issued and allocated during the year	-	6,750,000
Warrants exercised during the year	(1,973,200)	-
Outstanding warrant at the end of the year	4,776,800	6,750,000
Employee benefit expenses under ESOP (In Baht)	23,167,506	18,656,000

28.DIVIDENDS PAID

Dividend	Approved by	Dividend (Million Baht)	Dividend per share (Baht per share)	Date of payment
Dividend for year 2011	At the Company's Ordinary Shareholders Meeting dated 26 March 2012	400.50	1.78	10 April 2012
Interim dividend paid from retained earnings	At the Company's Board of Directors Meeting dated 24 May 2012	371.25	1.65	In June 2012
Interim dividend paid from profit for the six-month period ended 30 June 2012	At the Company's Board of Directors Meeting dated 6 August 2012	303.25	1.00	6 September 2012
Total dividends paid in 2012		<u>1,075.00</u>	<u>4.43</u>	
Dividend for year 2012	At the Company's Ordinary Shareholders Meeting dated 10 April 2013	456.35	1.50	9 May 2013
Dividend paid from retained earnings	At the Company's Board of Directors Meeting dated 13 August 2013	351.00	1.15	12 September 2013
Total dividends paid in 2013		<u>807.35</u>	<u>2.65</u>	

29.EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

The details of Basic earnings per share for the years ended 31 December 2013 and 2012 were as follow:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net Profit attributable to shareholders	918,081,211	1,032,475,806	902,973,549	1,024,144,286
Weighted average number of ordinary shares	304,568,699	265,193,989	304,568,699	265,193,989
Basic earnings per share (Baht per share)	3.01	3.89	2.96	3.86

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has a dilutive potential ordinary shares which is stock warrant provided to the Company's employee and management under ESOP (Note 27). A calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock warrant. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the stock warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

The details of diluted earnings per share for the years ended 31 December 2013 and 2012 were as follow:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net Profit attributable to shareholders	918,081,211	1,032,475,806	902,973,549	1,024,144,286
Weighted average number of ordinary shares	304,568,699	265,193,989	304,568,699	265,193,989
Adjustments for stock warrant	3,529,778	4,465,781	3,529,778	4,465,781
Weighted average number of ordinary shares for diluted earnings per share	308,098,477	269,659,770	308,098,477	269,659,770
Diluted earnings per share (Baht per share)	2.98	3.83	2.93	3.80

30.LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

31.OTHER INCOME

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Reversal of allowance of un-refundable income tax from oversea (Note 19)	114,617,448	-	114,617,448	-
Other income	42,085,875	49,154,318	38,374,345	47,897,602
Total	156,703,323	49,154,318	152,991,793	47,897,602

32.PROVIDENT FUND

The Company established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund was approved by the Ministry of Finance. Under the plan, employees must contribute 3 percent of their basic salary, with 3 percent of the employees' basic salary based on employees' service years to be matched by the Company. The Company appointed an authorised fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Acts B.E. 2530.

For the year ended 31 December 2013, the Company's contribution to the provident fund recorded in the financial statements is Baht 1.91 million (2012 : Baht 1.94 million).

33. INCOME TAX

Income tax expenses for the years ended 31 December 2013 and 2012 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Current income tax				
Income tax for the year	156,061,205	155,810,062	138,480,893	139,247,039
Additional income tax of prior years	78,795,290	-	78,795,290	-
Total current income tax	234,856,495	155,810,062	217,276,183	139,247,039
Deferred income tax				
Relating to origination and reversal of temporary differences	668,420	(4,499,069)	857,673	(4,509,148)
Income tax expense presented in the statements of comprehensive income	235,524,915	151,310,993	218,133,856	134,737,891

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 as follows :

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Accounting profit before income tax	1,171,130,820	1,197,510,619	1,121,107,405	1,158,882,177
Applicable tax rate	20%	0% - 23%	20%	0% - 23%
Accounting profit before income tax multiplied by applicable tax rate	247,273,298	311,523,271	229,775,331	294,975,194
Effects of:				
BOI privileges	(78,512,230)	(154,875,822)	(78,512,230)	(154,875,821)
Non-deductible expenses	20,782,357	13,299,299	20,608,443	13,118,768
Additional expenses deductible for tax purposes	(25,982,220)	(6,374,186)	(25,890,651)	(6,208,602)
Income not subject to tax	(7,500,000)	(7,762,500)	(7,500,000)	(7,762,500)
Additional income tax of prior years	78,795,290	-	78,795,290	-
Current income tax	234,856,495	155,810,062	217,276,183	139,247,039
Changes of temporary differences	668,420	(4,499,069)	857,673	(4,509,148)
Income tax expenses presented in the statements of comprehensive income	235,524,915	151,310,993	218,133,856	134,737,891

The Company filed a tax refund both from Thailand and Singapore for the withholding tax deducted by customer in Singapore during 2009 to 2011 amounting to Baht 157.40 million (Note 19).

In August 2013, the Company received the tax refund for year 2009 from the Thai Revenue Department amounting to Baht 57.96 million.

Later, in December 2013, the Company received a letter from Singapore to approve for the tax refund amounting to Baht 173.91 million, which recorded as "Other receivable" and received the tax refund on 23 January 2014.

Due to the tax refund, the Company has a right to refund the withholding tax from only one taxation authority, the management decided to choose to receive the tax refund from Singapore. Therefore, the Company recorded the tax refund received from Thai Revenue Department amounting to Baht 57.96 million as "Other payable – Revenue Department", which included in "Other accounts payable" in the consolidated and separate statements of financial position as at 31 December 2013.

Due to the tax refund and received from Singapore as mentioned above, resulting to the operations of a foreign branch for years 2009 to 2011 has the additional income tax amounting to Baht 78.80 million and the surcharge amounting to Baht 26.86 million, which recorded as "Accrued income tax" and "Administrative expenses" in the consolidated and separate financial statements for the year ended 31 December 2013. The management expects to pay the additional income tax and surcharge in 2014.

34.EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2013 and 2012 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Purchase of materials and consumable used	308,308,869	82,428,864	294,250,633	75,867,498
Staff costs	685,505,395	542,101,674	567,679,242	446,148,892
Subcontractors costs	430,994,288	265,096,289	430,994,288	247,684,634
Rental tool, equipment and vehicles	22,442,727	11,181,662	22,023,112	8,331,028
Depreciation	42,317,225	35,373,244	39,577,155	33,250,562
Amortization	2,116,652	535,626	1,899,842	529,226

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 segment information in the management internal report classify the group business operation to construction service business and maintenance service business, it also classify by the location of customer (Geographical) to local and oversea business.

The financial information classify by business operation of the Group and geographical segment which manner consistent with the management internal reports for the years ended 31 December 2013 and 2012 are as follows:

Consolidated financial statements

	In Million Baht					
	Domestic		Overseas		Total	
	2013	2012	2013	2012	2013	2012
Revenue from construction services	1,896	416	-	1,444	1,896	1,860
Revenue from services	277	237	364	-	641	237
Total revenues	2,173	653	364	1,444	2,537	2,097
Cost of construction services	(943)	(304)	-	(272)	(943)	(576)
Cost of services	(186)	(140)	(158)	-	(344)	(140)
Total cost	(1,129)	(444)	(158)	(272)	(1,287)	(716)
Segment operating profit	1,044	209	206	1,172	1,250	1,381

Other information

As at 31 December 2013 and 2012

Property, plant and equipment	592	473	2	5	594	478
Liabilities which cannot be classified by segment					542	286

The Group's total revenues from operations derived from two domestic and foreign customers, represented 87% of total revenues.

36. PROMOTIONAL PRIVILEGES

By virtue of the provisions of Industrial Investment Promotion Act B.E. 2520, the investment promotion certificate No. 1155 (2) / 2553, the Company were granted certain privileges on their Manufacture of metal structures and equipment for industrial applications as follows;

- Exemption of corporate income tax on the profit for six years from the date of earning operating income from promoted activity.
- In case of loss from operation during the exemption period, it can deduct from the profit beyond the exemption period for five years.
- Exemption of import duty on raw materials and the need to import from abroad for use in manufacturing for export for a period of one year from the date of first import.
- Exemption of income tax on dividends paid from the profit of the promoted activity throughout the promoted period.

As a promoted industry, the company must comply with certain conditions and restrictions provided for the promotional certificate.

Revenues from construction services classified as promoted and non-promoted business for the years ended 31 December 2013 and 2012 of the Company are summarized as follows:

Separate financial statements

	In Million Baht					
	2013			2012		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Revenues from construction services	957	939	1,896	1,051	809	1,860

37. FINANCIAL INSTRUMENTS

As at 31 December 2013, the Group is not engaged in the trading of any derivative financial instruments for speculative purposes.

37.1 Liquidity Risk

Liquidity risk, or funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

37.2 Interest Rate Risk

The Group is exposed to interest risks because it held deposits with financial institutions. However, The Group believed that the future fluctuation on market interest rate would not provide significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

37.3 Credit Risk

The Group is exposed to credit risks mainly relating to their trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with their receivables.

37.4 Fair Value of Financial Instruments

The financial assets and liabilities include cash and cash equivalents, short-term investments, trade accounts receivable, accrued income, unbilled completed works, retention receivable, tax refundable, trade accounts payable, other payable, retention payables and accrued income tax. Their carried values approximate to their fair values.

38. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2013, the Group and the Company have commitments and contingent liabilities as follows:

- 38.1 The Company has commitments regarding to the agreements for construction amounting to Baht 261.50 million.
- 38.2 The Group and the Company have commitment under the lease and service agreements amounting to Baht 24.96 million.

38.3 The Company has contingent liabilities in relation to letter of guarantees issued by the banks for collateral in customer agreement amounting to Baht 348.35 million and letters of guarantee issued for electricity amounting to Baht 3.40 million. These letters of guarantees are pledged by fixed deposits at bank (Note 13), investment properties (Note 17) and certain of Company's directors.

39. CAPITAL MANAGEMENT

The primary objective of the Company's and subsidiary capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2013, debt to equity ratio in the consolidated financial statement is 0.23: 1 (the separate financial statement: debt to equity ratio is 0.23 : 1).

40. EVENTS AFTER THE REPORTING PERIOD

On 26 February 2014, the Board of Directors' meeting, resolved to propose that the Annual General Meeting of Shareholders to approve a dividend payment of Baht 1.55 per share totaling Baht 474.64 million. The dividend will be paid from the Company's operating results for the year ended 31 December 2013.

41. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on 26 February 2014.

15. Related Information

BOI Received

Currently, Sriracha Construction Co., Ltd. has been promoting in the investment of the Board of Investment (BOI) in the manufacture of Steel Structure equipment for industrial type 19.04: Fabrication Industry or repair Platform by benefits and conditions. Details are as follows:

BOI No.	:	1155(2)/ 2010
BOI Issue date	:	January 14, 2010
<p>Foreigners are allowed to bring a mechanic or expert, spouse and dependents into the Kingdom and perform specific duties assigned by the Board of Directors at its sole discretion.</p> <p>Right to tax exemption and tax reduction</p> <p>A. Income Tax Exempt on profits from the operation of the promotion for a period of six years since the date of revenue earning from the operation.</p> <p>B. Allowed annual loss incurred during the tax exemption deducted from the net profit for the period after income tax exemption for a period not exceeding five years from the day of expiration of tax exemption.</p> <p>C. Exempt from import duty on raw and essential materials imported from abroad for use in the production for export for a period of one year from the date of first import.</p> <p>D. Exempt from import duties for the import encouraged to return for the period of one year from the date of first import.</p> <p>E. Exempt for dividend of the Company that have not been promoting which is exempt from tax under a tax calculation for the duration of the exemption from income tax.</p>		

Essential Condition

: Must implement the essence of the project that has been promoted in the followings:

A. Steel Structures, and equipment for industrial applications such as pressure tanks, tanks, piping, etc..

B. Sizes of businesses: Production capacity of Steel Structures, and equipment for industrial applications such as Pressure Vessels, Tank, Piping, etc., about 20,000 tons per year (working hours of 8 / day: 300 days / year).

Scrap: by-products from the production process

- Must be expended to fund the development of technology and personnel by the Board of Investment approval of not less than 1 percent of the value of total sales in the first 3 years, or has total costs not less than 150 million or any value that is less.
- Machinery has been promoted must be new machine and imported on or before 10 August 2012
- Must be completed and to be completed within a period not exceeding 36 months from the date of the promotion.
- Must have a paid-up capital of not less than 50 million and stockholder must be a Thai holding equity of not less than 51 per cent of the share capital.
- The size of the investment (excluding cost of land and working capital) of not less than one million baht.
- Must be certified by Quality System Standard ISO 9000 or ISO 14000 or other equivalent international standards within two years from the date of the operation.
- Must set up factories in Chonburi province, within 15 years from the date of opening of the plant and is forbid to move another area
- Must confirm the implementation of the project office at the end of 6 months, 1 year and 2 years after the date of the promotion.