

NPS Siam

NPS Siam Audit Limited

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Audit report of Certified Public Accountant

To the Shareholders of Syntec Construction Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2008 and 2007, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of an associate. The investment in such associate is accounted for using the equity method in the consolidated financial statements. The financial statements of the above associate was audited by other auditor whose report has been furnished to me and my opinion, insofar as it relates to the amounts included for this associate, is based solely on the report of the other auditor.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits and the reports of the other auditors referred to in the first paragraph provides a reasonable basis for my opinion.

In my opinion, based on my audits and the report of other auditor the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2008 and 2007 and the results of operations and cash flows for the years then ended of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively, in accordance with generally accepted accounting principles.

(Narong Luktharn)
Certified Public Accountant
Registration number 4700

NPS Siam Audit Limited
Bangkok
27 February 2009

**Syntec Construction Public Company Limited
and its Joint Ventures**

Annual financial statements
and
Audit Report of Certified Public Accountant

For the years ended
31 December 2008 and 2007

Syntec Construction Public Company Limited and its Joint Ventures

Balance sheets

As at 31 December 2008 and 2007

Assets	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	427,114,843	230,626,785	426,953,048	137,555,554
Current investment - promissory notes	6	3,850,000	-	3,850,000	-
Accounts receivable, net	4, 7	512,359,056	562,393,271	512,359,056	562,393,271
Retentions receivable under construction contracts, net	4, 8	426,954,348	305,328,859	425,654,348	304,994,434
Unbilled construction in progress	4, 9	907,395,428	488,222,696	736,133,624	388,837,129
Short-term loans to related parties, net	4	108,741,189	55,954,689	85,684,804	125,397,598
Inventories	10	231,093,488	134,300,178	231,093,488	112,182,639
Advance payments to subcontractors, net	11	99,224,041	20,955,740	99,095,265	10,574,733
Other receivables-net	12	9,639,616	16,995,925	9,638,552	16,995,925
Other current assets	13	25,470,770	39,364,834	17,461,052	24,695,612
Total current assets		2,751,842,779	1,854,142,977	2,547,923,237	1,683,626,895
Non-current assets					
Investments in joint ventures and associates	14	395,290	276,010,231	-	314,999,500
Other long-term investments, net	15	157,132,343	392,544,092	157,132,343	392,544,092
Land under development	16	99,643,500	99,643,500	99,643,500	99,643,500
Long-term loans to related parties, net	4	-	-	-	-
Other long-term loans receivable, net	17	-	-	-	-
Property, plant and equipment-net	18, 35, 45	391,314,395	362,907,590	380,624,452	347,874,392
Intangible assets	19, 35	1,149,570	2,344,113	1,149,570	2,344,113
Withholding tax		258,696,832	214,766,315	237,728,729	198,126,451
Pledged bank deposits	20, 45	221,931,999	160,255,665	221,931,999	160,255,665
Other non-current assets, net	21	55,907,565	23,964,722	41,316,768	22,266,014
Total non-current assets		1,186,171,494	1,532,436,228	1,139,527,361	1,538,053,727
Total Assets		3,938,014,273	3,386,579,205	3,687,450,598	3,221,680,622

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

Syntec Construction Public Company Limited and its Joint Ventures

Balance sheets

As at 31 December 2008 and 2007

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<i>(in Baht)</i>					
Current liabilities					
Bank overdrafts , short-term loans					
from financial institutions	22	104,126,413	40,312,826	78,097,944	-
Trade accounts payable	23	559,867,368	495,424,850	327,213,631	327,667,321
Current portion of long-term loans	26, 27, 45	50,000,000	40,000,000	50,000,000	40,000,000
Current portion of creditor under rehabilitation plan	28	140,752,961	154,420,786	140,752,961	154,420,786
Short-term loans from related parties	4	13,461,480	11,166,414	-	-
Other short-term loans payable	24, 45	431,300,000	311,000,000	431,300,000	311,000,000
Current portion of finance lease liabilities	29	24,441,552	21,174,929	24,441,552	21,174,929
Advances received from customers under construction contracts		278,388,755	178,919,064	278,388,755	178,919,064
Retention payables from subcontractors		181,587,646	127,929,175	178,884,091	111,565,335
Accrued expenses		145,555,187	157,038,310	144,810,515	154,468,127
Other current liabilities	25	155,128,372	63,148,702	129,971,690	60,469,744
Total current liabilities		2,084,609,734	1,600,535,056	1,783,861,139	1,359,685,306
Non-current liabilities					
Long-term loans from financial institutions	26, 45	-	-	-	-
Other long-term loans payable	27, 45	-	50,000,000	-	50,000,000
Long-term loans from related parties	4	-	277,777	-	-
Finance lease liabilities	29	57,861,156	44,057,258	57,861,156	44,057,258
Provision	30	71,581,593	-	140,368,044	57,597,897
Total non-current liabilities		129,442,749	94,335,035	198,229,200	151,655,155
Total liabilities		2,214,052,483	1,694,870,091	1,982,090,339	1,511,340,461

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

Syntec Construction Public Company Limited and its Joint Ventures

Balance sheets

As at 31 December 2008 and 2007

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
		<i>(in Baht)</i>			
Shareholders' equity					
Share capital	31				
Authorized share capital		<u>1,600,000,000</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>
Issued and call up share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Share subscription receivables	31	(13,036,063)	(13,036,063)	(13,036,063)	(13,036,063)
Reserves	32				
Share premium		23,744	23,744	23,744	23,744
Fair value changes of available-for-sale of securities	15	(413,492,631)	(178,080,882)	(413,492,631)	(178,080,882)
Retained earnings					
Appropriated					
Legal reserve	32	25,160,785	13,639,193	25,160,785	13,639,193
Unappropriated		<u>525,305,955</u>	<u>269,163,122</u>	<u>506,704,424</u>	<u>287,794,169</u>
Total shareholders' equity		<u>1,723,961,790</u>	<u>1,691,709,114</u>	<u>1,705,360,259</u>	<u>1,710,340,161</u>
Total liabilities and shareholders' equity		<u>3,938,014,273</u>	<u>3,386,579,205</u>	<u>3,687,450,598</u>	<u>3,221,680,622</u>

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

Syntec Construction Public Company Limited and its Joint Ventures

Statements of income

For the years ended 31 December 2008 and 2007

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
(in Baht)					
Revenues					
Revenue from sale of goods and rendering of services	4	5,856,073,530	5,370,407,939	5,185,317,944	3,987,226,220
Gain on sale and return of investment in associates		42,282,512	-	-	-
Interest income	4	4,154,485	6,831,286	4,151,774	6,831,286
Reversal of allowance for doubtful accounts		133,062,314	-	133,062,314	-
Foreign exchange gain		-	3,290,173	-	3,290,173
Reversal of allowance for devaluation of investments		-	27,478,896	-	27,478,896
Other income	34	70,107,049	12,305,285	70,099,055	12,084,890
Share of profits from investments accounted for using the equity method	14	565,004	3,874,057	-	-
Total revenues		6,106,244,894	5,424,187,636	5,392,631,087	4,036,911,465
Expenses					
Cost of sales of goods and rendering of services	4, 18, 36	5,464,280,629	4,870,971,325	4,747,116,539	3,532,465,992
Selling and administrative expenses	4, 18, 35, 36	178,740,839	208,010,420	165,515,424	152,621,684
Foreign exchange loss		442,164	-	442,164	-
Doubtful accounts	7	101,702,975	49,038,980	101,702,975	49,038,980
Loss on impairment of investments		-	-	9,375,000	-
Share of loss from investments accounted for using the equity method	14	12,837,957	7,342,656	-	-
Estimated loss on construction contracts	30	30,976,437	-	-	-
Estimated loss under joint venture agreement	30	-	-	90,964,890	26,602,989
Total expenses		5,788,981,001	5,135,363,381	5,115,116,992	3,760,729,645
Profit before interest expense		317,263,893	288,824,255	277,514,095	276,181,820
Interest expense	37	49,599,468	40,762,668	47,082,248	38,138,686
Profit for the year		267,664,425	248,061,587	230,431,847	238,043,134
Earnings per share					
Basic	39	0.17	0.16	0.14	0.15

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

Syntec Construction Public Company Limited and its Joint Ventures

Statements of cash flows

For the years ended 31 December 2008 and 2007

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
		<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the year		267,664,425	248,061,587	230,431,847	238,043,134
<i>Adjustments for</i>					
Bad debts recovery		(94,186,903)	-	(94,186,903)	-
Reversal of allowance for doubtful accounts		(133,062,314)	(36,360,310)	(133,062,314)	(36,360,310)
Doubtful accounts		101,702,975	85,399,290	101,702,975	85,399,290
Depreciation and amortization		82,036,116	63,403,399	77,693,017	59,358,140
Interest income		(4,154,485)	(6,831,286)	(4,151,774)	(6,831,286)
Interest expense		49,599,468	40,762,668	47,082,248	38,138,686
Gain on disposal of equipment		(6,579,224)	(1,246,977)	(6,579,380)	(1,246,977)
Gain on sale and return of investment in associates		(42,282,512)	-	-	-
Unrealized (gains)loss on exchange rate		1,075,308	(6,283,512)	1,075,308	(6,283,512)
Share of loss from investments accounted for using the equity method		12,837,957	7,342,656	-	-
Share of profit from investments accounted for using the equity method		(565,004)	(3,874,057)	-	-
Allowance (reversal) for devaluation of investments		-	(27,478,896)	9,375,000	(27,478,896)
Estimated loss on construction contracts		30,976,437	-	-	-
Estimated penalties under construction contracts		40,605,156	-	-	-
Estimated loss under joint venture agreements		-	-	90,964,890	26,602,989
Withholding tax written off		-	1,700,376	-	-
		305,667,400	364,594,938	320,344,914	369,341,258
<i>Changes in operating assets and liabilities</i>					
Account receivables		172,494,908	(161,705,056)	172,494,908	(41,047,228)
Retentions receivable under construction contracts		(110,404,451)	(98,430,054)	(109,438,876)	(218,755,543)
Unbilled construction in progress		(419,172,732)	(175,296,540)	(347,296,495)	(139,555,030)
Inventories		(96,793,310)	(23,046,020)	(118,910,848)	(46,320,730)
Advance payments to subcontractors		(78,268,301)	32,397,443	(88,520,532)	29,540,366
Other receivables		8,872,278	8,091,779	8,873,341	8,091,779
Other current assets		14,207,994	(9,094,494)	7,548,491	(8,227,609)
Withholding income tax paid		(156,473,763)	(126,156,144)	(152,145,524)	(112,545,193)
Withholding income tax returned		112,543,246	107,627,702	112,543,246	87,129,090
Other receivables from related parties		(58,126,054)	(3,122,213)	21,866,594	591,496
Other non-current assets		(31,942,843)	(10,599,828)	(19,050,755)	(10,461,092)
Trade accounts payable		64,442,518	96,552,440	(453,691)	73,925,217
Other payables to related parties		2,295,065	(3,930,902)	-	-

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

Syntec Construction Public Company Limited and its Joint Ventures

Statements of cash flows

For the years ended 31 December 2008 and 2007

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
		<i>(in Baht)</i>			
Advance received under construction contracts		99,469,691	13,014,913	99,469,691	13,014,914
Retention payable from subcontractors		53,658,471	(1,814,315)	67,318,755	(12,793,152)
Accrued expenses		(11,567,348)	60,803,721	(9,585,569)	58,511,909
Other current liabilities		87,667,767	43,590,627	69,501,946	42,727,769
Net cash provided by (used in) operating activities		<u>(41,429,464)</u>	<u>113,477,997</u>	<u>34,559,596</u>	<u>93,168,221</u>
<i>Cash flows from investing activities</i>					
Interest received		3,840,554	6,831,286	3,837,843	6,831,286
Proceeds from sale and return of investments in associates		390,623,500	114,687,500	390,623,500	114,687,500
Long-term loans to related parties		-	23,000,000	-	23,000,000
Pledged bank deposit		(61,676,334)	(20,943,073)	(61,676,334)	(20,943,073)
Purchase of property, plant and equipment		(79,139,067)	(164,665,080)	(79,139,067)	(164,665,080)
Purchase of intangible assets		(420,175)	(2,983,283)	(420,175)	(2,983,283)
Proceeds from sale of equipment		24,155,064	34,853,617	24,155,064	34,853,617
Purchase of investments in associates		(84,999,000)	-	(84,999,000)	-
Purchase of investments in promissory notes		(3,850,000)	-	(3,850,000)	-
Purchase of land under development		-	(72,552,209)	-	(72,552,209)
Net cash provided by (used in) investing activities		<u>188,534,542</u>	<u>(81,771,242)</u>	<u>188,531,831</u>	<u>(81,771,242)</u>
<i>Cash flows from financing activities</i>					
Interest paid		(49,515,243)	(40,320,722)	(47,154,290)	(37,722,117)
Bank overdrafts and short-term loans from financial institutions		63,813,587	40,312,826	78,097,944	-
Proceeds from other short-term loans payable		120,300,000	157,200,000	120,300,000	157,200,000
Long-term loans from related parties		(277,777)	(92,592)	-	-
Creditors under the rehabilitation plan		(14,743,133)	(14,316,853)	(14,743,133)	(14,316,853)
Proceeds from other long-term loans payable		-	50,000,000	-	50,000,000
Payment of long-term loans from financial institutions		(40,000,000)	(130,000,000)	(40,000,000)	(130,000,000)
Finance lease liabilities		(30,194,454)	(16,404,302)	(30,194,454)	(16,404,302)
Net cash provided by financing activities		<u>49,382,980</u>	<u>46,378,357</u>	<u>66,306,067</u>	<u>8,756,728</u>
Net increase in cash and cash equivalents		<u>196,488,058</u>	<u>78,085,112</u>	<u>289,397,494</u>	<u>20,153,707</u>
Cash and cash equivalents at beginning of year	5	230,626,785	152,541,673	137,555,554	117,401,847
Cash and cash equivalents at end of year	5	<u>427,114,843</u>	<u>230,626,785</u>	<u>426,953,048</u>	<u>137,555,554</u>
Non-cash transactions					
Purchase of machinery and vehicle under finance lease agreements	29	47,264,975	52,682,247	47,264,975	52,682,247

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

Syntec Construction Public Company Limited and its Joint Ventures
 Statements of changes in shareholders' equity
 For the years ended 31 December 2008 and 2007

		Consolidated financial statements						
				<i>Reserves</i>		<i>Retained earnings</i>		
Note	Issued and called up share capital	Share subscription receivable	Share premium	Fair value changes of available-for-sale of securities (in Baht)	Appropriated to legal reserve	Unappropriated	Total shareholders' equity	
	1,600,000,000	(13,036,063)	23,744	(141,297,796)	1,737,036	33,003,692	1,480,430,613	
	Changes in shareholders' equity for 2007							
	Fair value changes of available-for-sale of securities							
	-	-	-	(36,783,086)	-	-	(36,783,086)	
	Net income (expense) recognized directly in shareholders' equity							
	-	-	-	(36,783,086)	-	-	(36,783,086)	
	Profit for the year							
	-	-	-	-	-	248,061,587	248,061,587	
	Total recognized income and expense							
	-	-	-	(36,783,086)	-	248,061,587	211,278,501	
	Legal reserve							
32	-	-	-	-	11,902,157	(11,902,157)	-	
	1,600,000,000	(13,036,063)	23,744	(178,080,882)	13,639,193	269,163,122	1,691,709,114	
	1,600,000,000	(13,036,063)	23,744	(178,080,882)	13,639,193	269,163,122	1,691,709,114	
	Changes in shareholders' equity for 2008							
	Fair value changes of available-for-sale of securities							
15	-	-	-	(235,411,749)	-	-	(235,411,749)	
	Net income (expense) recognized directly in shareholders' equity							
	-	-	-	(235,411,749)	-	-	(235,411,749)	
	Profit for the year							
	-	-	-	-	-	267,664,425	267,664,425	
	Total recognized income and expense							
	-	-	-	(235,411,749)	-	267,664,425	32,252,676	
	Legal reserve							
32	-	-	-	-	11,521,592	(11,521,592)	-	
	1,600,000,000	(13,036,063)	23,744	(413,492,631)	25,160,785	525,305,955	1,723,961,790	

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

Syntec Construction Public Company Limited and its Joint Ventures
Statements of changes in shareholders' equity
For the years ended 31 December 2008 and 2007

	<i>Note</i>	Separate financial statements (Restated)					Total equity attributable to the Company's shareholders	
		Issued and called up share capital	Share subscription receivable	Share premium	Fair value changes of available-for-sale of securities <i>(in Baht)</i>	Retained earnings Appropriated to legal reserve Unappropriated		
Balance as at 1 January 2007		1,600,000,000	(13,036,063)	23,744	(141,297,796)	1,737,036	61,653,192	1,509,080,113
Changes in shareholders' equity for 2007								
Fair value changes of available-for-sale of securities		-	-	-	(36,783,086)	-	-	(36,783,086)
Net income (expense) recognized directly in shareholders' equity		-	-	-	(36,783,086)	-	-	(36,783,086)
Profit for the year		-	-	-	-	-	238,043,134	238,043,134
Total recognized income and expense		-	-	-	(36,783,086)	-	238,043,134	201,260,048
Legal reserve	32	-	-	-	-	11,902,157	(11,902,157)	-
Balance as at 31 December 2007		1,600,000,000	(13,036,063)	23,744	(178,080,882)	13,639,193	287,794,169	1,710,340,161
Balance as at 1 January 2008		1,600,000,000	(13,036,063)	23,744	(178,080,882)	13,639,193	287,794,169	1,710,340,161
Changes in shareholders' equity for 2008								
Fair value changes of available-for-sale of securities	15	-	-	-	(235,411,749)	-	-	(235,411,749)
Net income (expense) recognized directly in shareholders' equity		-	-	-	(235,411,749)	-	-	(235,411,749)
Profit for the year		-	-	-	-	-	230,431,847	230,431,847
Total recognized income and expense		-	-	-	(235,411,749)	-	230,431,847	(4,979,902)
Legal reserve	32	-	-	-	-	11,521,592	(11,521,592)	-
Balance as at 31 December 2008		1,600,000,000	(13,036,063)	23,744	(413,492,631)	25,160,785	506,704,424	1,705,360,259

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

Syntec Construction Public Company Limited and its Joint Ventures
Notes to the financial statements
For the years ended 31 December 2008 and 2007

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Syntec Construction Public Company Limited and its Joint Ventures
Notes to the financial statements
For the years ended 31 December 2008 and 2007

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on 27 February 2009.

1 General information

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

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

The Company’s major shareholders who held more than 5% of total paid-up share capital as at 31 December were as follows :

	2008	2007
	(%)	
Natural Ventures Company Limited	11.88	11.88
Phahusuth Group	13.68	13.68
Subandit Group	6.64	6.64

The principal activities of the Company are business of construction.

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

Name of entities	Type of business	Country of incorporation	Portion of joint (%)	
			2008	2007
<i>Joint ventures</i>				
1) Joint venture between Siam Syntech Construction Pcl. and Federal Engineering Co., Ltd.	Construction (ceased operations)	Thailand	75	75
2) Joint venture between Siam Syntech Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	Construction (ceased operations)	Thailand	50	50
3) SVK Joint venture	Construction (ceased operations)	Thailand	51	51
4) SSU Joint venture	Construction (ceased operations)	Thailand	95	95
5) Syntec - Mivan Joint venture	Construction	Thailand	65	65

2. Basis of preparation of financial statements

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

Syntec Construction Public Company Limited and its Joint Ventures
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The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The Company has adopted the following revised Thai Accounting Standards (TAS) which were issued by the FAP during 2007 and effective for accounting periods beginning on or after 1 January 2008:

TAS 25 (revised 2007)	Cash Flows Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

The adoption of these new and revised TAS does not have any material impact on the consolidated and separate financial statements.

The FAP has issued during 2008 a number of revised TAS which are only effective for financial statements beginning on or after 1 January 2009 and have not been adopted in the preparation of these financial statements. These revised TAS are disclosed in Note 47.

The financial statements are presented in Thai Baht. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors, including management’s assessment of the potential impact on the Group’s operations and financial position of the Global economic crisis. Accordingly, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Syntec Construction Public Company Limited and its Joint Ventures
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Note 29	Lease classification
Note 30	Provision
Note 40	Valuation of financial instruments

3 Significant accounting policies

3.1 Basis of consolidation

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

Significant intra-group transactions between the Company and its joint ventures are eliminated on consolidation.

Joint ventures

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

Associates

Associates are those companies in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group’s share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3.2 Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

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

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3.3 *Derivative financial instruments*

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

Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized in the statement of income when incurred. Subsequent to initial recognition, they are remeasured at fair value.

The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

3.4 *Cash and cash equivalents*

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

3.5 *Trade and other accounts receivable*

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.6 *Inventories*

Inventories represented construction materials which comprised steel bars and construction supplies, are stated at lower of cost or net realizable value. Spare parts and supplies are stated at average cost.

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

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

Construction contracts

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

Syntec Construction Public Company Limited and its Joint Ventures
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3.7 Investments

Investments in joint ventures and associates

Investments in joint ventures and associates in the separate financial statements are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities that the Group intends and is able to hold to maturity are stated at amortised cost less impairment losses.

Debt securities and marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity. The exceptions are impairment losses, which are recognised in the statement of income. When these investments are disposed and derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

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

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the balance sheet date.

Disposal of investments

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

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

3.8 Land under development

Land under development is stated at cost.

3.9 Property, plant and equipment

Owned assets

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

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Leased assets

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

Depreciation

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

Land and construction in progress	No depreciation
Buildings	20 years
Worker camp	5 years
Building improvement	5 - 10 years
Construction machinery and equipment	5 - 10 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

3.10 Intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses (if any).

Amortisation

Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets from the date that intangible assets are available for use. The estimated useful lives are as follows:

Software licences	5 years
-------------------	---------

3.11 Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually and as and when indicators of impairment are identified.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount of assets of non-financial assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized. For available-for sale financial assets that are equity securities, the reversal is recognized directly in equity.

The Group reverses an impairment loss if there has been a change in the estimates used to determine the recoverable amount.

The Group reverses an impairment loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.12 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

3.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event or obligations resulting from joint venture agreements, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Warranties and penalties

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

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3.14 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

3.15 Revenues

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

Sale of goods and services rendered

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in the statement of income by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed (to the costs incurred to date and the estimated total costs for each contract.) When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately as an expense in the statement of income.

Interest and dividend income

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

Other income is recognized on an accrual basis.

3.16 Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

Finance cost

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred

Other expenses are recognized on the accrual basis.

Syntec Construction Public Company Limited and its Joint Ventures
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3.17 Income tax

Income tax on the profit or loss for the year comprises current tax which is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

4 Related party transactions and balances

Related parties are those parties linked to the Group and the Company by as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company or the Group were as follows:

Name of entities	Country of incorporation	Nature of relationships
1. Natural Hotel Sukhumvit Co., Ltd.	Thailand	Associate, 25% shareholding
2. Natural Hotel Siam Co., Ltd.	Thailand	Associate, 25% shareholding until 25 November 2008
3. Beauconcept Development Sdn.Bhd.	-	Associate which ceased its operations and no financial information
4. SSU Joint venture	Thailand	Joint venture which ceased its operations
5. Joint venture between Siam Syntec Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	Thailand	Joint venture, 50% portion of joint which ceased its operations
6. Joint venture between Siam Syntec Construction Pcl. and Federal Engineering Co., Ltd.	Thailand	Joint venture, 75% portion of joint which ceased its operations
7. SVK Joint venture	Thailand	Joint venture, 51% portion of joint which ceased its operations
8. Syntec – Mivan Joint venture	Thailand	Joint venture, 65% portion of joint
9. Natural Venture Co., Ltd.	Thailand	Related company and a shareholder
10. Natural Park Public company Limited	Thailand	Indirect related company and a shareholder of Natural Venture Co., Ltd. and Sansiri Public Company Limited
11. Bangkok Metro Plc.	Thailand	Related company, 3.08 % shareholding and the Company's director is a director of this company
12. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a joint party in Syntec-Mivan joint venture

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The nature of shareholding between its related parties was detailed as follows:

	Shareholding (%)	
	2008	2007
1. Syntec Construction Public Company Limited holds shares in Natural Hotel Sukhumvit company Limited	25	25
2. Natural Venture Co., Ltd. holds shares in Syntec Construction Public Company Limited	11.88	11.88
3. Natural Park Public Company Limited holds shares in Natural Venture Company Limited.	99.94	99.94
4. Natural Park Public Company Limited holds shares in Sansiri Public Company Limited	4.26	4.26
5. Natural Park Public Company Limited holds shares in Natural Real Estate Co., Ltd.	99.99	99.99
6. Sansiri Public Company Limited holds shares in Plus property Partners Co., Ltd	100	100
7. Sansiri Public Company Limited holds shares in Sansiri Ramintra Co., Ltd	99.99	99.99
8. Syntec Construction Public Company Limited holds shares in Natural Hotel Siam Co., Ltd. (until 25 November 2008)	-	25
9. Natural Park Public Company Limited holds shares in Natural Hotel Siam Co., Ltd.	35	35

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

	Pricing policies
Revenue from rendering of services	Contract price (Cost plus margin of 4-6%)
Gain on sale and return on investment in associate	Approval from the associate's shareholders and net book value
Cost of sale of goods and rendering of services	Invoice price pursuant to the joint ventures agreements (Market price)
Directors' remuneration represents meeting allowance and director bonus	Approval from the Company's directors and shareholders
Directors' and management's remuneration represent salary and bonus	Approval from the Company's directors and shareholders

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Significant transactions for the years ended 31 December 2008 and 2007 with related parties were summarized as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Joint ventures				
Revenue from rendering of services	-	311,362	-	6,227,250
Cost of sale of goods and rendering of services	280,290,924	9,052	-	181,031
Associates				
Revenue from rendering of services	610,588,605	182,253,045	610,588,605	182,253,045
Gain on sale and return on investment in associates	42,282,512	-	-	-
Related persons and companies				
Revenue from rendering of services	164,375,893	398,971,200	164,375,893	398,971,200
Directors' remuneration	576,000	756,000	576,000	756,000
Management's remuneration	4,916,000	6,432,000	4,916,000	6,432,000

Details of projects with related parties were summarized as follows:

Project names	Project owners	Project values	Balances		Pricing policies
			2008	2007	
<i>(in million Baht)</i>					
Condo One Siam	Plus Property Co., Ltd.	138	-	3	Bid process
Condo One X Sathorn - Narativas	Plus Property Co., Ltd.	427	-	244	Bid process
The Siam Kempinski Hotel	Natural Hotel Siam Co., Ltd.	710	-	528	Bid process

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Balance as at 31 December 2008 and 2007 with related parties were as follows:

Trade accounts receivable

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Associates				
Natural Hotel Siam Co.,Ltd. (until 25 November 2008)	-	46,479,879	-	46,479,879
Other related companies				
Sansiri Public Company Limited	2,140,000	2,140,000	2,140,000	2,140,000
Sansiri Ramintra Co.,Ltd.	1,177,000	2,010,244	1,177,000	2,010,244
Plus Property Co.,Ltd.	6,114,870	65,261,221	6,114,870	65,261,221
Park Opera Co.,Ltd.	5,952,694	5,952,694	5,952,694	5,952,694
Total	<u>15,384,564</u>	<u>121,844,038</u>	<u>15,384,564</u>	<u>121,844,038</u>

Retentions receivable under construction contracts

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Associate				
Natural Hotel Siam Co.,Ltd. (until 25 November 2008)	-	13,878,979	-	13,878,979
Other related companies				
Sansiri Public Company Limited	6,298,840	6,298,840	6,298,840	6,298,840
Sansiri Ramintra Co.,Ltd	501,567	7,430,482	501,567	7,430,482
Plus Property Co., Ltd.	24,484,442	20,369,668	24,484,442	20,369,668
Natural Real Estate Co.,Ltd.	9,075,588	10,441,969	9,075,588	10,441,969
Park Opera Co.,Ltd.	401,071	401,071	401,071	401,071
Total	<u>40,761,508</u>	<u>58,821,009</u>	<u>40,761,508</u>	<u>58,821,009</u>

Unbilled construction in progress

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Other related companies				
Plus Property Co., Ltd.	<u>6,742,385</u>	<u>5,262,265</u>	<u>6,742,385</u>	<u>5,262,265</u>

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Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Consist of :-				
Other receivables and advance - net	43,910,081	55,954,689	85,684,804	125,397,598
Total	<u>43,910,081</u>	<u>55,954,689</u>	<u>85,684,804</u>	<u>125,397,598</u>

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Other receivables and advances				
Joint ventures				
Joint Venture between Siam Syntec Construction Pcl. and Federal Engineering Co.,Ltd.	14,098,874	11,584,756	56,365,496	56,355,496
Joint Venture between Siam Syntec Construction Pcl. And Underground Technologies (Thailand) Co., Ltd.	2,197,412	2,025,872	4,051,744	4,051,744
SVK Joint Venture	4,132,759	3,657,459	8,434,203	7,464,203
SSU Joint Venture	319,046	323,045	6,380,906	6,460,905
Syntec – Mivan Joint Venture	29,494,082	37,462,389	84,268,804	107,035,398
Other related companies				
Joint Venture				
Federal Engineering Co.,Ltd.	-	20,521,850	-	-
Mivan (Thailand) Co.,Ltd.	77,831,108	901,168	-	-
Total	<u>128,073,281</u>	<u>76,476,539</u>	<u>159,501,153</u>	<u>181,367,746</u>
<i>Less Allowance for doubtful accounts</i>	<i><u>(19,332,092)</u></i>	<i><u>(20,521,850)</u></i>	<i><u>(73,816,349)</u></i>	<i><u>(55,970,148)</u></i>
Net	<u>108,741,189</u>	<u>55,954,689</u>	<u>85,684,804</u>	<u>125,397,598</u>
Doubtful accounts for the year	<u>-</u>	<u>-</u>	<u>9,651,458</u>	<u>-</u>

Details of investments in joint ventures and associates were described in Note 14 to financial statements.

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Other long-term investments

	Consolidated and separate financial statements			
	2008	2007		
	At cost	Fair value	At cost	Fair value
	<i>(in Baht)</i>			
<i>Available – for sale securities</i>				
Other related companies				
Bangkok Metro Plc.	560,624,974	147,132,343	560,624,974	382,544,092
Less allowance for devaluation of investments	(413,492,631)	-	(178,080,882)	-
Net	<u>147,132,343</u>	<u>147,132,343</u>	<u>382,544,092</u>	<u>382,544,092</u>

Long-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Joint ventures				
Joint Ventures between Siam SyntechConstruction Pcl. and Federal Engineering Co., Ltd.	-	-	28,655,435	28,655,435
Siam Syntech – Wattana Engineering	12,180,598	12,180,598	12,180,598	12,180,598
Other related companies				
Gentech Engineering Co., Ltd.	4,956,268	4,956,268	4,956,268	4,956,268
Total	17,136,866	17,136,866	45,792,301	45,792,301
Less Allowance for doubtful accounts	(17,136,866)	(17,136,866)	(45,792,301)	(45,792,301)
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Long-term loans to related parties were without contract and interest bearing.

Movements of long-term loans to related parties during the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
At 1 January	17,136,866	79,836,171	45,792,301	108,491,606
Increase	-	-	-	-
Decrease	-	(62,699,305)	-	(62,699,305)
At 31 December	<u>17,136,866</u>	<u>17,136,866</u>	<u>45,729,301</u>	<u>45,792,301</u>

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Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Joint venture				
Mivan (Thailand) Co., Ltd.	<u>2,733,841</u>	<u>45,398,069</u>	<u>-</u>	<u>-</u>

Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Consist of :-				
Other and retention payables	<u>13,461,480</u>	<u>11,166,414</u>	<u>-</u>	<u>-</u>
Net	<u>13,461,480</u>	<u>11,166,414</u>	<u>-</u>	<u>-</u>

Other and retention payables

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Other payables				
Joint ventures				
Federal Engineering Co., Ltd .	134,813	11,166,414	-	-
Retention payables				
Joint ventures				
Mivan (Thailand) Co., Ltd.	<u>13,326,667</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>13,461,480</u>	<u>11,166,414</u>	<u>-</u>	<u>-</u>

Long-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Accounts payable and advance				
Joint venture				
Federal Engineering Co., Ltd.	<u>-</u>	<u>277,777</u>	<u>-</u>	<u>-</u>

Details of provisions were described in Note 30 to the financial statements.

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The commitments with related parties

The Ordinary General Meeting of Shareholders held 29 April 2008 resolved the approval of directors' remunerations for the year 2008 in the amount not exceeding Baht 2 million, which represented the meeting allowance of Baht 3,000 per time per head and the yearly audit committee directors' remuneration of Baht 120,000 per head.

The Ordinary General Meeting of Shareholders held 30 April 2007 resolved the approval of directors' remunerations for the year 2007, which represented the meeting allowance of Baht 3,000 per time per head and the yearly audit committee directors' remuneration of Baht 120,000 per head, and an additional allowance for a last period of Baht 120,000 per head totalling Baht 240,000.

The commitment under construction contract with Natural Hotel Siam Co., Ltd. as at 31 December, 2007 amounted to Baht 532 million.

5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Cash on hand	1,513,719	2,069,825	1,513,493	2,066,699
Cash at banks – current accounts	9,432,242	93,363,198	9,410,161	807,447
Cash at banks – savings accounts	416,168,882	135,193,762	416,029,394	134,681,408
Total	<u>427,114,843</u>	<u>230,626,785</u>	<u>426,953,048</u>	<u>137,555,554</u>

Cash and cash equivalents of the Group as at 31 December 2008 and 2007 were denominated entirely in Thai Baht.

6 Current investments - promissory notes

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Current	<u>3,850,000</u>	<u>-</u>	<u>3,850,000</u>	<u>-</u>

As at 31 December 2008, current investments of Baht 3.85 million represented four promissory notes from a finance company, due on 20 April 2009 and 19 October 2009, respectively, with interest rate of 3.125% and 4% per annum.

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7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Related parties	15,384,564	121,844,038	15,384,564	121,844,038
Other parties	<u>711,611,769</u>	<u>784,119,456</u>	<u>711,611,769</u>	<u>784,119,456</u>
Total	726,996,333	905,963,494	726,996,333	905,963,494
Less allowance for doubtful accounts	<u>(214,637,277)</u>	<u>(343,570,223)</u>	<u>(214,637,277)</u>	<u>(343,570,223)</u>
Net	<u>512,359,056</u>	<u>562,393,271</u>	<u>512,359,056</u>	<u>562,393,271</u>
Doubtful debts for the year	89,579,921	85,399,290	89,579,921	85,399,290
Reversal of allowance for doubtful accounts	<u>(129,074,749)</u>	<u>(36,360,310)</u>	<u>(129,074,749)</u>	<u>(36,360,310)</u>
Total	<u>(39,494,828)</u>	<u>49,038,980</u>	<u>(39,494,828)</u>	<u>49,038,980</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements and Separate financial statements					
	Related parties		Other parties		Total	
	2008	2007	2008	2007	2008	2007
	<i>(in Baht)</i>					
Within credit terms	3,719,034	74,692,412	390,039,696	235,342,099	393,758,729	310,034,511
Still installment	-	-	-	98,123,350	-	98,123,350
Overdue:						
- Less than 3 months	2,295,605	35,149,600	83,808,365	39,045,864	86,103,970	74,195,464
- Over 3 months to 6 months	100,232	1,899,089	7,500,083	27,145,987	7,600,316	29,045,076
- Over 6 months to 12 months	-	2,740,669	8,306,181	150,634,456	8,306,181	153,375,125
- Over 12 months	<u>9,269,693</u>	<u>7,362,268</u>	<u>221,957,444</u>	<u>233,827,700</u>	<u>231,227,137</u>	<u>241,189,968</u>
Total	<u>15,384,564</u>	<u>121,844,038</u>	<u>711,611,769</u>	<u>784,119,456</u>	<u>726,996,333</u>	<u>905,963,494</u>

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

Trade accounts receivable of the Group as at 31 December 2008 and 2007 were denominated entirely in Thai Baht.

Trade accounts receivable of Baht 139.47 million are used as collateral under the transferring claim agreement until to 31 January 2008 as described in Note 44 to the financial statements.

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8 Retentions receivable under construction contracts

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Related parties	40,761,508	58,821,009	40,761,508	58,821,009
Other parties	<u>418,936,958</u>	<u>284,000,753</u>	<u>417,636,958</u>	<u>283,666,328</u>
Total	459,698,466	342,821,762	458,398,466	342,487,337
Less allowance for doubtful accounts	<u>(32,744,118)</u>	<u>(37,492,903)</u>	<u>(32,744,118)</u>	<u>(37,492,903)</u>
Net	<u>426,954,348</u>	<u>305,328,859</u>	<u>425,654,348</u>	<u>304,994,434</u>
Doubtful debts for the year	2,471,596	-	2,471,596	-
Reversal of allowance for doubtful accounts	<u>(2,471,596)</u>	<u>-</u>	<u>(2,471,596)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Retentions receivable under construction contracts of the Group as at 31 December 2008 and 2007 were denominated entirely in Thai Baht.

9 Unbilled construction in progress

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Construction project contracts amount	21,216	17,256	18,251	14,322
Less expected losses recognized	<u>(31)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Construction project contracts amount, net	<u>21,185</u>	<u>17,256</u>	<u>18,251</u>	<u>14,322</u>
Contract revenue recognized as revenue since commencing date to present	14,128	9,185	11,535	7,274
Less progress billings (as invoices)	<u>(13,246)</u>	<u>(8,722)</u>	<u>(10,824)</u>	<u>(6,910)</u>
Unbilled construction in progress	882	463	711	364
Unbilled construction in progress (before 2000)	166	166	166	166
Unbilled construction in progress at the end of year	1,048	629	877	530
Less allowance for doubtful accounts	<u>(141)</u>	<u>(141)</u>	<u>(141)</u>	<u>(141)</u>
Net	<u>907</u>	<u>488</u>	<u>736</u>	<u>389</u>

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	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Comprise				
Unbilled construction in progress				
Related parties	7	5	7	5
Other parties	1,041	624	870	525
	<u>1,048</u>	<u>629</u>	<u>877</u>	<u>530</u>
<i>Less allowance for doubtful accounts</i>	<u>(141)</u>	<u>(141)</u>	<u>(141)</u>	<u>(141)</u>
Net	<u>907</u>	<u>488</u>	<u>736</u>	<u>389</u>
Excess of progress billing over work in progress	<u>(278)</u>	<u>(179)</u>	<u>(278)</u>	<u>(179)</u>
Total	<u><u>629</u></u>	<u><u>309</u></u>	<u><u>458</u></u>	<u><u>210</u></u>

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Construction materials	223,473,059	127,534,610	223,473,059	105,417,071
Spare parts and supplies	7,620,429	6,765,568	7,620,429	6,765,568
Total	<u>231,093,488</u>	<u>134,300,178</u>	<u>231,093,488</u>	<u>112,182,639</u>

11 Advance payments to subcontractors

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Advance payments to subcontractors	99,224,041	97,478,209	99,095,265	87,097,202
<i>Less allowance for doubtful accounts</i>	<u>-</u>	<u>(76,522,469)</u>	<u>-</u>	<u>(76,522,469)</u>
Net	<u>99,224,041</u>	<u>20,955,740</u>	<u>99,095,265</u>	<u>10,574,733</u>

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12 Other receivables

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Other receivables	592,449,434	713,002,769	592,448,370	713,002,769
Less Allowance for doubtful accounts	<u>(582,809,818)</u>	<u>(696,006,844)</u>	<u>(582,809,818)</u>	<u>(696,006,844)</u>
Net	<u>9,639,616</u>	<u>16,995,925</u>	<u>9,638,552</u>	<u>16,995,925</u>
Reversal of allowance for doubtful accounts	<u>(1,515,969)</u>	<u>-</u>	<u>(1,515,969)</u>	<u>-</u>

13 Other current assets

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Prepaid expenses	12,179,946	11,584,036	10,849,961	10,752,582
Advances	3,654,508	11,630,056	3,004,508	4,479,552
Prepaid value added tax	9,206,440	16,034,797	3,176,707	9,347,533
Accrued interest receivable	<u>429,876</u>	<u>115,945</u>	<u>429,876</u>	<u>115,945</u>
Total	<u>25,470,770</u>	<u>39,364,834</u>	<u>17,461,052</u>	<u>24,695,612</u>

14 Investments in joint ventures and associates

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
At 1 January	305,312,231	423,468,329	344,301,500	503,989,000
Share of net losses of investments equity method	<u>(12,272,953)</u>	<u>(3,468,598)</u>	-	-
Purchase of investments-increase of share capital	84,999,000	-	84,999,000	-
Write off	-	-	-	(45,000,000)
Disposals	<u>(344,403,547)</u>	-	<u>(384,998,500)</u>	-
Gain from fund returned	1,687,559	-	-	-
Fund returned	<u>(5,625,000)</u>	<u>(114,687,500)</u>	<u>(5,625,000)</u>	<u>(114,687,500)</u>
	29,697,290	305,312,231	38,677,000	344,301,500
Less allowance for valuation	<u>(29,302,000)</u>	<u>(29,302,000)</u>	<u>(38,677,000)</u>	<u>(29,302,000)</u>
At 31 December	<u>395,290</u>	<u>276,010,231</u>	<u>-</u>	<u>314,999,500</u>

The Company recorded loss on impairment of investment for 2008 in the amount of Baht 9.38 million in the separate financial statement.

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The Extraordinary Shareholders Meetings of Natural Hotel Sukhumvit Co., Ltd. held on 9 June 2008 and 26 June 2008 passed the special resolution to reduce its authorized share capital from Baht 240 million by Baht 90 million to Baht 150 million. The paid-up share capital of Baht 24.81 million will be returned to the shareholder (Syntec Construction Public Company Limited received return on share of Baht 5.63 million on 29 August 2008) and the Company recognized gain on return of investment of Baht 1.69 million.

The Extraordinary Shareholders Meetings of Natural Hotel Sukhumvit Co., Ltd held on 4 July 2007 and 20 July 2007 passed the special resolution to reduce its authorized share capital from Baht 875 million by Baht 635 million to Baht 240 million. The paid-up share capital of Baht 452.58 million will be returned to the shareholder. (Syntec Construction Public Company Limited proceeded returned share of Baht 114.69 million on 4 December 2007.)

The Board of Directors Meetings held on 22 October 2008 and 25 November 2008, authorized the Company sold shares in Natural Hotel Siam Co., Ltd. to formerly shareholder in the amount of shares 3,849,985 at the price of Baht 100 per share totaling Baht 384,998,500. Gain on sale of investment of Baht 40.59 million was recognized in the consolidated financial statement.

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

	Ownership (%)	Total assets	Total liabilities	Total revenues	Net profit (loss)
<i>(in million Baht)</i>					
2008					
Natural Hotel Sukhumvit Co., Ltd.	25	2,176	595	3,746	2,260
Total		2,176	595	3,746	2,260
2007					
Natural Hotel Sukhumvit Co., Ltd.	25	29	5	18	15
Natural Hotel Siam Co., Ltd.	25	1,165	78	9	(30)
Total		1,194	83	27	(15)

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The following summarized financial information of interests in jointly controlled entities which have been included in the consolidated financial statements represents the Group's share:-

	Ownership (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit (loss)
<i>(in million Baht)</i>										
2008										
SSU Joint Ventures	95	1	-	1	6	-	6	-	2	(2)
Joint Ventures between Siam Syntec Construction Pcl. and Underground Technology (Thailand) Co. Ltd	50	-	-	-	2	-	2	-	-	-
Joint Ventures between Siam Syntec Construction Pcl. and Federal Engineering Co. Ltd	75	-	-	-	16	64	80	-	-	-
SVK Joint Venture	51	-	1	1	4	-	4	-	1	(1)
Syntec – Mivan Joint Ventures	65	258	45	303	335	72	407	671	759	(91)
Total		259	46	305	363	136	499	671	762	(94)

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	Ownership (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit (loss)
<i>(in million Baht)</i>										
2007										
SSU Joint Ventures	95	1	2	3	6	-	6	6	8	(2)
Joint Ventures between Siam Syntec Construction Pcl. and Underground Technology (Thailand) Co. Ltd	50	-	1	-	2	-	2	-	-	-
Joint Ventures between Siam Syntec Construction Pcl. and Federal Engineering Co. Ltd	75	11	-	11	29	62	91	-	-	-
Joint Ventures between Siam Syntec SVK Joint Venture	51	-	2	2	4	-	4	-	1	(1)
Syntec – Mivan Joint Ventures	65	240	30	270	283	-	283	1,377	1,397	(20)
Total		252	35	286	324	62	386	1,383	1,406	(23)

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15 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in Baht)			
General investments - net	-	-	-	-
Equity securities available for sale, net	147,132,343	382,544,092	147,132,343	382,544,092
Debt securities held to maturity	10,000,000	10,000,000	10,000,000	10,000,000
Total	157,132,343	392,544,092	157,132,343	392,544,092

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in Baht)			
General investments				
DS Management Co., Ltd.	-	10,062,136	-	10,062,136
S.S. Bangkok Development Co., Ltd.	34,038,000	34,038,000	34,038,000	34,038,000
Salintara Co., Ltd.	18,750,000	18,750,000	18,750,000	18,750,000
The Bangkok Club Co., Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Total	55,788,000	65,850,136	55,788,000	65,850,136
Less allowance for devaluation of investment	(55,788,000)	(65,850,136)	(55,788,000)	(65,850,136)
Net	-	-	-	-
Available-for-sale securities				
Bangkok Metro Public Co., Ltd	560,624,974	560,624,974	560,624,974	560,624,974
Less unrealized loss on valuation adjustment	(413,492,631)	(178,080,882)	(413,492,631)	(178,080,882)
Net	147,132,343	382,544,092	147,132,343	382,544,092
Debt securities held to maturity				
Glow Energy Pcl.	10,000,000	10,000,000	10,000,000	10,000,000
Total	157,132,343	392,544,092	157,132,343	392,544,092

As at 31 December 2008 and 2007, investment in Bangkok Metro Pcl., its book value of Baht 147.13 million and 382.54 million, respectively were used as collateral with a domestic commercial bank for long-term loans in credit line of Baht 240 million.

As at 31 December 2008 and 2007, the market value of investment in Bangkok Metro Pcl. amounted to Baht 147.13 million and Baht 382.54 million respectively.

As at 31 December 2008 and 2007, debt securities held to maturity represented debentures valued of Baht 10 million, its fair value amounted to Baht 10.02 million and Baht 10.05 million respectively, with interest rate of 4.60% per annum due on redemption in 2009.

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16 Land under development

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Cost				
At 1 January	99,643,500	-	99,643,500	-
Additions	-	99,643,500	-	99,643,500
Deductions	-	-	-	-
At 31 December	<u>99,643,500</u>	<u>99,643,500</u>	<u>99,643,500</u>	<u>99,643,500</u>

As at 31 December 2008 and 2007, land under development amounted to Baht 99.64 million were mortgage as collateral for short term loan from others persons in the amount of Baht 85 million.

17 Other long-term loans receivable

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Other long-term loans	180,756,235	180,756,235	180,756,235	180,756,235
Less allowance for doubtful accounts	<u>(180,756,235)</u>	<u>(180,756,235)</u>	<u>(180,756,235)</u>	<u>(180,756,235)</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other long-term loans represented loans to two other companies without loan agreements and interest bearing.

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18 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Buildings and building improvement	Construction machinery and equipment	Furniture, fixtures and equipment (in Baht)	Vehicles	Construction in progress	
Cost							
At 1 January 2007	26,716,400	97,734,603	1,140,119,291	76,074,898	69,768,035	35,478	1,410,448,705
Additions	31,400,000	33,000,000	107,480,941	13,710,265	17,949,500	35,889,945	239,430,651
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(82,546,990)	(17,508,865)	(4,220,987)	-	(104,276,842)
At 31 December 2007	58,116,400	130,734,603	1,165,053,242	72,276,298	83,496,548	35,925,423	1,545,602,514
Additions	-	-	63,152,497	7,924,663	19,795,361	35,531,521	126,404,042
Transfers	-	12,488,952	-	-	-	(12,488,952)	-
Disposals	-	(4,936,939)	(30,610,806)	(16,693,786)	(8,549,484)	-	(60,791,015)
At 31 December 2008	58,116,400	138,286,616	1,197,594,933	63,507,175	94,742,425	58,967,992	1,611,215,541

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	Consolidated financial statements						Total
	Land	Buildings and building improvement	Construction machinery and equipment	Furniture, fixtures and equipment (in Baht)	Vehicles	Construction in progress	
<i>Accumulated depreciation</i>							
At 1 January 2007	-	57,875,218	1,028,617,176	58,387,180	46,604,703	-	1,191,484,277
Depreciation charge for the year	-	7,223,397	37,311,013	7,367,098	9,884,394	-	61,785,902
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(49,205,686)	(17,232,784)	(4,136,785)	-	(70,575,255)
At 31 December 2007	-	65,098,615	1,016,722,503	48,521,494	52,352,312	-	1,182,694,924
Depreciation charge for the year	-	10,813,943	48,538,913	8,903,905	12,164,643	-	80,421,404
Transfers	-	-	-	-	-	-	-
Disposals	-	(4,936,926)	(15,443,266)	(16,601,489)	(6,233,501)	-	(43,215,182)
At 31 December 2008	-	70,975,632	1,049,818,150	40,823,910	58,283,454	-	1,219,901,146
<i>Net book value</i>							
Owned assets	58,116,400	65,635,988	93,999,824	22,791,220	6,828,764	35,925,423	283,297,619
Assets under finance leases	-	-	54,330,915	963,584	24,315,472	-	79,609,971
Total at 31 December 2007	58,116,400	65,635,988	148,330,739	23,754,804	31,144,236	35,925,423	362,907,590
Owned assets	58,116,400	67,310,984	81,993,435	22,683,265	2,404,721	58,967,992	291,476,797
Assets under finance leases	-	-	65,783,348	-	34,054,250	-	99,837,598
Total at 31 December 2008	58,116,400	67,310,984	147,776,783	22,683,265	36,458,971	58,967,992	391,314,395

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For the years ended 31 December 2008 and 2007

	Separate financial statements						Total
	Land	Buildings and building improvement	Construction machinery and equipment	Furniture, fixtures and equipment (in Baht)	Vehicles	Construction in progress	
Cost							
At 1 January 2007	26,716,400	92,797,664	1,115,259,828	70,319,848	69,768,035	35,478	1,374,897,253
Additions	31,400,000	33,000,000	107,480,941	13,710,265	17,949,500	35,889,945	239,430,651
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(82,546,990)	(17,508,865)	(4,220,987)	-	(104,276,842)
At 31 December 2007	58,116,400	125,797,664	1,140,193,779	66,521,248	83,496,548	35,925,423	1,510,051,062
Additions	-	-	63,152,497	7,924,663	19,795,361	35,531,521	126,404,042
Transfers	-	12,488,952	-	-	-	(12,488,952)	-
Disposals	-	-	(27,385,249)	(10,972,862)	(8,549,484)	-	(46,907,595)
At 31 December 2008	58,116,400	138,286,616	1,175,961,027	63,473,049	(94,742,425)	58,967,992	1,589,547,509

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	Separate financial statements						Total
	Land	Buildings and building improvement	Construction machinery and equipment	Furniture, fixtures and equipment (in Baht)	Vehicles	Construction in progress	
Accumulated depreciation							
At 1 January 2007	-	52,938,292	1,022,806,054	52,662,232	46,604,703	-	1,175,011,281
Depreciation charge for the year	-	7,223,397	33,273,156	7,359,697	9,884,394	-	57,740,644
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(49,205,686)	(17,232,784)	(4,136,785)	-	(70,575,255)
At 31 December 2007	-	60,161,689	1,006,873,524	42,789,145	52,352,312	-	1,162,176,670
Depreciation charge for the year	-	10,813,943	44,202,654	8,897,065	12,164,643	-	76,078,305
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(12,217,746)	10,880,671	(6,233,501)	-	(29,331,918)
At 31 December 2008	-	70,975,632	1,038,858,432	40,805,539	58,283,454	-	1,208,923,057
Net book value							
Owned assets	58,116,400	65,635,975	78,989,340	22,768,519	6,828,764	39,925,423	268,264,421
Assets under finance leases	-	-	54,330,915	963,584	24,315,472	-	79,609,971
Total at 31 December 2007	58,116,400	65,635,975	133,320,255	23,732,103	31,144,236	35,925,423	347,874,392
Owned assets	58,116,400	67,310,984	71,319,247	22,667,510	2,404,721	58,967,992	280,786,854
Assets under finance leases	-	-	65,783,348	-	34,054,250	-	99,837,598
Total at 31 December 2008	58,116,400	67,310,984	137,102,595	22,667,510	36,458,971	58,967,992	380,624,452

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Notes to the financial statements

For the years ended 31 December 2008 and 2007

Depreciation was included in: -

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Cost of sales and services	66,998,743	52,507,982	62,662,484	48,469,546
Selling and administrative Expenses	13,422,661	9,277,920	13,415,821	9,271,098
Total	80,421,404	61,785,902	76,078,305	57,740,644

As at 31 December 2008 and 2007, the gross amount of the Group's fully depreciated buildings and equipment that was still in use amounted to Baht 987 million and Baht 1,011 million, respectively.

As at 31 December 2008 and 2007, land, buildings and building improvement of which cost amounted to Baht 123 million and Baht 122 million, respectively, were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks.

As at 31 December 2007, the Company's 2 title deeds, original cost valued Baht 31.40 million, were joint ownership with domestic commercial bank and 3 persons for 16,000 portion from total of 27,322. Those title deeds were in the process of separating ownership. Later on 16 and 18 December 2008, such title deeds were already separated ownership.

19 Intangible Assets

	Consolidated and separate financial statements	
	Software license	Total
	<i>(in Baht)</i>	
Cost		
At 1 January 2007	11,471,449	11,471,449
Additions	251,709	251,709
Disposals	-	-
At 31 December 2007	11,723,158	11,723,158
Additions	420,175	420,175
Disposals	1,030,478	1,030,478
At 31 December 2008	11,112,855	11,112,855
Accumulated amortisation		
At 1 January 2007	7,761,548	7,761,548
Amortisation charge for the year	1,617,497	1,617,497
Disposals	-	-
At 31 December 2007	9,379,045	9,379,045
Amortisation charge for the year	1,614,712	1,614,712
Disposals	1,030,472	1,030,472
At 31 December 2008	9,963,285	9,963,285
Net book value		
At 31 December 2007	2,344,113	2,344,113
At 31 December 2008	1,149,570	1,149,570

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Notes to the financial statements

For the years ended 31 December 2008 and 2007

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Amortization for the years included in Selling and administrative expenses	1,614,712	1,617,497	1,614,712	1,617,497
Total	<u>1,614,712</u>	<u>1,617,497</u>	<u>1,614,712</u>	<u>1,617,497</u>

20 Pledged bank deposits

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Cash at banks – savings accounts	58,021,983	91,867,900	58,021,983	91,867,900
Cash at banks – current accounts	163,910,016	68,387,765	163,910,016	68,387,765
Total	<u>221,931,999</u>	<u>160,255,665</u>	<u>221,931,999</u>	<u>160,255,665</u>

The above cash at domestic banks were used as collateral for bank overdrafts, other long-term loans, contingent liabilities due to the letter of guarantee issued by the domestic commercial banks and guarantee to the Court for settle debt to a creditor according to the Primary Court's Judgment.

21 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Deposits and others	59,629,951	190,503,608	45,005,654	188,804,900
Less allowance for doubtful accounts	(3,722,386)	(166,538,886)	(3,688,886)	(166,538,886)
Net	<u>55,907,565</u>	<u>23,964,722</u>	<u>41,316,768</u>	<u>22,266,014</u>

22 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Bank overdrafts	5,126,413	12,826	5,079,944	-
Short-term loans - Promissory note	99,000,000	40,300,000	73,000,000	-
Total	<u>104,126,413</u>	<u>40,312,826</u>	<u>78,079,944</u>	<u>-</u>

Syntec Construction Public Company Limited and its Joint Ventures

Notes to the financial statements

For the years ended 31 December 2008 and 2007

As at 31 December 2008, the Group and the Company has short term loans from two financial institutions in the amount of Baht 99 million and Baht 73 million in the consolidated and separate financial statement, respectively, due on 20 January 2009 and 26 February 2009. Interest rate was charged at MOR per annum. The above loans were secured by land and office building of the Company.

As at 31 December 2008 and 2007, the Group and the Company had unutilized credit facilities provided by two domestic commercial banks totaling Baht 2,698 million and Baht 1,010 million respectively.

23 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Related parties	2,733,841	45,398,069	-	-
Other parties	557,133,527	450,026,781	327,213,631	327,667,321
Total	559,867,368	495,424,850	327,213,631	327,667,321

Trade accounts payable of the Group as at 31 December 2008 and 2007 were denominated entirely in Thai Baht.

24 Other short-term loans payable

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Notes payable	431,300,000	311,000,000	431,300,000	311,000,000

As at 31 December 2008 and 2007, other short-term loans payable of Baht 431.30 million and Baht 311 million, respectively, are the other short-term loans payable represented the promissory notes from non-related parties due within February 2008 and 2007 with interest rate charged at 7.50% per annum.

25 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Undue output tax	102,233,720	50,872,372	91,029,677	50,872,372
Vat payable	19,331,783	-	19,331,783	-
Accrued withholding tax	6,386,739	8,936,122	6,217,723	6,257,164
Other payable	19,876,485	620,146	10,820,127	620,146
Others	7,299,645	2,720,062	2,572,380	2,720,062
Total	155,128,372	63,148,702	129,971,690	60,469,744

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Notes to the financial statements

For the years ended 31 December 2008 and 2007

26 Long-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Long-term loans from financial institutions	-	40,000,000	-	40,000,000
Less current portion due within one year	-	(40,000,000)	-	(40,000,000)
Net	-	-	-	-

Long-term loans from financial institution represented loans from a domestic commercial bank under a credit facilities agreement which additionally revised dated 20 April 2004 in the amount of Baht 240 million. Interest is charged monthly at MLR per annum. Principal is repayable in three equal annual installments. As at 31 December 2007, the above loans balanced to Baht 40 million and were repaid in full on 30 January 2008.

Such agreement contains certain restrictions, among other things, to fail repayment, reserve cash in reserve account for interest payment, maintain debts to equity ratio and outstanding debts to value of collaterals ratio, make liabilities, dispose or transfer its assets, provide a loan or guarantee, invest in corporation, reduce its capital and pay dividend.

The above loan was secured by shares in Bangkok Metro Public Company Limited of 345million shares under a mortgage agreement, and the saving account, a reserve account for interest payment, under a transfer of rights agreement.

27 Other long-term loans payable

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Other long-term loans payable	50,000,000	50,000,000	50,000,000	50,000,000
Less current portion due within one year	(50,000,000)	-	(50,000,000)	-
Net	-	50,000,000	-	50,000,000

As at 31 December 2008 and 2007, other long-term loans payable of Baht 50 million represented loans from person under the loan agreement dated 23 May 2007 due within 2 years as from date of agreement. Interest rate was monthly payable at 6% per annum. 6 Title deeds of land under development of the Company were registered to mortgage as collateral in credit line of Baht 85 million.

Syntec Construction Public Company Limited and its Joint Ventures

Notes to the financial statements

For the years ended 31 December 2008 and 2007

28 Creditors under the rehabilitation plan

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Creditors under the rehabilitation Plan	127,716,898	141,384,723	127,716,898	141,384,723
Creditors in the process of converting debts to share capital	<u>13,036,063</u>	<u>13,036,063</u>	<u>13,036,063</u>	<u>13,036,063</u>
	140,752,961	154,420,786	140,752,961	154,420,786
<i>Less</i> current portion due within one year	<u>(140,752,961)</u>	<u>(154,420,786)</u>	<u>(140,752,961)</u>	<u>(154,420,786)</u>
Net	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Thai Baht (THB)	106,754,321	112,045,824	106,754,321	112,045,824
United States Dollars (USD)	<u>33,998,640</u>	<u>42,374,962</u>	<u>33,998,640</u>	<u>42,374,962</u>
Total	<u><u>140,752,961</u></u>	<u><u>154,420,786</u></u>	<u><u>140,752,961</u></u>	<u><u>154,420,786</u></u>

The above creditors under the rehabilitation plan were the outstanding balances after implementing the rehabilitation plan to be approved by the creditors and the Central Bankruptcy Court as described in Note 43 to the financial statements. Pursuant to the rehabilitation plan requiring a period of 7 year, up to 31 December 2008, the Company reached to the term of plan but the payment has not been complete. The outstanding creditors comprised Group 3 to certain Group 9 because the majority of creditors have not contacted for receiving claims and certain creditors have been in the process of arbitration.

29 Finance lease liabilities

	Consolidated and Separate financial statements					
	2008			2007		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in Baht)</i>					
Within one year	24,441,552	5,175,845	29,617,397	21,174,929	4,443,879	25,618,808
After one year but within five years	57,861,156	7,879,627	65,740,783	44,057,258	5,900,108	49,957,366
After 5 years	-	-	-	-	-	-
Total	<u><u>82,302,708</u></u>	<u><u>13,055,472</u></u>	<u><u>95,358,180</u></u>	<u><u>65,232,187</u></u>	<u><u>10,343,987</u></u>	<u><u>75,576,174</u></u>

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For the years ended 31 December 2008 and 2007

As at 31 December 2008 and 2007, finance lease liabilities of Baht 82.30 million and Baht 65.23 million, respectively, represented the creditors under the hire purchase agreements on machinery, computers and vehicles with other companies of 10 companies and 7 companies respectively, for 71 agreements and 83 agreements, respectively. The term of agreements covered for the period of 3-5 years, monthly payable amounting to Baht 10,475 to Baht 324,542.

30 Provision

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Estimated loss under joint venture agreement	-	-	140,368,044	57,597,897
Estimated loss for construction contracts	30,976,437	-	-	-
Estimated penalties under construction contracts	40,605,156	-	-	-
Total	71,581,593	-	140,368,044	57,597,897
At 31 December				
Current	-	-	-	-
Non-current	71,581,593	-	140,368,044	57,597,897
Total	71,581,593	-	140,368,044	57,597,897

Movements during the years 2008 and 2007 were as follows:

	Consolidated financial statements			Total
	Estimated loss under joint venture agreement	Estimated loss for construction contracts	Estimated penalties under construction contracts	
	<i>(in Baht)</i>			
At 1 January 2007	-	-	-	-
Provision made	-	-	-	-
Provision reversed	-	-	-	-
At 31 December 2007	-	-	-	-
Provision made	-	30,976,437	40,605,156	71,581,593
Provision reversed	-	-	-	-
At 31 December 2008	-	30,976,437	40,605,156	71,581,593

Syntec Construction Public Company Limited and its Joint Ventures

Notes to the financial statements

For the years ended 31 December 2008 and 2007

	Estimated loss under joint venture agreement	Separate financial statements		Total
		Estimated loss for construction contracts	Estimated penalties under construction contracts	
		<i>(in Baht)</i>		
At 1 January 2007	30,994,908	-	-	30,994,908
Provision made	26,602,989	-	-	26,602,989
Provision reversed	-	-	-	-
At 31 December 2007	57,597,897	-	-	57,597,897
Provision made	90,964,890	-	-	90,964,890
Provision reversed	(8,194,743)	-	-	(8,194,743)
At 31 December 2008	140,368,044	-	-	140,368,044

Estimated loss under joint venture agreement

As at 31 December 2008 and 2007, the Company recognized the estimated loss under joint venture agreement which was based on the proportionate share of the entities as follow:

	Separate financial statements	
	2008	2007
	<i>(in Baht)</i>	
Joint Venture between Siam Syntech Construction Plc. and Federal Engineering Co., Ltd	36,497,042	36,882,390
Joint Venture between Siam Syntech Construction Plc.. and Underground Technologies (Thailand) Co., Ltd.	-	1,741,394
SVK Joint Venture	-	2,308,248
SSU Joint Venture	-	3,759,753
Syntec – Mivan Joint Venture	103,871,002	12,906,112
Total	140,368,044	57,597,897

Estimated loss for construction contracts

As at 31 December 2008, the Joint Venture recognized the estimated loss for construction contracts for 2 projects in the amount of Baht 31 million in the consolidated financial statements.

Estimated penalties under construction contracts

As at 31 December 2008, the Joint Venture recorded the estimated penalties under construction contracts which were based on rate identified in construction contracts and expected for damages in the amount of Baht 41 million in the consolidated financial statements.

Syntec Construction Public Company Limited and its Joint Ventures

Notes to the financial statements

For the years ended 31 December 2008 and 2007

31 Share capital

		2008		2007	
	<i>Par value (Baht)</i>	<i>Number (in million shares)</i>	<i>Value (in million Baht)</i>	<i>Number (in million shares)</i>	<i>Value (in million Baht)</i>
<i>Authorized share capital</i>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At 31 December					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
<i>Issued and called up share capital</i>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At 31 December					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>

The Company's management converted debts into equity as specified in the Company's rehabilitation plan. The Company also increased its share capital and issued share certificates to the creditors whose some claims were judged by the Central Bankruptcy Court. As at 31 December 2008 and 2007, the Company had the remaining shares balanced to Baht 13.04 million (13,036,063 shares) which was presented under share subscription receivables. Those share certificates were issued on behalf of the Plan Administrator (Siam Syntec Planner Co., Ltd.) who collected and delivered to the creditors under the Plan.

32 Reserves and legal reserve

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Fair value changes of available-for-sale of securities

Fair value changes of available-for-sale of securities recognized in the shareholders' equity relate to cumulative net changes in the fair value of available-for-sale investments until depositing those investments.

Legal reserve

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

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For the years ended 31 December 2008 and 2007

The Board of Directors Meetings held on 13 May 2008 and 14 August 2008 passed the resolution to appropriate legal reserve at 5% of net profit for 2008 amounting to Baht 11.52 million.

The Board of Directors Meeting held on 28 February 2008 passed the resolution to appropriate legal reserve at 5% of net profit for 2007 amounting to Baht 11.90 million.

33 Segment information

The Financial statements for the years ended 31 December 2008 and 2007 did not present the financial segment information because the Group involves virtually only construction business in one geographical segment in domestic. The management considers that the Group has only one major geographic segment.

34 Other income

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Gain on disposal of assets	6,579,224	1,246,977	6,579,380	1,246,977
Others	63,527,825	11,058,308	63,519,675	10,837,913
Total	<u>70,107,049</u>	<u>12,305,285</u>	<u>70,099,055</u>	<u>12,084,890</u>

35 Selling and administrative expenses

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Personnel	84,230,116	74,323,420	84,230,116	74,323,420
Consulting and professional	10,635,182	9,233,345	10,157,627	8,888,245
Bank fees	18,260,022	70,805,295	7,951,267	8,544,739
Entertaining	10,006,250	5,625,434	10,006,250	5,625,434
Depreciation	15,037,373	10,888,595	15,030,533	10,888,595
Others	40,571,896	37,134,331	38,139,631	44,351,251
Total	<u>178,740,839</u>	<u>208,010,420</u>	<u>165,515,424</u>	<u>152,621,684</u>

36 Personnel expenses

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Salaries and bonus	239,856,960	221,472,365	239,856,960	221,472,365
Others	13,724,308	10,829,920	13,724,308	10,829,920
Total	<u>253,581,268</u>	<u>232,302,285</u>	<u>253,581,268</u>	<u>232,302,285</u>

Partial personnel expenses were included in cost of sales and cost of rendering of services.

Syntec Construction Public Company Limited and its Joint Ventures

Notes to the financial statements

For the years ended 31 December 2008 and 2007

37 Interest expense

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Interest paid and payable to				
Non-related parties	33,940,662	20,969,052	33,940,662	20,969,052
Financial institutions	15,211,844	17,696,912	12,694,624	15,072,930
Creditors under the rehabilitation plan	446,962	2,096,704	446,962	2,096,704
Total	<u>49,599,468</u>	<u>40,762,668</u>	<u>47,082,248</u>	<u>38,138,686</u>

38 Income tax expense

Income tax reduction

Royal Decree No. 475 B.E. 2551 dated 6 August 2008 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

For the year ended 31 December 2008 and 2007, the Company and the Group had cumulative loss carry forward not exceeding 5 years before current accounting period, therefore, there is no income tax liability for the year

39 Basic earnings

Basic earnings per share

Basic earnings per share for the years ended 31 December 2008 and 2007 were calculated by dividing the net profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Baht)</i>			
Net profit attributable to equity holders of the Company (basic))	<u>267,664,425</u>	<u>248,061,587</u>	<u>230,431,847</u>	<u>238,043,134</u>
Number of ordinary shares outstanding (shares)	<u>1,600,000,000</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>
Basic earnings per share	<u>0.17</u>	<u>0.16</u>	<u>0.14</u>	<u>0.15</u>

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Notes to the financial statements

For the years ended 31 December 2008 and 2007

40 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group does not use derivative financial instruments to manage those exposures.

Foreign currency risk

The Company is exposed to foreign currency risk relating to creditors denominated in foreign currencies, however, the Company does not utilize any forward exchange contracts. As 31 December 2008 and 2007, the Company had creditors denominated in the following currencies: -

	2008	2007
Foreign currencies		
United States Dollars (in million dollars)	0.98	1.25

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Collection in advance before starting projects and collection based on the completion of work are performed. The exposure to credit risk is represented by the carrying amount less an allowance for doubtful accounts in the balance sheet. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

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

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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

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For the years ended 31 December 2008 and 2007

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

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values of financial assets and liabilities, together with the carrying values shown in the balance sheets at 31 December 2008 and 2007 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in Million Baht)</i>			
2008				
Current				
Deposit at the financial institutions	425	425	425	425
Current investment - promissory notes	4	4	4	4
Accounts receivable	512	512	512	512
Retentions receivable under construction contracts	427	427	426	426
Short-term loans to related parties	44	44	86	86
Advance payments to subcontractors	99	99	99	99
Other receivables	74	74	10	10
Short-term loans from financial institutions	(99)	(99)	(73)	(73)
Trade accounts payable	(560)	(560)	(327)	(327)
Current portion of long-term loans	(50)	(50)	(50)	(50)
Current portion of creditor under rehabilitation plan	(141)	(141)	(141)	(141)
Short-term loans from related parties	(13)	(13)	-	-
Other short-term loans payable	(431)	(431)	(431)	(431)
Current portion of finance lease liabilities	(24)	(24)	(24)	(24)
Advances received from customers under construction contracts	(278)	(278)	(278)	(278)
Retention payables from subcontractors	(182)	(182)	(179)	(179)
Non-current				
Other equity securities	157	157	157	157
Pledged bank deposits	222	222	222	222
Finance lease liabilities	(58)	(58)	(58)	(58)
Total	128	128	380	380

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For the years ended 31 December 2008 and 2007

	Consolidated		Separate	
	financial statements		financial statements	
	Fair value	Book value	Fair value	Book value
<i>(in Million Baht)</i>				
2007				
Current				
Deposit at the financial institutions	228	228	135	135
Accounts receivable	562	562	562	562
Retentions receivable under construction contracts	305	305	305	305
Short-term loans to related parties	56	56	125	125
Advance payments to subcontractors	21	21	11	11
Other receivables	17	17	17	17
Short-term loans from financial institutions	(40)	(40)	-	-
Trade accounts payable	(495)	(495)	(328)	(328)
Current portion of long-term loans	(40)	(40)	(40)	(40)
Current portion of creditor under rehabilitation plan	(154)	(154)	(154)	(154)
Short-term loans from related parties	(11)	(11)	-	-
Other short-term loans payable	(311)	(311)	(311)	(311)
Current portion of finance lease liabilities	(21)	(21)	(21)	(21)
Advances received from customers under construction contracts	(179)	(179)	(179)	(179)
Retention payables from subcontractors	(128)	(128)	(112)	(112)
Non-current				
Equity securities available for sale	276	276	315	315
Other equity securities	393	393	393	393
Pledged bank deposits	160	160	160	160
Other long-term loans payable	(50)	(50)	(50)	(50)
Finance lease liabilities	(44)	(44)	(44)	(44)
Total	545	545	784	784

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41 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in Million Baht)</i>			
Capital commitments				
Worker lodgings	12	24	12	24
Other commitments				
Subcontractor agreements	1,090	1,982	1,053	1,017
Unused letters of credits	-	2	-	2
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,548	2,191	1,439	1,029
Joint venture for establishing a new company in oversea	163	163	163	163
Total	2,813	4,362	2,667	2,235

The Board of Directors Meeting held on 9 November 2007 authorized to established the new company in oversea to provide construction service which its the authorized share capital amounted to AED 36,700,000 (UAE DIRHAM) or Baht 353,788,000. The Company held in the new company at 46% of authorized share capital in the amount of AED 16,882,000 or Baht 162,742,480.

42 Contingent liabilities

As at 31 December 2008, contingent liabilities were as follows:

The Company may have the contingent liabilities on the amounts, which were examined by the Official Receiver and are still in the process of examination and consideration by Bankruptcy Court and Commercial domestic bank as the guarantee contract balanced to Baht 10 million.

The Group and the Company has contingent liabilities due to breach of purchase contract on material and service contract. The sued amount is Baht 95.35 million.

43 The rehabilitation plan of the Company

The rehabilitation plan of the Company dated December 27, 2000 and a petition to amend the Plan dated February 7, 2001, which were accepted by the meeting of creditors and approved by the Central Bankruptcy Court.

On 30 March 2001, the Central Bankruptcy Court ordered the appointment of Siam Syntec Planner Company Limited as the Company's Plan Administrator and the Company implemented under the rehabilitation. On 28 April 2003, the Central Bankruptcy Court ordered to cancel the Company's rehabilitation in accordance with the Bankruptcy Act. Therefore, the responsibility for managing the business operations and the debtors' assets were devolved to the debtors' management. The debtors' shareholders had legal rights from the announcement in the Government Gazette dated 1 July 2003 onwards.

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Pursuant to the rehabilitation plan requiring a period of 7 year, up to 31 December 2008, the Company reached to the term of plan but the payment has not been complete. The outstanding creditors comprised Group 3 to certain Group 9 because the majority of creditors have not contacted for receiving claims and certain creditors have been in the process of arbitration.

During 2008, the Company has complied with the term of rehabilitation plan.

44 Transferring claims agreement

On 2 January 2003, the Company by the Plan Administrator (“transferor”) entered into the transferring claims agreement with another company (“transferee”) whereby the transferor agreed to transfer the entire claims on debtors of Baht 314.62 million to the transferee and the transferee committed to pay the compensation of Baht 114 million in monthly installments. As at 31 December 2007 the above compensation balanced to Baht 20.72 million.

45 Pledged assets

As at 31 December 2008 and 2007, the Company’s cash at bank of Baht 222 million and Baht 160 million, respectively was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks in 2008 and 2007 and guarantee to the Court for the settle debt to a creditor as the Primary Court’s judgment in 2007.

As at 31 December 2008 and 2007, long-term investments in securities available for sale for 368 million shares, their book value of Baht 147 million and Baht 383 million, respectively were used as collateral for bank overdrafts, long-term loans and issuance of letters of guarantee from a domestic commercial bank.

As at 31 December 2008 and 2007, land, land under development, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 222.64 million and Baht 221.64 million, respectively, were mortgaged as collateral for issuance of the letter of guarantee from the domestic commercial banks, other short-term loans and long-term loans from others pursuant to the mortgage agreements dated 15 August 2002 28 May 2003 29 May 2007 and 8 May 2008 in the credit line amounting to Baht 446.50 million.

46 Events after the balance sheet date

Syntec Construction Pcl. (LLC) (“the Joint Company”) is incorporated in United Arab Emirates, authorized share capital amounted to AED 36,700,000. The principal activities are business of construction. The Joint Company resolved to firstly call up the share capital of AED 10,000,000.

Later, on 12 January 2009, the Company had the payment for shares in the amount of AED 4,600,000 or Baht 43.83 million.

47 Thai Accounting standards (TAS) not yet adopted

The Group has not adopted the following revised TAS that has been issued as of the balance sheet date but are not yet effective. These revised TAS will become effective for financial periods beginning on or after 1 January 2009

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TAS 36 (revised 2007) *Impairment of Assets*

TAS 54 (revised 2007) *Non-current Assets Held for Sale and Discontinued Operations*

The adoption and initial application of these revised TAS is not expected to have any material impact on the consolidated and separate financial statements.

48 Reclassification of accounts

Certain accounts in the 2007 financial statements have been reclassified to conform with the presentation in the 2008 financial statements were as follows :

	2007					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
	<i>(in million Baht)</i>					
Balance sheet						
Accounts receivable and retentions receivable under construction contracts	868	(868)	-	868	(868)	-
Accounts receivable	-	563	563	-	563	563
Retentions receivable under construction contracts	-	305	305	-	305	305
Property, plant and equipment-net	363	-	363	348	-	348
Intangible assets	-	2	2	-	2	2
Other non-current assets	26	(2)	24	24	(2)	22
	<u>1,257</u>	<u>-</u>	<u>1,257</u>	<u>1,240</u>	<u>-</u>	<u>1,240</u>

The reclassifications have been made because, in the opinion of the management, the new classification is more appropriate to the Company's business but there are no effects to previously reported net profit or shareholders' equity.