

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

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month period ended
31 March 2011

NPS Siam

NPS Siam Audit Limited

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Review report of Certified Public Accountant

To the Board of Directors of Syntec Construction Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at 31 March 2011, and the related statements of comprehensive income, changes in equity and cash flows for the three-month period 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 issue a report on these financial statements based on my review. The consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2010 of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively, were reviewed by another auditor whose report dated 17 May 2010 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I conducted my review in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Base on my review, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I draw your attention to note 5 to the financial statements in relation to the information and other significant events pursuant to the memorandum among the Company, Syntec - Mivan Joint Venture and a related company to construct, modify and repair a construction project which has been already finished and inspected but it is in the retention period within 2 years beginning at the date of project inspection.

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The consolidated and separate financial statements for the year ended 31 December 2010 of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively, were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 1 March 2011 and drew the attention in relation to the information and other significant events pursuant to the memorandum among the Company, Syntec - Mivan Joint Venture and a related company, the project has already finished and inspected but is in the retention period within 2 years beginning at the date of project inspection. The consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

As described in notes 2, 3 and 4 to the financial statements, during the three-month period ended 31 March 2011, the Company have adopted certain new and revised financial reporting standards for the preparation of the accompanying interim financial statements. Accordingly, the financial statements for the three-month period ended 31 March 2010 and the consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, have been presented in accordance with the interim financial statements for the three-month period ended 31 March 2011.

(Maliwan Phahuwattanakorn)
Certified Public Accountant
Registration Number 4701

NPS Siam Audit Limited
Bangkok
18 May 2011

Syntec Construction Public Company Limited and Joint Ventures

Statements of financial position

As at 31 March 2011 and 31 December 2010

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011 (Unaudited)	31 December 2010	31 March 2011 (Unaudited)	31 December 2010
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		384,924	556,192	381,180	550,129
Accounts receivable, net	7, 8	561,433	475,630	538,433	452,629
Retention receivable under construction contracts, net	7, 9	507,278	494,042	475,350	462,113
Unbilled construction in progress, net	7, 10	976,665	1,033,818	976,665	1,033,818
Short-term loans to related parties, net	7	180,158	177,587	497,061	471,258
Inventories		273,096	133,928	273,096	133,928
Advance payments to subcontractors		93,687	71,040	93,558	70,911
Other receivables, net		18,618	18,237	18,618	18,237
Other current assets		30,369	28,026	26,371	24,396
Total current assets		3,026,228	2,988,500	3,280,332	3,217,419
Non-current assets					
Investment in associates	11	61	91	-	-
Other long-term investments, net	7, 12	246,447	261,160	246,447	261,160
Long-term loans to related parties, net	7	-	-	-	-
Other long-term loans, net		-	-	-	-
Investment properties	4	103,595	103,780	103,595	103,780
Property, plant and equipment, net	4, 13	532,062	518,534	539,730	526,776
Intangible assets		10,637	802	10,637	802
Withholding tax		171,967	306,248	170,538	304,818
Pledged deposit at bank		132,872	88,754	132,872	88,754
Other non-current assets, net		72,441	71,735	59,533	58,826
Total non-current assets		1,270,082	1,351,104	1,263,352	1,344,916
Total Assets		4,296,310	4,339,604	4,543,684	4,562,335

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of financial position

As at 31 March 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011 (Unaudited)	31 December 2010	31 March 2011 (Unaudited)	31 December 2010
<i>(in thousand Baht)</i>					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions		13,803	9,421	13,803	9,421
Trade accounts payable	7, 14	423,960	522,809	290,361	358,059
Current portion of creditors under rehabilitation plan	18	110,572	111,107	110,572	111,107
Short-term loans from related parties	7	13,461	13,461	-	-
Short-term loans from others	15	412,000	412,000	412,000	412,000
Current portion of financial lease liabilities		30,875	30,655	30,875	30,655
Advances received from customers under construction contracts	10	309,251	215,958	309,251	215,958
Retention payables from subcontractors		203,963	230,527	194,471	220,894
Accrued expenses		138,047	177,559	137,730	177,357
Undue value added tax		106,525	104,811	101,171	99,457
Accrued income tax		339	339	-	-
Other current liabilities		83,981	79,413	24,525	19,954
Total current liabilities		1,846,777	1,908,060	1,624,759	1,654,862
Non-current liabilities					
Financial lease liabilities		100,582	106,925	100,582	106,925
Employee benefit obligations	4, 16	49,434	-	49,434	-
Long-term provisions	17	-	-	483,286	489,306
Total non-current liabilities		150,016	106,925	633,302	596,231
Total liabilities		1,996,793	2,014,985	2,258,061	2,251,093

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of financial position

As at 31 March 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011 (Unaudited)	31 December 2010	31 March 2011 (Unaudited)	31 December 2010
<i>(in thousand Baht)</i>					
Equity					
Share capital	18				
Authorized share capital		1,600,000	1,600,000	1,600,000	1,600,000
Issued and paid-up share capital		1,600,000	1,600,000	1,600,000	1,600,000
Additional paid-in capital					
Premium on ordinary shares		24	24	24	24
Retained earnings					
Appropriated					
Legal reserve	19	53,325	51,501	53,325	51,501
Unappropriated	4, 16	960,346	972,559	946,452	959,182
Other components of equity	7, 12	(314,178)	(299,465)	(314,178)	(299,465)
Total equity		2,299,517	2,324,619	2,285,623	2,311,242
Total liabilities and equity		4,296,310	4,339,604	4,543,684	4,562,335

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

Syntec Construction Public Company Limited and Joint Ventures
Statements of comprehensive income
For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Revenues					
Revenue from construction	7	1,084,864	1,328,479	1,084,864	1,328,479
Interest income		1,030	511	1,030	511
Gain on sale of equipment		2,551	-	2,551	-
Reversal of allowance for doubtful accounts		-	14,083	-	14,083
Reversal of estimated loss under joint venture agreements		-	-	6,020	-
Other income		7,518	907	453	907
Total revenues		1,095,963	1,343,980	1,094,918	1,343,980
Expenses					
Cost of construction	4, 7, 16	991,368	1,213,789	991,668	1,187,945
Selling expenses		821	785	821	785
Administrative expenses	4, 16	40,706	27,277	40,590	33,719
Management benefit expenses	4, 7, 16	4,316	5,948	4,316	5,948
Net foreign exchange loss		72	1,199	72	1,199
Doubtful debts expense		10,000	-	10,000	-
Estimated loss under joint venture agreements	17	-	-	-	40,019
Estimated penalties under the construction contracts		-	13,004	-	-
Other expenses		-	3,384	-	3,384
Total expenses		1,047,283	1,265,386	1,047,467	1,272,999
Profit before finance costs and income tax expense					
Finance costs		8,608	9,726	7,927	8,505
Share of loss of investments in associates	11	31	34	-	-
Profit before income tax expense		40,041	68,834	39,524	62,476
Income tax expense		3,066	26,781	3,066	26,102
Profit for the period		36,975	42,053	36,458	36,374
Other comprehensive loss for the period	7, 12	(14,713)	(22,070)	(14,713)	(22,070)
Total comprehensive income for the period		22,262	19,983	21,745	14,304

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

Syntec Construction Public Company Limited and Joint Ventures
Statements of comprehensive income
For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Profot attributable to :-					
Equity holders of the Company		<u>36,975</u>	<u>42,053</u>	<u>36,458</u>	<u>36,374</u>
Total comprehensive income attributable to :-					
Equity holders of the Company		<u>22,262</u>	<u>19,983</u>	<u>21,745</u>	<u>14,304</u>
Earnings per share					
Basic (in Baht)	22	<u>0.02</u>	<u>0.03</u>	<u>0.02</u>	<u>0.02</u>

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

Syntec Construction Public Company Limited and Joint Ventures
Statements of changes in equity
For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

		Consolidated financial statements						
		Issued and	Share	Additional	<u>Retained earnings</u>		Other components	
	<i>Note</i>	paid-up	subscription	paid-in capital	Appropriated	Unappropriated	of equity	Total
		share capital	receivables	Premium on ordinary shares	legal reserve		Available for sale securities	equity
<i>(in thousand Baht)</i>								
Balance at 1 January 2010		1,600,000	(11,242)	24	41,161	827,415	(273,717)	2,183,641
Comprehensive income(loss) for the period		-	-	-	-	42,053	(22,070)	19,983
Decrease in subscription receivables	<i>18</i>	-	11,242	-	-	-	-	11,242
Transfer to legal reserve	<i>19</i>	-	-	-	1,819	(1,819)	-	-
Balance at 31 March 2010		1,600,000	-	24	42,980	867,649	(295,787)	2,214,866
Balance at 1 January 2011 - as reported		1,600,000	-	24	51,501	972,559	(299,465)	2,324,619
Cumulative effect of change in accounting policy	<i>4, 16</i>	-	-	-	-	(47,364)	-	(47,364)
Balance at 1 January 2011 - restated		1,600,000	-	24	51,501	925,195	(299,465)	2,277,255
Comprehensive income(loss) for the period		-	-	-	-	36,975	(14,713)	22,262
Transfer to legal reserve	<i>19</i>	-	-	-	1,824	(1,824)	-	-
Balance at 31 March 2011		1,600,000	-	24	53,325	960,346	(314,178)	2,299,517

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

Syntec Construction Public Company Limited and Joint Ventures
Statements of changes in equity
For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	<i>Note</i>	Separate financial statements					Other components of equity	Total equity
		Issued and paid-up share capital	Share subscription receivables	Additional paid-in capital Premium on ordinary shares	<i>Retained earnings</i> Appropriated legal reserve Unappropriated			
<i>(in thousand Baht)</i>								
Balance at 1 January 2010		1,600,000	(11,242)	24	41,161	810,710	(273,717)	2,166,936
Comprehensive income(loss) for the period		-	-	-	-	36,374	(22,070)	14,304
Decrease in subscription receivables	18	-	11,242	-	-	-	-	11,242
Transfer to legal reserve	19	-	-	-	1,819	(1,819)	-	-
Balance at 31 March 2010		1,600,000	-	24	42,980	845,265	(295,787)	2,192,482
Balance at 1 January 2011 - as reported		1,600,000	-	24	51,501	959,182	(299,465)	2,311,242
Cumulative effect of change in accounting policy	4, 16	-	-	-	-	(47,364)	-	(47,364)
Balance at 1 January 2011 - restated		1,600,000	-	24	51,501	911,818	(299,465)	2,263,878
Comprehensive income(loss) for the period		-	-	-	-	36,458	(14,713)	21,745
Transfer to legal reserve	19	-	-	-	1,824	(1,824)	-	-
Balance at 31 March 2011		1,600,000	-	24	53,325	946,452	(314,178)	2,285,623

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of cash flows

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the period		36,975	42,053	36,458	36,374
<i>Adjustments for</i>					
Reversal of allowance for doubtful accounts		-	(14,083)	-	(14,083)
Reversal of estimated loss on construction contracts		-	(49,367)	-	-
Reversal of estimated loss under joint venture agreements		-	-	(6,020)	-
Bad debts and doubt debts expenses		10,000	53	10,000	53
Depreciation and amortization		20,539	22,943	21,112	21,875
Interest income		(1,030)	(511)	(1,030)	(511)
Interest expense		6,927	9,726	6,927	8,505
(Gain) loss on sale of equipment		(2,551)	3,331	(2,551)	3,331
Unrealized (gain) loss on exchange rate		72	(559)	72	(559)
Share of loss from investments in associate		31	34	-	-
Estimated penalties under construction contracts		-	13,004	-	-
Estimated loss under joint venture agreements		-	-	-	40,019
Expense of employee benefit obligations		2,912	-	2,912	-
Income tax expense		(3,066)	26,781	3,066	26,102
		<u>70,809</u>	<u>53,405</u>	<u>70,946</u>	<u>121,106</u>
<i>Changes in operating assets and liabilities</i>					
Accounts receivable		(85,804)	98,478	(85,804)	98,478
Retention receivable under construction contract		(13,237)	(42,521)	(13,237)	(42,521)
Unbilled construction in progress		57,153	(126,490)	57,153	(126,490)
Inventories		(139,168)	59,372	(139,168)	59,372
Advance payments to subcontractors		(22,647)	(475)	(22,647)	(475)
Other receivables		(381)	(5,275)	(381)	(5,275)
Other current assets		(2,342)	(12,967)	(1,975)	(12,967)
Withholding tax paid		(28,394)	(37,094)	(34,526)	(36,897)
Withholding tax returned		165,740	-	165,740	-
Receivables from related parties		(12,571)	(37,269)	(35,803)	(105,230)
Other non-current assets		(707)	(125)	(707)	(125)
Trade accounts payable		(98,848)	96,745	(67,698)	102,608
Advance received under construction contracts		93,293	(15,485)	93,293	(15,485)
Retention payable from subcontractors		(26,564)	(15,651)	(26,423)	(15,651)
Accrued expenses		(39,512)	(64,424)	(39,627)	(70,721)
Other current liabilities		6,282	2,572	6,285	7,797
Payment of employee benefit liabilities		(842)	-	(842)	-
Net cash used in operating activities		<u>(77,740)</u>	<u>(47,204)</u>	<u>(75,421)</u>	<u>(42,476)</u>

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of cash flows

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Interest received		1,030	511	1,030	511
Pledged deposit at bank		(44,118)	(3,212)	(44,118)	(3,212)
Purchase of property, plant and equipment		(31,518)	(30,771)	(31,518)	(30,771)
Purchase of intangible assets		(10,361)	(7)	(10,361)	(7)
Sales of equipment		2,804	3,312	2,804	3,312
Net cash used in investing activities		(82,163)	(30,167)	(82,163)	(30,167)
<i>Cash flows from financing activities</i>					
Interest paid		(6,927)	(8,749)	(6,927)	(8,096)
Bank overdrafts		4,382	3,591	4,382	3,652
Payment of short-term loans from other parties		-	(7,350)	-	(7,350)
Payment of creditors under the rehabilitation plan		(607)	(159)	(607)	(159)
Finance lease payment		(8,213)	(6,442)	(8,213)	(6,442)
Net cash used in financing activities		(11,365)	(19,109)	(11,365)	(18,395)
Net decrease in cash and cash equivalents		(171,268)	(96,480)	(168,949)	(91,038)
Cash and cash equivalents at beginning of period		556,192	590,639	550,129	584,512
Cash and cash equivalents at end of period		384,924	494,159	381,180	493,474
<i>Non-cash transactions</i>					
1. Purchase of machinery and vehicle under finance lease agreements		2,090	-	2,090	-
2. Payment of creditors under the rehabilitation plan in form of new ordinary shares to Plan Administrator	7, 18	-	10,987	-	10,987
3. Receiving the payment from receivables and advance to related parties by offsetting the reimbursed expenses	7	-	6,702	-	6,702

Syntec Construction Public Company Limited and Joint Ventures
Notes to the interim financial statements
For the three-month period ended 31 March 2011 (Unaudited)

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Syntec Construction Public Company Limited and Joint Ventures
Notes to the interim financial statements
For the three-month period ended 31 March 2011 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements were authorized for issue by the Board of Directors on 18 May 2011.

1 General information

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

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

The Company’s major shareholders who held more than 5% of total paid-up share capital as at 31 March 2011 and 31 December 2010 were as follows:

	31 March 2011	(%)	31 December 2010
Phahusuth Group	13.68		13.68
Natural Ventures Company Limited	11.88		11.88
Subandit Group	6.64		6.64

Please also see note 26 to the financial statements.

The principal business of the Company is construction.

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

	Type of business	Country of incorporation	Portion of joint (%)	
			31 March 2011	31 December 2010
<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 interim financial statements

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

Syntec Construction Public Company Limited and Joint Ventures
Notes to the interim financial statements
For the three-month period ended 31 March 2011 (Unaudited)

The interim financial statements are prepared in accordance with Thai Accounting Standard (“TAS”) No.34 (revised 2009) Interim Financial Reporting including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP), applicable rules and regulations of the Thai Securities and Exchange Commission, and with generally accepted accounting principles in Thailand. The Company has chosen to present the condensed interim financial statements. However, the Group has presented the statements of financial position, statements of comprehensive income, changes in equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2010. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2010.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand / million unless otherwise stated.

The Group has also adopted the new and revised Thai Financial Reporting Standards (“TFRS”) by the FAP in during 2010 relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2011 onwards.

TAS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
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TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
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TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

The adoption of these new and revised TFRS does not have any material impact on the interim financial statements, except for the effect of changes in accounting policies as disclosed in notes 3 and 4 to the financial statements.

Syntec Construction Public Company Limited and Joint Ventures
Notes to the interim financial statements
For the three-month period ended 31 March 2011 (Unaudited)

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these interim financial statements. These new and revised TFRS are disclosed in note 27 to the financial statements.

Use of estimates and judgements

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2010. These changes principally derive from the adoption of new and revised TFRS from 1 January 2011.

Estimations

Measurement of defined employee benefit plan obligation

The Company has obligations in respect of pensions and the severance payments to be paid it to employees upon retirement under the Company's policies and labour law. The Company treats these pension and severance payment obligations as the post-employment benefits plan.

The obligation under the post-employment benefits (defined benefit plan) is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates as described in note 16 to the financial statements.

The consolidated and separate financial statements for the three-month periods ended 31 March 2011 and 2010 included the investments in an associate which had been accounted for by equity method in the consolidated financial statements, based on financial statements of such associate which had been reviewed by the other auditor for the period 2011 and had not been reviewed by the other auditor for the period 2010. In addition, the Company has no obligation under guarantee for such associate and an allowance for impairment of investments in the abovementioned associate was provided as at 31 March 2011 and 31 December 2010 in the amount of Baht 10 million in the separate financial statements. Please also see note 11 to the financial statements.

3 Significant accounting policies

Significant accounting policies and methods of computation applied in the interim financial statements for the three-month period ended 31 March 2011 are consistent with those applied in the financial statements for the year ended 31 December 2010, except for the changes in accounting policies as described in notes 4 and 16 to the financial statements.

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4 Cumulative effect and the changes in accounting policies due to the adoption of TFRS

For the three-month period ended 31 March 2011, the Group has changed the significant accounting policies. The cumulative effects of these changes were summarized as follows:

4.1 Presentation of financial statements

Since 1 January 2011, the Group has applied TAS 1 (revised 2009) Presentation of Financial Statements. Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

4.2 Accounting for property, plant and equipment

Since 1 January 2011, the Group has applied TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and Notification No. 19/2554 issued by the FAP Subject: "Accounting Guideline for Condominium", affecting the Group are that (a) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (b) the depreciation charge has to be determined separately for each significant part of an asset; and (c) the residual value of an item of assets has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. However, the Board of Directors of the Company determined that the costs of asset dismantlement is not the significant amount.

4.3 Accounting for employee benefits

Since 1 January 2011, the Company has applied TAS 19 Employee Benefits.

Under the new policy, the Company's obligation in respect of post-employment benefit, provision for pension and other long-term employee benefits under defined benefit plan is recognized in the financial statements based on calculations performed by a qualified actuary using the projected unit credit method. Previously, this obligation was recognized as incurred.

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The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at 1 January 2011, in accordance with the transitional provisions of TAS 19. The effect on the financial statements is summarized as follows:

Actuarial gain or loss arising from post-employment benefits and other long-term employee benefits are recognized immediately in profit and loss for the period.

Effects of changes in accounting policies are stated in the statement of changes in equity.

4.4 Accounting for investment properties

Since 1 January 2011, the Company has applied TAS 40 (revised 2009) Investment Property.

Under the revised standard, investment property, defined as property owned to earn rentals; capital appreciation; or both. The Group's investment property is measured using the cost model and disclosed in the financial statements separately from other property, plant and equipment and land under development which result to the reclassification of accounts for the comparative financial statements. Since 1 January 2011, the depreciable amount and useful life of the investment property have been reassessed in accordance with the requirements as described in note 4.2 to the financial statements. These changes in this regard have been applied prospectively.

4.5 Effect to the financial statements in 2011 from adoption of TFRS as described in items of 4.2 4.3 and 4.4 was summarized as follows:

Adjustment of financial statements:-

Statement of financial position as at 31 March 2011

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Accounting for property, plant and equipment:-		
Decrease in accumulated depreciation	9,609	9,609
Increase in carrying amount of property, plant and equipment	9,609	9,609
Accounting for employee benefit:-		
Increase in employee benefit obligations	47,364	47,364
Decrease in retained earnings at 1 January 2011	(47,364)	(47,364)
Accounting for investment property:-		
Decrease in property, plant and equipment, net	(3,951)	(3,951)
Decrease in land under development	(99,644)	(99,644)
Increase in investment property	103,595	103,595

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Statement of comprehensive income for the three-month period ended 31 March 2011

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Accounting for property, plant and equipment:-		
Decrease in depreciation expense resulting in:-		
Decrease in cost of construction	9,256	9,256
Decrease in administrative expense	353	353
Total	<u>9,609</u>	<u>9,609</u>
Accounting for employee benefit:-		
Increase in employee benefit expenses resulting in:-		
Increase in cost of construction	(2,277)	(2,277)
Increase in administrative expenses	(262)	(262)
Increase in management benefit expenses	(373)	(373)
Total	<u>(2,912)</u>	<u>(2,912)</u>
Increase in profit for the period	<u>6,697</u>	<u>6,697</u>
Earnings per share:		
Increase in basic earnings per share (in Baht)	<u>0.004</u>	<u>0.004</u>

5 Syntec - Mivan Joint Venture

Syntec – Mivan Joint Venture

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

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

In addition to jointly fund, the venturers shall be responsible to operate the project according to term of agreement until it is completed. The above mentioned agreement shall be effective from the date of joint venture agreement. The joint venture agreement shall be terminated when the venturers agrees to make the memorandum to cancel the agreement and the project or unsuccessful bidding.

Both venturers agree to be responsible for operating the project until completely finished, including any commitment in full amount for the employers, which may be incurred under the project operated basing on the commitment incurred.

On 18 January 2006, Syntec - Mivan Joint Venture entered into an agreement on Eua – Arthorn Housing Project for 50,000 units with National Housing Authority, requiring revenue per unit in the amount of Baht 0.42 million totaling Baht 21,000 million. The above revenue comprised 1) the project land, which is procured by joint venture, proposed to National Housing Authority for authorizing to purchase, 2) the project construction cost undertaken by the Joint Venture. The project construction cost is calculated basing on the revenue under the agreement minus the cost of

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project land. Syntec – Mivan Joint Venture agreed to construct 13,674 units of houses under Eua-Arthorn Housing Project.

Subsequently, Syntec – Mivan Joint Venture by the authorized persons entered into a memorandum with the Company and the related company as follows:-

- As Syntec – Mivan Joint Venture agreed to be the contractor on Eua-Arthorn Housing Project of National Housing Authority for 50,000 units of houses, Syntec – Mivan Joint Venture agreed the Company and the related company undertaking the above construction of 25,000 unit per each, and the delivery of accomplished work will be in compliance with the requirement and terms determined in each project.
- The Joint Venture entered into an agreement with the related company who constructs building and public utility system both inside and outside areas. But the related company had met the liquidity problem that caused the above mentioned building and public utility system were not finished and not delivered to National Housing Authority as the agreement. This resulted to the Joint Venture, the Company and the related company entered into the memorandum on 12 June 2009 which was summarized as follows:
 - the Company shall completely constructs, modified and repairs all above project since 6 May 2009.
 - the above related company and the Joint Venture are liable for construction cost and all other costs incurred in all project.
 - When the Joint Venture receives each payment on the above construction from National Housing Authority, it will be transferred to the Company by directly receiving payment from National Housing Authority.

During the year 2010, Syntec – Mivan Joint Venture has already finished its own construction and 3 projects amounted to 8,582 units were examined by National Housing Authority. As of 18 May 2011, the aforementioned projects are in the process of retention for dilapidation within 2 years beginning at the date of project acceptance.

As at 31 March 2011, Syntec – Mivan Joint Venture had the contingent liabilities due to be sued by the creditors as described in note 24 to the financial statements.

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

Summary of balance sheet information of Syntec – Mivan Joint Venture as at 31 March 2011 and 31 December 2010 were as follows:

	31 March 2011	31 December 2010
	<i>(in million Baht)</i>	
Information of balance sheet		
Current assets	151	154
Non-current assets	20	20
Total assets	171	174
Current liabilities	858	871
Deficit in ventures' equity	(687)	(697)
Total liabilities net deficit in vetures' equity	171	174

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Summary of statements of income information of Syntec – Mivan Joint Venture for the three-month periods ended 31 March 2011 and 2010 were as follows:

	2010	2009
	<i>(in million Baht)</i>	
Information of statements of income		
Total revenues	11	-
Total expenses	-	(60)
Finance costs	(1)	(1)
Profit (loss) for the period	10	(61)

Syntec – Mivan Joint Venture had suffered recurring and had significant deficit in ventures' equity. In addition, Syntec – Mivan Joint Venture lacked of liquidity. These circumstances raise substantial doubt about the joint venture's on the ability to continue as a going concern. However, the Company, Syntec - Mivan Joint Venture and a related company mutually agreed to enter into the memorandum to construct, modify and repair a construction project until complete. As at 31 March 2011 and 31 December 2010, the Company has recognized estimated loss under joint venture agreement amounted to Baht 447 million and Baht 453 million, respectively in the separate financial statements as described in note 17 to the financial statements.

6 Seasonal operations

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

7 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.	Beauconcept Development Sdn.Bhd.	-	Associate, which ceased its operations, and no financial information
3.	SSU Joint venture	Thailand	Joint venture, 95% portion of joint which ceased its operations
4.	Joint venture between Siam Syntec Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	Thailand	Joint venture, 50% portion of joint, which ceased its operations
5.	Joint venture between Siam Syntec Construction Pcl. and Federal Engineering Co., Ltd.	Thailand	Joint venture, 75% portion of joint, which ceased its operations

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	Name of entities	Country of incorporation	Nature of relationships
6.	SVK Joint venture	Thailand	Joint venture, 51% portion of joint, which ceased its operations
7.	Syntec - Mivan Joint venture	Thailand	Joint venture, 65% portion of joint
8.	Natural Venture Co., Ltd.	Thailand	Major shareholder
9.	Natural Park Public company Limited	Thailand	Indirect related company and a shareholder of Natural Venture Co., Ltd. and Sansiri Public Company Limited
10.	Bangkok Metro Plc.	Thailand	Related company, 3.08 % shareholding.
11.	Mivan (Thailand) Co., Ltd.	Thailand	Related company as a joint party in Syntec-Mivan joint venture
12.	Tate Enterprise Co., Ltd.	Thailand	Related company
13.	N&J Assets Management Co., Ltd.	Thailand	Related company
14.	Siam Syntech Planner Co., Ltd.	Thailand	Related company, Co-directors

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

	Pricing policies
Revenue from construction	Contract price (Cost plus margin of 1-16% in 2011 and 9-11% in 2010) and bid price
Cost of construction	Invoice price pursuant to the joint ventures agreements (Market price)
Directors benefit expenses represents meeting allowance and director bonus	Approval from the Company's directors and shareholders
Directors and management benefit expenses represents salary and bonus	Approval from the Company's directors and shareholders

Significant transactions for the three-month periods ended 31 March 2011 and 2010 with related parties were summarized as follows:

	Consolidated financial statements		Separate Financial statements	
	2011	2010	2011	2010
Revenue				
Other related companies				
Revenue from construction	-	14,868	-	14,868

(in thousand Baht)

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	Consolidated financial statements		Separate Financial statements	
	2011	2010	2011	2010
<i>Expenses</i>				
Related persons				
Management benefit expenses				
Short-term benefit	3,943	5,948	3,943	5,948
Post-employment benefit	373	-	373	-
	<u>4,316</u>	<u>5,948</u>	<u>4,316</u>	<u>5,948</u>

On 15 March 2010, the Company has the payment of the creditors under the rehabilitation plan to Planner in the amount of Baht 10.99 million as described in note 18 to the financial statements.

Balance as at 31 March 2011 and 31 December 2010 with related parties were as follows:

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Other related companies				
Park Opera Co., Ltd.	5,953	5,953	5,953	5,953
Tate Enterprice Co., Ltd.	40,543	45,687	40,543	45,687
N & J Assets Management Co., Ltd.	5,252	20,715	5,252	20,715
Total	<u>51,748</u>	<u>72,355</u>	<u>51,748</u>	<u>72,355</u>

Retentions receivable under construction contracts - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Other related companies				
Natural Real Estate Co., Ltd.	9,076	9,076	9,076	9,076
Park Opera Co., Ltd.	401	401	401	401
Total	<u>9,477</u>	<u>9,477</u>	<u>9,477</u>	<u>9,477</u>

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Unbilled construction in progress - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Other related company				
N&J Assets Management Co., Ltd.	-	6,605	-	6,605
Total	-	6,605	-	6,605

Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Comprising				
Other receivables and advance, net	180,158	177,587	497,061	471,258
Total	180,158	177,587	497,061	471,258

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Other receivables and advances				
Joint ventures				
Joint Ventures between Siam Syntec Construction Pcl. and Federal Engineering Co.,Ltd.	14,099	14,099	56,365	56,365
Joint Ventures between Siam Syntec Construction Pcl. and Underground Technologies (Thailand)	2,068	2,068	4,137	4,137
SVK Joint Ventures	5,401	5,171	11,023	10,552
SSU Joint Ventures	5	5	100	100
Syntec – Mivan Joint Venture	189,277	176,911	540,791	505,459
Other related company				
Mivan (Thailand) Co., Ltd.	35,367	35,392	-	-
Total	246,217	233,646	612,416	576,613
<i>Less allowance for doubtful Accounts</i>	<i>(66,059)</i>	<i>(56,059)</i>	<i>(115,355)</i>	<i>(105,355)</i>
Net	180,158	177,587	497,061	471,258

On 30 March 2010, the Company offset a reimbursed expense from SSU Joint Ventures with the receivable and advances to related parties in the amount of Baht 6.70 million.

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Details of investments in associates were described in note 11 to financial statements.

Other long-term investments

	Consolidated and separate financial statements			
	31 March 2011		31 December 2010	
	At cost	Fair value	At cost	Fair value
	<i>(in Baht)</i>			
<i>Available – for sale securities</i>				
Other related company				
Bangkok Metro Plc.	560,625	246,447	560,625	261,160
Less allowance for devaluation of investments	(314,178)	-	(299,465)	-
Net	246,447	246,447	261,160	261,160

Long-term loans to related parties

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Joint ventures				
Joint Ventures between siam syntech Construction Pcl. and Federal Engineering Co., Ltd.	-	-	28,655	28,655
Siam Syntech – Wattana Engineering Joint Venture	12,181	12,181	12,181	12,181
Other related company				
Gentech Engineering Co., Ltd.	4,956	4,956	4,956	4,956
Total	17,137	17,137	45,792	45,792
Less allowance for doubtful accounts	(17,137)	(17,137)	(45,792)	(45,792)
Net	-	-	-	-

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

Movements of long-term loans to related parties during the three-month periods ended 31 March 2011 and 2010 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	17,137	17,137	45,792	45,792
No movement during the period	-	-	-	-
At 31 March	17,137	17,137	45,792	45,792

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Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Joint venturer				
Mivan (Thailand) Co., Ltd.	<u>64,426</u>	<u>64,426</u>	<u>-</u>	<u>-</u>

Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<i>Comprising</i>				
Other and retention payables	<u>13,461</u>	<u>13,461</u>	<u>-</u>	<u>-</u>
Total	<u>13,461</u>	<u>13,461</u>	<u>-</u>	<u>-</u>
<i>Other payables</i>				
Joint venturer				
Federal Engineering Co., Ltd.	135	135	-	-
<i>Retention payables</i>				
Joint venturer				
Mivan (Thailand) Co., Ltd.	<u>13,326</u>	<u>13,326</u>	<u>-</u>	<u>-</u>
Total	<u>13,461</u>	<u>13,461</u>	<u>-</u>	<u>-</u>

Details of provisions were described in note 17 to the financial statements.

The commitments with related parties

The Ordinary General Meeting of Shareholders held 29 April 2010 resolved the approval of directors' remunerations for the year 2010 in the amount not exceeding Baht 2 million, which represented the meeting allowance of Baht 10,000 per time per head, and the annual audit committee directors' remuneration of Baht 180,000 per head.

Please also see note 26 to the financial statements.

Significant agreements with related parties

The information and other significant events pursuant to the memorandum among the Company and related parties, as details mentioned in note 5 to the financial statements.

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8 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Comprising:				
Trade accounts receivable	731,467	736,271	708,467	713,270
Less undue advance received from customers under construction contracts	<u>(59,408)</u>	<u>(150,015)</u>	<u>(59,408)</u>	<u>(150,015)</u>
Total	672,059	586,256	649,059	563,255
Less allowance for doubtful accounts	<u>(110,626)</u>	<u>(110,626)</u>	<u>(110,626)</u>	<u>(110,626)</u>
Net	<u>561,433</u>	<u>475,630</u>	<u>538,433</u>	<u>452,629</u>
Related parties	51,748	72,355	51,748	72,355
Other parties	<u>620,311</u>	<u>513,901</u>	<u>597,311</u>	<u>490,900</u>
Total	672,059	586,256	649,059	563,255
Less allowance for doubtful accounts	<u>(110,626)</u>	<u>(110,626)</u>	<u>(110,626)</u>	<u>(110,626)</u>
Net	<u>561,433</u>	<u>475,630</u>	<u>538,433</u>	<u>452,629</u>
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
For the three-month period ended 31 March				
Reversal of allowance for doubtful accounts	<u>-</u>	<u>(5,729)</u>	<u>-</u>	<u>(5,729)</u>
	<u>-</u>	<u>(5,729)</u>	<u>-</u>	<u>(5,729)</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements					
	Related parties		Other parties		Total	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>					
Within credit terms	-	-	290,963	196,224	290,963	196,224
Still installment	-	-	29,628	29,628	29,628	29,628
Overdue:						
Less than 3 months	-	-	125,229	160,232	125,229	160,232
Over 3 months to 6 months	-	1,764	46,675	31,679	46,675	33,443
Over 6 months to 12 months	21,582	24,667	44,038	17,474	65,620	42,141
Over 12 months	<u>30,166</u>	<u>45,924</u>	<u>83,778</u>	<u>78,664</u>	<u>113,944</u>	<u>124,588</u>
	<u>51,748</u>	<u>72,355</u>	<u>299,720</u>	<u>288,049</u>	<u>351,468</u>	<u>360,404</u>
Total	<u>51,748</u>	<u>72,355</u>	<u>620,311</u>	<u>513,901</u>	<u>672,059</u>	<u>586,256</u>

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	Related parties		Separate financial statements Other parties		Total	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>					
Within credit terms	-	-	290,963	196,224	290,963	196,224
Still installment	-	-	29,628	29,628	29,628	29,628
Overdue:						
Less than 3 months	-	-	125,229	160,001	125,229	160,001
Over 3 months to 6 months	-	1,764	46,445	9,300	46,445	11,064
Over 6 months to 12 months	21,582	24,667	21,268	17,083	42,850	41,750
Over 12 months	30,166	45,924	83,778	78,664	113,944	124,588
	<u>51,748</u>	<u>72,355</u>	<u>276,720</u>	<u>265,048</u>	<u>328,468</u>	<u>337,403</u>
Total	<u>51,748</u>	<u>72,355</u>	<u>597,311</u>	<u>490,900</u>	<u>649,059</u>	<u>563,255</u>

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

9 Retentions receivable under construction contracts

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Related parties	9,477	9,477	9,477	9,477
Other parties	535,119	521,883	503,191	489,954
Total	<u>544,596</u>	<u>531,360</u>	<u>512,668</u>	<u>499,431</u>
Less allowance for doubtful accounts	<u>(37,318)</u>	<u>(37,318)</u>	<u>(37,318)</u>	<u>(37,318)</u>
Net	<u>507,278</u>	<u>494,042</u>	<u>475,350</u>	<u>462,113</u>

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
For the three-month period ended 31 March				
Reversal of allowance for doubtful accounts	-	(8,355)	-	(8,355)
Total	<u>-</u>	<u>(8,355)</u>	<u>-</u>	<u>(8,355)</u>

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10 Unbilled construction in progress

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Related parties	-	6,605	-	6,605
Other parties	1,007,465	1,058,013	1,007,465	1,058,013
Total	1,007,465	1,064,618	1,007,465	1,064,618
Less allowance for doubtful accounts	(30,800)	(30,800)	(30,800)	(30,800)
Net	976,665	1,033,818	976,665	1,033,818

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in million Baht)</i>			
Construction project contracts amount	16,674	25,893	16,674	22,965
Less expected losses recognized	-	(64)	-	-
Construction project contracts amount, net	16,674	25,829	16,674	22,965
Contract revenue recognized as revenue since commencing date to present	10,693	19,829	10,693	17,244
Less progress billings (as invoices)	(9,714)	(18,793)	(9,714)	(16,208)
Unbilled construction in progress	979	1,036	979	1,036
Unbilled construction in progress (before 2000)	29	29	29	29
Unbilled construction in progress at the end of period	1,008	1,065	1,008	1,065
Less allowance for doubtful accounts	(31)	(31)	(31)	(31)
Net	977	1,034	977	1,034
Excess of progress billing over work in progress	(309)	(216)	(309)	(216)
Net	668	818	668	818

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For the three-month period ended 31 March 2011 (Unaudited)

11 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
At 1 January	29,394	29,537	38,677	38,677
Share of loss of investments - equity method	(31)	(34)	-	-
	<u>29,363</u>	<u>29,503</u>	<u>38,677</u>	<u>38,677</u>
Less allowance for valuation of investments	<u>(29,302)</u>	<u>(29,302)</u>	<u>(38,677)</u>	<u>(38,677)</u>
At 31 March	<u><u>61</u></u>	<u><u>201</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Syntec Construction Public Company Limited and Joint Ventures
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For the three-month period ended 31 March 2011 (Unaudited)

Investments in associates as at 31 March 2011 and 31 December 2010 were as follows:

	Consolidated financial statements											
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity, net	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(%)				(in million Baht)							
Associates												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	0.1	0.1	-	-	0.1	0.1
Beauconcept Development Co.,Ltd.	25	25	RM12	RM12	29	29	-	-	(29)	(29)	-	-
Total					39	39	0.1	0.1	(29)	(29)	0.1	0.1

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend received	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(%)				(in million Baht)							
Associates												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	(10)	(10)	-	-	-	-
Beauconcept Development Co.,Ltd.	25	25	RM12	RM12	29	29	(29)	(29)	-	-	-	-
Total					39	39	(39)	(39)	-	-	-	-

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For the three-month period ended 31 March 2011 (Unaudited)

12 Other long-term investments

	Consolidated and separate financial statements			
	Cost		Fair Value	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
General investments - net	55,788	55,788	-	-
Equity securities available for sale - net	560,625	560,625	246,447	261,160
Total	616,413	616,413	246,447	261,160

Movements of other long-term investments during the three-month period ended 31 March 2011 and 2010 was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
General investments				
At 1 January	55,788	55,788	55,788	55,788
Valuation adjustment	(55,788)	(55,788)	(55,788)	(55,788)
At 31 March	-	-	-	-
Available-for-sale securities				
At 1 January	261,160	286,908	261,160	286,908
Valuation adjustment	(14,713)	(22,070)	(14,713)	(22,070)
At 31 March	246,447	264,838	246,447	264,838

13 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2011 and 2010 were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Net book value at 1 January	522,671	413,789	530,912	407,430
Acquisition and transfer in - at cost	31,518	30,771	31,518	30,771
Purchase of machinery under finance lease agreements	2,090	-	2,090	-
Disposal and transfer out - net book value	(4,204)	(6,643)	(4,204)	(6,643)
Depreciation for the period	(20,013)	(22,850)	(20,586)	(21,781)
Net book value at 31 March	532,062	415,067	539,730	409,777

Syntec Construction Public Company Limited and Joint Ventures

Notes to the interim financial statements

For the three-month period ended 31 March 2011 (Unaudited)

14 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Related parties	64,426	64,426	-	-
Others parties	359,534	458,383	290,361	358,059
Total	423,960	522,809	290,361	358,059

15 Short-term loans from other parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Notes payable	412,000	412,000	412,000	412,000

As at 31 March 2011 and 31 December 2010, short-term loans from other parties of Baht 412 million represented the promissory notes from non-related parties due within April 2011 and January 2011, respectively with interest charged at 4.75% per annum and 5.5% per annum, respectively without guarantee.

16 Employee benefit obligations

The Company adopted TAS 19 Employee Benefits with effect from 1 January 2011; the effect on the financial statements is disclosed in note 4 to the financial statements.

The Company operates post-employment benefits and pension plans based on the Company's policy and the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long term benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations

	Consolidated and separate financial statements <i>(in thousand Baht)</i>
<i>For the three-month period ended 31 March 2011</i>	
Defined benefit obligations at 1 January 2011	47,364
Current service costs and interest	2,912
Payment of employee benefits	(842)
Defined benefit obligations at 31 March 2011	49,434

Syntec Construction Public Company Limited and Joint Ventures

Notes to the interim financial statements

For the three-month period ended 31 March 2011 (Unaudited)

Expense recognised in profit or loss

**Consolidated and
separate financial
statements**
(in thousand Baht)

For the three-month period ended 31 March 2011

Current service costs	2,468
Interest on obligation	444
Total	2,912

The above expense is recognised in the following line items:

**Consolidated and
separate financial
statements**
(in thousand Baht)

For the three-month period ended 31 March 2011

Cost of construction	2,277
Administrative expenses	262
Management benefit expenses	373
Total	2,912

Principal actuarial assumptions at the reporting date

(%)

For the three-month period ended 31 March 2011

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

17 Provisions

**Separate
financial statements**

31 March 2011	31 December 2010
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(in thousand Baht)

Non-current

Estimated loss under joint venture agreement	483,286	489,306
Total	483,286	489,306

Syntec Construction Public Company Limited and Joint Ventures

Notes to the interim financial statements

For the three-month period ended 31 March 2011 (Unaudited)

Movements during the three-month periods ended 31 March 2011 was as follows:

	Separate financial statements	
	Estimated loss under joint venture agreements	Total
	<i>(in thousand Baht)</i>	
At 1 January 2011	489,306	489,306
Provision reversed	(6,020)	(6,020)
At 31 March 2011	483,286	483,286

Estimated loss under joint venture agreement

	Separate financial statements	
	31 March 2011	31 December 2010
	<i>(in thousand Baht)</i>	
Joint Venture between Siam Syntech Construction Plc. and Federal Engineering Co., Ltd.	36,497	36,497
Syntec – Mivan Joint Venture	446,789	452,809
Total	483,286	489,306

18 Share capital

	<i>Par value (Baht)</i>	31 March 2011		31 December 2010	
		Number <i>(in thousand shares)</i>	Value <i>(in thousand Baht)</i>	Number <i>(in thousand shares)</i>	Value <i>(in thousand Baht)</i>
Authorized share capital					
At the beginning of period					
- Ordinary shares	<i>1</i>	1,600,000	1,600,000	1,600,000	1,600,000
At the end of period					
- Ordinary shares	<i>1</i>	1,600,000	1,600,000	1,600,000	1,600,000
Issued and paid up share capital					
At the beginning of period					
- Ordinary shares	<i>1</i>	1,600,000	1,600,000	1,600,000	1,600,000
At the end of period					
- Ordinary shares	<i>1</i>	1,600,000	1,600,000	1,600,000	1,600,000

On 15 March 2010, Siam Syntech Planner Co., Ltd. has already received the debt payment in form of increased ordinary shares of 10,987,119 shares in the amount of Baht 10,987,119.

Syntec Construction Public Company Limited and Joint Ventures

Notes to the interim financial statements

For the three-month period ended 31 March 2011 (Unaudited)

19 Legal reserve

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

For the three-month periods ended 31 March 2011 and 2010, the Company allocated as legal reserve at 5% of profit for the period in the amount of Baht 1.82 million and Baht 1.82 million, respectively. Please also see note 26 to the financial statements.

20 Dividends

At the annual general meeting of the shareholders of the Company held on 29 April 2010, the shareholders approved the appropriation of dividend of Baht 0.03 per share, amounting to Baht 48,000,000. The dividend was paid to shareholders during the year 2010. Please also see note 26 to the financial statements.

21 Segment information

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

Business segments

Management considers that the Group/Company operates in a single line of business, namely construction business, and has, therefore, only one major business segment.

Geographical segments

Management considers that the Group/Company operates in a single geographical area, namely in Thailand, and has, therefore, only one major geographical segment.

22 Earnings per share

The calculation of basic earnings per share for the three-month periods ended 31 March 2011 and 2010 was based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
Earnings attributable to ordinary shareholders (basic) (in thousand Baht)	36,975	42,053	36,458	36,374
Number of ordinary shares outstanding (in thousand shares)	1,600,000	1,600,000	1,600,000	1,600,000
Basic earnings per share (in Baht)	0.02	0.03	0.02	0.02

Syntec Construction Public Company Limited and Joint Ventures

Notes to the interim financial statements

For the three-month period ended 31 March 2011 (Unaudited)

23 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	<i>(in Million Baht)</i>			
Capital commitments				
Worker lodgings	-	1	-	1
Other commitments				
Subcontractor agreements	703	480	703	480
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,693	1,404	1,417	1,128
Commission agreement	172	172	172	172
Total	2,568	2,057	2,292	1,781

As at 31 March 2011 and 31 December 2010, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 1,921 million and Baht 1,867 million, respectively.

24 Contingent liabilities

As at 31 March 2011, contingent liabilities were as follows:

The Company had the contingent liabilities on the amounts with a commercial domestic bank under the guarantee contract, which was examined by the Official Receiver and was decided by Bankruptcy Court amounted to Baht 10 million.

The Company had contingent liabilities due to be sued by other person regarding the tort and claiming a compensation of construction with the sued amount totaling Baht 89 million. Such case is in the process of consideration by the Court, which has not been finalized.

25 Expenses by nature

Certain accounts included in calculating profit from operations for the periods ended 31 March 2011 and 2010 have been classified by nature as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Raw material and consumables used	295	297	295	297
Subcontractor cost	394	622	394	596
Employee and workers benefits expenses	222	185	222	185

Syntec Construction Public Company Limited and Joint Ventures

Notes to the interim financial statements

For the three-month period ended 31 March 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Depreciation and amortization expenses	21	23	21	22
Management benefit expenses	4	6	4	6
Estimated loss under the joint venture agreements	-	-	-	40
Doubtful debts expense	10	-	10	-
Estimated penalties under the construction contracts	-	13	-	-
Other expenses	101	119	101	127
Total	1,047	1,265	1,047	1,273

26 Events after the reporting period

The Ordinary General Meeting of Shareholders held 29 April 2011 resolved the approval as follows

- Approval for allocate 5% of net profit for the year 2010 to legal reserve in the amount of Baht 10,340,612 and to dividend at the rate of Baht 0.03 per share totaling Baht 48,000,000 which will paid on 27 May 2011.
- Approval of directors' remunerations for the year 2011 in the amount not exceeding Baht 2 million, which represented the meeting allowance of Baht 10,000 per time per head, and the annual audit committee directors' remuneration of Baht 180,000 per head.

The Company's major shareholders who held more than 5% of total paid-up share capital as at 11 May 2011 were Phahusuth Group and Subandit Group who held 13.68% and 6.64%, respectively due to on 27-29 April 2011, Natural Ventures Company Limited sold shares of the Company in the amount of shares 142 million.

27 Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that has been issued as of the reporting date but are not yet effective. The new and revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	2013
TAS 21 (revised 2009)	The effects of Change in Foreign Exchange Rate	2013

Management is presently considering the potential impact of adopting and initial application of these new and revised TFRS on the consolidated and separate financial statements.

Syntec Construction Public Company Limited and Joint Ventures

Notes to the interim financial statements

For the three-month period ended 31 March 2011 (Unaudited)

28 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2010 and statements of comprehensive income for the three-month periods ended 31 March 2010 have been reclassified to more appropriate and conform to the presentation in the 2011 interim financial statements as follows:

	Consolidated financial statements			2010 Separate financial statements		
	Before reclassify	Reclassify	After reclassify <i>(in thousand Baht)</i>	Before reclassify	Reclassify	After reclassify
Statement of financial position						
Property, plant and equipment	522,670	(4,136)	518,534	530,912	(4,136)	526,776
Land under development	99,644	(99,644)	-	99,644	(99,644)	-
Investment properties	-	103,780	103,780	-	103,780	103,780
	622,314	-	622,314	630,556	-	630,556
Statement of comprehensive income						
Other income	26,208	(25,301)	907	26,208	(25,301)	907
Cost of construction	(1,221,715)	7,926	(1,213,789)	(1,195,871)	7,926	(1,187,945)
Selling expenses	(17,375)	16,590	(785)	(17,375)	16,590	(785)
Administrative expenses	(28,062)	785	(27,277)	(34,504)	785	(33,719)
	(1,240,944)	-	(1,240,944)	(1,221,542)	-	(1,221,542)