

**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 2010 and 2009

# NPS Siam

## **NPS Siam Audit Limited**

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

## **บริษัท เอ็นพีเอส สยาม สอบบัญชี จำกัด**

555/5-6 อาคารเอสเอสพีทาวเวอร์  
ชั้น 5 ซอยสุขุมวิท 63 (เอกมัย)  
ถนนสุขุมวิท คลองตันเหนือ  
เขตวัฒนา กรุงเทพฯ 10110  
Tel:66(2) 711 5300  
Fax: 66(2) 711 5866  
E-mail: info@npssiam.co.th

## **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 2010 and 2009, and the related statements of income, changes in 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 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 provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2010 and 2009 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.

Without qualifying my opinion I draw your attention to Note 3 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 on 12 June 2009 to construct, modify and repair a construction project. Subsequently, the Company informed that the above project has already finished and inspected during 2010 but is in the process of retention within 2 years beginning at the date of project inspection.

(Narong Luktharn)  
Certified Public Accountant  
Registration number 4700

NPS Siam Audit Limited  
Bangkok  
1 March 2011

Syntec Construction Public Company Limited and its Joint Ventures

Balance sheets

As at 31 December 2010 and 2009

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	6	556,192,094	590,639,234	550,128,843	584,511,911
Accounts receivable, net	5, 7	475,629,443	498,489,258	452,629,223	498,489,258
Retentions receivable under construction contracts, net	5, 8	494,042,264	386,170,274	462,113,192	384,870,274
Unbilled construction work in progress, net	5, 9	1,033,818,394	1,022,855,219	1,033,818,394	842,066,800
Short-term loans to related parties, net	5	177,586,982	192,427,465	471,258,074	338,975,002
Inventories	10	133,928,319	341,998,367	133,928,319	341,998,367
Advance payments to subcontractors	11	71,039,524	39,961,625	70,910,749	39,832,850
Other receivables-net	12	18,236,994	8,213,814	18,236,994	8,213,814
Other current assets	13	28,026,239	23,878,625	24,395,811	20,773,225
<b>Total current assets</b>		<b><u>2,988,500,253</u></b>	<b><u>3,104,633,881</u></b>	<b><u>3,217,419,599</u></b>	<b><u>3,059,731,501</u></b>
<b>Non-current assets</b>					
Investments in associates	14	91,425	234,658	-	-
Other long-term investments, net	5, 15	261,159,909	286,908,069	261,159,909	286,908,069
Land under development	16	99,643,500	99,643,500	99,643,500	99,643,500
Long-term loans to related parties, net	5	-	-	-	-
Other long-term loans, net	17	-	-	-	-
Property, plant and equipment, net	18, 34, 45	522,670,486	413,788,633	530,912,272	407,429,923
Intangible assets	19, 34	801,603	901,380	801,603	901,380
Withholding tax		306,247,682	405,653,267	304,818,258	404,288,387
Pledged deposits at the banks	20, 45	88,754,079	228,738,832	88,754,079	228,738,832
Other non-current assets, net	21	71,734,760	53,574,500	58,826,162	40,287,604
<b>Total non-current assets</b>		<b><u>1,351,103,444</u></b>	<b><u>1,489,442,839</u></b>	<b><u>1,344,915,783</u></b>	<b><u>1,468,197,695</u></b>
<b>Total Assets</b>		<b><u>4,339,603,697</u></b>	<b><u>4,594,076,720</u></b>	<b><u>4,562,335,382</u></b>	<b><u>4,527,929,196</u></b>

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 2010 and 2009

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<i>(in Baht)</i>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	22	9,421,451	106,202,141	9,421,451	80,140,614
Trade accounts payable	5, 23	522,808,466	575,917,360	358,058,644	351,189,035
Current portion of creditor under rehabilitation plan	26	111,107,081	132,952,206	111,107,081	132,952,206
Short-term loans from related parties	5	13,461,480	13,461,480	-	-
Short-term loans from other parties	24, 45	412,000,000	414,350,000	412,000,000	414,350,000
Current portion of finance lease liabilities	27	30,654,901	23,588,711	30,654,901	23,588,711
Short-term provisions	3, 28	-	49,367,370	-	-
Advances received from customers under construction contracts	9	215,957,612	324,220,827	215,957,612	324,220,827
Retention payables from subcontractors		230,526,958	255,155,421	220,894,406	243,371,480
Accrued expenses		177,558,623	171,282,484	177,357,026	170,764,697
Undue value added tax		104,811,164	95,207,648	99,456,964	83,380,369
Accrued income tax		339,293	-	-	-
Other current liabilities	25	79,413,044	25,708,454	19,953,880	22,709,484
<b>Total current liabilities</b>		<b>1,908,060,073</b>	<b>2,187,414,102</b>	<b>1,654,861,965</b>	<b>1,846,667,423</b>
<b>Non-current liabilities</b>					
Finance lease liabilities	27	106,924,613	71,716,207	106,924,613	71,716,207
Long-term provisions	3, 28	-	151,305,431	489,306,390	442,608,926
<b>Total non-current liabilities</b>		<b>106,924,613</b>	<b>223,021,638</b>	<b>596,231,003</b>	<b>514,325,133</b>
<b>Total liabilities</b>		<b>2,014,984,686</b>	<b>2,410,435,740</b>	<b>2,251,092,968</b>	<b>2,360,992,556</b>

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Syntec Construction Public Company Limited and its Joint Ventures

Balance sheets

As at 31 December 2010 and 2009

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<i>(in Baht)</i>					
<b>Shareholders' equity</b>					
Share capital	29				
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	29	-	(11,241,700)	-	(11,241,700)
Addition paid-in capital					
Premium on ordinary shares	30	23,744	23,744	23,744	23,744
Unrealised losses					
Fair value changes of available-for-sale securities	15, 30	(299,465,065)	(273,716,905)	(299,465,065)	(273,716,905)
Retained earnings					
Appropriated					
Legal reserve	30	51,501,712	41,161,100	51,501,712	41,161,100
Unappropriated		<u>972,558,620</u>	<u>827,414,741</u>	<u>959,182,023</u>	<u>810,710,401</u>
<b>Total shareholders' equity</b>		<b><u>2,324,619,011</u></b>	<b><u>2,183,640,980</u></b>	<b><u>2,311,242,414</u></b>	<b><u>2,166,936,640</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>4,339,603,697</u></b>	<b><u>4,594,076,720</u></b>	<b><u>4,562,335,382</u></b>	<b><u>4,527,929,196</u></b>

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 2010 and 2009

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2010	2009	2010	2009
		(in Baht)			
<b>Revenues</b>					
Revenue from construction	5	5,003,082,593	6,197,566,826	5,003,082,593	6,188,663,448
Interest income		2,539,959	4,764,732	2,539,367	4,764,103
Reversal of allowance for doubtful accounts	7, 12	44,434,303	5,540,231	44,434,303	5,540,231
Gain on sale of equipment		11,826,597	5,125,869	11,826,597	5,125,869
Net foreign exchange gain		-	1,116,999	-	1,116,999
Other income	5, 32	132,170,663	61,611,472	110,935,306	61,488,752
<b>Total revenues</b>		<b>5,194,054,115</b>	<b>6,275,726,129</b>	<b>5,172,818,166</b>	<b>6,266,699,402</b>
<b>Expenses</b>					
Cost of construction	5, 18, 35	4,699,873,700	5,506,119,955	4,641,016,732	5,331,109,747
Selling expenses	5, 33, 35	28,123,044	43,990,094	28,123,044	43,990,094
Administrative expenses	5, 18, 34, 35	149,587,056	148,754,752	154,728,318	148,167,956
Management benefit expenses	5, 35	15,404,300	12,810,100	15,404,300	12,810,100
Net foreign exchange loss		69,018	-	69,018	-
Doubtful debts expenses	7, 8, 12	46,075,588	33,875,306	46,075,588	33,875,306
Loss on disposal of investment in associate	14	-	-	-	21,253,308
Impairment loss of assets		-	2,156,667	-	-
Estimated loss under joint venture agreement	5, 28	-	-	46,697,464	302,240,883
Estimated loss on construction contracts	3, 28	-	18,390,933	-	-
Estimated penalties under the construction contracts	3, 28	13,003,963	110,700,275	-	-
<b>Total expenses</b>		<b>4,952,136,669</b>	<b>5,876,798,082</b>	<b>4,932,114,464</b>	<b>5,893,447,394</b>
<b>Profit before finance costs and income tax expense</b>					
		<b>241,917,446</b>	<b>398,928,047</b>	<b>240,703,702</b>	<b>373,252,008</b>
Finance costs	37	37,611,133	48,218,938	33,891,468	42,182,369
Share of loss of investments in associates	5, 14	143,233	21,536,661	-	-
<b>Profit before income tax expense</b>		<b>204,163,080</b>	<b>329,172,448</b>	<b>206,812,234</b>	<b>331,069,639</b>
Income tax expense	38	678,589	11,063,347	-	11,063,347
<b>Profit for the year</b>		<b>203,484,491</b>	<b>318,109,101</b>	<b>206,812,234</b>	<b>320,006,292</b>
<b>Earnings per share</b>					
	39				
<b>Basic</b>		<b>0.13</b>	<b>0.20</b>	<b>0.13</b>	<b>0.20</b>

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Statements of changes in equity**  
**For the years ended 31 December 2010 and 2009**

<b>Consolidated financial statements</b>								
	<i>Note</i>	Issued and paid-up share capital	Share subscription receivables	Premium on ordinary shares	Fair value changes of available for sale securities <i>(in Baht)</i>	<u>Retained earnings</u>		Total equity
						Legal reserve	Unappropriated	
<b>Balance as at 1 January 2009</b>		<b>1,600,000,000</b>	<b>(13,036,063)</b>	<b>23,744</b>	<b>(413,492,631)</b>	<b>25,160,785</b>	<b>525,305,955</b>	<b>1,723,961,790</b>
Unrealised gains (loss)								
Fair value changes of available-for-sale securities	15	-	-	-	139,775,726	-	-	139,775,726
<b>Net income (expense) recognized</b>								
<b>directly in shareholders' equity</b>		-	-	-	<b>139,775,726</b>	-	-	<b>139,775,726</b>
Profit for the year		-	-	-	-	-	318,109,101	318,109,101
<b>Total recognized income and expense</b>		-	-	-	<b>139,775,726</b>	-	<b>318,109,101</b>	<b>457,884,827</b>
Proceeds from subscription receivables		-	1,794,363	-	-	-	-	1,794,363
Transfer to legal reserve	30	-	-	-	-	16,000,315	(16,000,315)	-
<b>Balance as at 31 December 2009</b>		<b>1,600,000,000</b>	<b>(11,241,700)</b>	<b>23,744</b>	<b>(273,716,905)</b>	<b>41,161,100</b>	<b>827,414,741</b>	<b>2,183,640,980</b>
<b>Balance as at 1 January 2010</b>		<b>1,600,000,000</b>	<b>(11,241,700)</b>	<b>23,744</b>	<b>(273,716,905)</b>	<b>41,161,100</b>	<b>827,414,741</b>	<b>2,183,640,980</b>
Unrealised gains (loss)								
Fair value changes of available-for-sale securities	15	-	-	-	(25,748,160)	-	-	(25,748,160)
<b>Net income (expense) recognized</b>								
<b>directly in shareholders' equity</b>		-	-	-	<b>(25,748,160)</b>	-	-	<b>(25,748,160)</b>
Profit for the year		-	-	-	-	-	203,484,491	203,484,491
<b>Total recognized income and expense</b>		-	-	-	<b>(25,748,160)</b>	-	<b>203,484,491</b>	<b>177,736,331</b>
Decrease in subscription receivables		-	11,241,700	-	-	-	-	11,241,700
Transfer to legal reserve	30	-	-	-	-	10,340,612	(10,340,612)	-
Dividends	40	-	-	-	-	-	(48,000,000)	(48,000,000)
<b>Balance as at 31 December 2010</b>		<b>1,600,000,000</b>	<b>-</b>	<b>23,744</b>	<b>(299,465,065)</b>	<b>51,501,712</b>	<b>972,558,620</b>	<b>2,324,619,011</b>

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Statements of changes in equity**  
**For the years ended 31 December 2010 and 2009**

	Note	Separate financial statements					Total equity	
		Issued and paid-up share capital	Share subscription receivables	Premium on ordinary shares	Fair value changes of available for sale securities (in Baht)	Retained earnings Legal reserve      Unappropriated		
<b>Balance as at 1 January 2009</b>		<b>1,600,000,000</b>	<b>(13,036,063)</b>	<b>23,744</b>	<b>(413,492,631)</b>	<b>25,160,785</b>	<b>506,704,424</b>	<b>1,705,360,259</b>
Unrealised gains (loss)								
Fair value changes of available-for-sale securities	15	-	-	-	139,775,726	-	-	139,775,726
<b>Net income (expense) recognized</b>								
<b>directly in shareholders' equity</b>		-	-	-	<b>139,775,726</b>	-	-	<b>139,775,726</b>
Profit for the year		-	-	-	-	-	320,006,292	320,006,292
<b>Total recognized income and expense</b>		-	-	-	<b>139,775,726</b>	-	<b>320,006,292</b>	<b>459,782,018</b>
Proceeds from subscription receivables		-	1,794,363	-	-	-	-	1,794,363
Transfer to legal reserve	30	-	-	-	-	16,000,315	(16,000,315)	-
<b>Balance as at 31 December 2009</b>		<b>1,600,000,000</b>	<b>(11,241,700)</b>	<b>23,744</b>	<b>(273,716,905)</b>	<b>41,161,100</b>	<b>810,710,401</b>	<b>2,166,936,640</b>
<b>Balance as at 1 January 2010</b>		<b>1,600,000,000</b>	<b>(11,241,700)</b>	<b>23,744</b>	<b>(273,716,905)</b>	<b>41,161,100</b>	<b>810,710,401</b>	<b>2,166,936,640</b>
Unrealised gains (loss)								
Fair value changes of available-for-sale securities	15	-	-	-	(25,748,160)	-	-	(25,748,160)
<b>Net income (expense) recognized</b>								
<b>directly in shareholders' equity</b>		-	-	-	<b>(25,748,160)</b>	-	-	<b>(25,748,160)</b>
Profit for the year		-	-	-	-	-	206,812,234	206,812,234
<b>Total recognized income and expense</b>		-	-	-	<b>(25,748,160)</b>	-	<b>206,812,234</b>	<b>181,064,074</b>
Decrease in subscription receivables		-	11,241,700	-	-	-	-	11,241,700
Transfer to legal reserve	30	-	-	-	-	10,340,612	(10,340,612)	-
Dividends	40	-	-	-	-	-	(48,000,000)	(48,000,000)
<b>Balance as at 31 December 2010</b>		<b>1,600,000,000</b>	<b>-</b>	<b>23,744</b>	<b>(299,465,065)</b>	<b>51,501,712</b>	<b>959,182,023</b>	<b>2,311,242,414</b>

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 2010 and 2009**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2010	2009	2010	2009
		<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		203,484,491	318,109,101	206,812,234	320,006,292
<b><i>Adjustments for</i></b>					
Reversal of allowance for doubtful accounts		(44,434,303)	(5,540,231)	(44,434,303)	(5,540,231)
Doubtful debts expenses		46,075,588	33,875,306	46,075,588	33,875,306
Depreciation and amortization		110,656,849	85,275,386	108,576,757	80,944,153
Withholding tax written off		1,789,635	-	1,789,635	-
Interest income		(2,539,959)	(4,764,732)	(2,539,367)	(4,764,103)
Finance costs		37,611,133	48,218,938	33,891,468	42,182,369
Gain on disposal of equipment		(11,826,597)	(5,125,869)	(11,826,597)	(5,125,869)
Unrealized (gains)loss on exchange rate		(1,688,209)	(1,240,768)	(1,688,209)	(1,240,768)
Share of loss from investments accounted for using the equity method		143,233	21,536,661	-	-
(Gain) loss on disposal of investment in associate		-	(122,720)	-	21,253,308
Impairment loss of assets		844,084	2,156,667	844,084	-
Estimated loss on construction contracts (reversal)		(49,367,370)	18,390,933	-	-
Reversal of estimated penalties under construction contracts		(164,309,394)	-	-	-
Estimated penalties under construction contracts		13,003,963	110,700,275	-	-
Estimated loss under joint venture agreements		-	-	46,697,464	302,240,883
Income tax expense		678,589	11,063,347	-	11,063,347
		<u>140,121,733</u>	<u>632,532,294</u>	<u>384,198,754</u>	<u>794,894,687</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Account receivables		(16,447,317)	(2,778,541)	6,552,903	(2,778,541)
Retentions receivable under construction contracts		(103,206,143)	31,544,753	(72,577,071)	31,544,753
Unbilled construction in progress		(10,963,175)	(117,643,671)	(191,751,594)	(108,117,056)
Inventories		207,225,964	(110,904,879)	207,225,964	(110,904,879)
Advance payments to subcontractors		(31,077,899)	59,262,416	(31,077,899)	59,262,416
Other receivables		(10,023,180)	1,162,265	(10,023,180)	1,161,201
Other current assets		(6,667,707)	2,705,917	(5,979,830)	(1,768,826)
Withholding income tax paid		(139,676,540)	(177,596,412)	(139,272,700)	(177,623,005)
Withholding income tax returned		236,953,194	17,465,954	236,953,194	-
Other receivables from related parties		(91,689,730)	(83,686,275)	(248,246,539)	(253,290,198)
Other non-current assets		(18,160,260)	2,287,074	(18,538,558)	1,029,165
Trade accounts payable		(53,108,894)	16,049,992	6,869,609	23,975,404

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 2010 and 2009

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
<i>(in Baht)</i>					
Advances received from customers					
under construction contracts		(108,263,215)	45,832,072	(108,263,215)	45,832,072
Retention payable from subcontractors		(24,628,463)	73,567,774	(22,477,074)	64,487,389
Accrued expenses		6,287,567	25,890,322	6,590,401	25,948,920
Other current liabilities		63,263,643	(34,212,270)	13,276,528	(23,881,837)
<b>Net cash provided by operating activities</b>		<b>39,939,578</b>	<b>381,478,785</b>	<b>13,459,693</b>	<b>369,771,665</b>
<b><i>Cash flows from investing activities</i></b>					
Interest received		2,539,959	5,194,609	2,539,367	5,193,979
Pledged deposits at bank		139,984,753	(6,806,833)	139,984,753	(6,806,833)
Purchase of property, plant and equipment		(136,509,469)	(90,635,788)	(139,596,619)	(90,635,788)
Purchase of intangible assets		(278,835)	(511,681)	(278,835)	(511,681)
Sale of equipment		65,746,059	31,809,748	65,746,059	31,809,748
Purchase of investments in associates		-	(43,832,198)	-	(43,832,198)
Proceeds from sale of investments					
in associates		-	22,578,890	-	22,578,890
Return of current investments		-	3,850,000	-	3,850,000
Proceeds from redemption of debt securities					
held to maturity		-	10,000,000	-	10,000,000
<b>Net cash provided by (used in) investing activities</b>		<b>71,482,467</b>	<b>(68,353,253)</b>	<b>68,394,725</b>	<b>(68,353,883)</b>
<b><i>Cash flows from financing activities</i></b>					
Finance cost paid		(35,102,468)	(49,925,610)	(31,532,296)	(44,150,330)
Dividend paid to equity holders of the Company		(47,955,537)	-	(47,955,537)	-
Bank overdrafts		(26,780,690)	5,075,728	(719,163)	5,042,670
Proceeds from short-term loan from financial institutions		-	70,000,000	-	70,000,000
Payment of short-term loan from financial institutions		-	(73,000,000)	-	(73,000,000)
Proceeds from short-term loans from other parties		105,000,000	49,200,000	105,000,000	49,200,000
Payment of short-term loans from other parties		(107,350,000)	(66,150,000)	(107,350,000)	(66,150,000)
Payment of creditors under the rehabilitation plan		(8,915,216)	(4,765,624)	(8,915,216)	(4,765,624)
Payment of long-term loans from financial institutions		-	(50,000,000)	-	(50,000,000)
Finance lease payment		(24,765,274)	(30,035,635)	(24,765,274)	(30,035,635)
<b>Net cash used in financing activities</b>		<b>(145,869,185)</b>	<b>(149,601,141)</b>	<b>(116,237,486)</b>	<b>(143,858,919)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(34,447,140)</b>	<b>163,524,391</b>	<b>(34,383,068)</b>	<b>157,558,863</b>
Cash and cash equivalents at					
beginning of year	6	590,639,234	427,114,843	584,511,911	426,953,048
<b>Cash and cash equivalents at end of year</b>	6	<b>556,192,094</b>	<b>590,639,234</b>	<b>550,128,843</b>	<b>584,511,911</b>

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 2010 and 2009**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2010	2009	2010	2009
		<i>(in Baht)</i>			
<b>Non-cash transactions</b>					
1. Purchase of machinery and vehicle under finance lease agreements	27	67,039,870	43,037,844	67,039,870	43,037,844
2. Payment of creditors under the rehabilitation plan in form of new ordinary shares to Plan Administrator	5, 29	10,987,119	-	10,987,119	-
3. Receiving the payment from receivables and advance to related parties by offset the reimbursed expenses	5	6,702,116	-	6,702,116	-
4. The offsetting transactions between construction income and construction cost of a joint venture	7	154,407,643	-	-	-
5. Receiving aluminium lining boards (formwork) by offset the receivables and advance to related parties	5, 18	69,530,213	-	78,963,467	-

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 2010 and 2009**

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**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the directors on 1 March 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 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 2010 and 2009 were as follows :

	2010	2009
	(%)	
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 as at 31 December 2010 and 2009 were as follows:

Name of entities	Type of business	Country of incorporation	Portion of joint (%)	
			2010	2009
<b>Joint ventures</b>				
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**  
**Notes to the financial statements**  
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The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

During 2010, the FAP announced the re-numbering of the following TAS.

TAS	Topic
TAS 101 (formerly TAS 11)	Doubtful Account and Bad Debts
TAS 102 (formerly TAS 26)	Income Recognition For Real Estate Business
TAS 103 (formerly TAS 27)	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 104 (formerly TAS 34)	Accounting for Troubled Debt Restructuring
TAS 105 (formerly TAS 40)	Accounting for Investment in Debt and Equity Securities
TAS 106 (formerly TAS 42)	Accounting For Investment Companies
TAS 107 (formerly TAS 48)	Financial Instruments Disclosure and Presentation

Including the FAP issued a number of new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Standard Interpretations (TFRSI). The Group/Company has also adopted the revised Framework (revised 2009) for the Preparation and Presentation of Financial Statements, which effective on 26 May 2010. The adoption of the revised Framework does not have any material impact on the consolidated or separate financial statements. For TAS, TFRS and TFRSI which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS, TFRS and TFRSI are disclosed in note 46 to the financial statements.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest million. They are prepared on the historical cost basis except as stated in the accounting policies.

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

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

Information about 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 :

Notes 27	Lease classification
Notes 28 and 43	Provisions and contingencies
Note 41	Valuation of financial instruments

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

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

***Impairment of investments in securities***

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

***Estimated construction project costs***

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

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

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

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

Management applied judgement in estimating the loss under joint venture agreement, based on the proportionate ventures.

The consolidated and separate financial statements for the years ended 31 December 2010 and 2009 included the investments and share of loss of investments in an associated, which had been accounted for by equity method of Baht 0.14 million and Baht 0.16 million, respectively, in the consolidated financial statements, based on financial statements of those associates which had been audited by other auditors. In addition, the Company has no commitments due to any legally guarantee for those associates.

The consolidated and separate financial statements for the years ended 31 December 2009 included share of loss of investments in a foreign associate from the date that significant influence commences until the date that significant influence ceases or disposal of the investment of Baht 21.38 million in the consolidated financial statements. This resulted to the Company did not have legal commitment, therefore, the financial information of the above associate was prepared by the management of associate. The Board of Directors Meeting held on October 15, 2009 resolve to dissolve the foreign associate. On 20 November 2009, the Company sold the all of investment in an associated to the former shareholder in the amount of Baht 22.58 million. Please see Note 14 to the financial statements.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

**3 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 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 onward.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

- the 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 1 March 2011, the aforementioned projects are in the process of retention for dilapidation within 2 years beginning at the date of project acceptance and has cancelled 1 project amounted to 2,778 units.

On 21 May 2009, the significant agreements with related parties were summarized as follows:

- the above related company entered into the acknowledged debt agreement on cost of supplies and wages in the amount of Baht 159.26 million which will repay to Syntec – Mivan joint venture in full.
- the above related company entered into the acknowledged debt agreement on cost of supplies and wages in the amount of Baht 159.26 million, which will repay to Syntec Construction Public Company Limited instead of Syntec – Mivan joint venture.
- the above related company entered into the guarantee agreement to guarantee total unlimited payment of supplies purchased by itself, all wages and all debts incurred from construction project (The joint venture is liable for this amount to third parties and the Company is jointly liable) existing at the present and in future.
- the above related company entered into the memorandum to deliver the aluminium lining boards (formwork) to the Company for possession of those things as collateral for obligations existing at the present and to be occurred in future, which the above mentioned related company and / or the Joint Venture owned the Company, and to agree the Company checking and moving the aluminium lining boards (formwork). The expenses incurred due to the above performing were charged to the above mentioned related company.
- Syntec - Mivan Joint Venture entered into the memorandum to make the payment to the Company in form of transferring ownership of lining boards valued at 30 April 2009 in the amount of Baht 12.4 million.

Subsequently, on 30 August 2010, the Company had received aluminium lining boards (formwork) from the Syntec – Mivan Joint Venture and Mivan (Thailand) Co., Ltd. of 3,693.64 square meters and 11,448.10 square meters, respectively, in the amount of Baht 20.61 million and Baht 63.88 million (inclusive value added tax), respectively as described in Note 5 to the financial statements.

As at 31 December 2010, Syntec – Mivan Joint Venture had the contingent liabilities due to be sued by the creditors as described in Note 43 to the financial statements.

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

Summary of balance sheet information of Syntec – Mivan Joint Venture as at 31 December 2010 and 2009 were as follows:

	2010	2009
	<i>(in million Baht)</i>	
<b>Information of balance sheet</b>		
Current assets	154	409
Non-current assets	20	30
<b>Total assets</b>	<b>174</b>	<b>439</b>
Current liabilities	871	831
Non-current liabilities	-	233
Deficit in ventures' equity	(697)	(625)
<b>Total liabilities net deficit in ventures' equity</b>	<b>174</b>	<b>439</b>

Summary of statements of income information of Syntec – Mivan Joint Venture for the years ended 31 December 2010 and 2009 were as follows:

	2010	2009
	<i>(in million Baht)</i>	
<b>Information of statements of income</b>		
Total revenues	47	36
Total expenses	(114)	(494)
Finance costs	(5)	(7)
<b>Net loss</b>	<b>(72)</b>	<b>(465)</b>

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 December 2010 and 2009, the Company has recognized estimated loss under joint venture agreement amounted to Baht 453 million and Baht 406 million, respectively in the separate financial statements, as described in Note 28 to the financial statements.

#### **4 Significant accounting policies**

##### **4.1 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.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

*Joint ventures*

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

*Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. The consolidated financial statements include the Group's share of the income, expenses and equity movements of associates 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.

**4.2 Foreign currencies**

*Foreign currency transactions*

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

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

*Foreign entities*

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in a separate component of equity until disposal of the investments

**Syntec Construction Public Company Limited and its Joint Ventures**  
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**4.3 *Derivative financial instruments***

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

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

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

**4.4 *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.

**4.5 *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.

**4.6 *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 less impairment loss.

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

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
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**4.7 Construction contracts work in progress**

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

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

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.

**4.8 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 Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any 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 available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in the statement of income. When these investments are 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 any impairment losses.

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
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*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.

**4.9 Land under development**

Land under development is stated at cost or net realizable value which quoted appraised price of professional valuers.

**4.10 Property, plant and equipment**

*Owned assets*

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

*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 or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to 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:

Office buildings and building improvement	5 - 20	years
Construction machinery and equipment	5 - 10	years
Aluminium lining boards (formwork)	5	years
Furniture, fixtures and equipment	5	years
Vehicles	5	years

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

**4.11 Intangible assets**

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

Intangible assets are amortised in 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
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**4.12 Impairment**

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

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognised in 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 available-for-sale financial assets is calculated by reference to the fair value.

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

*Reversals of impairment*

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
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Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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.

**4.13 Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**4.14 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.

**4.15 Provisions**

A provision is recognised when the Group/Company has a present legal or constructive obligation as a result of a past event or obligations 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

*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.

**4.16 Share capital**

*Ordinary shares*

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

**4.17 Revenues**

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
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*Revenue from construction*

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

The stage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion and reference to surveys of work performed by the project's manager. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of income.

*Sales of construction materials*

Sales of construction materials and materials more than needed are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

*Sale of services rendered*

Service income is recognised as services are provided.

*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.

**4.18 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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**4.19 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 or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**5 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 Group/Company or have transactions with the Company or the Group were as follows:

	<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
1.	Natural Hotel Sukhumvit Co., Ltd.	Thailand	Associate, 25% shareholding
2.	Beauconcept Development Sdn.Bhd.	-	Associate which ceased its operations and no financial information
3.	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
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 of the Company

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

Name of entities	Country of incorporation	Nature of relationships
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 and the Company's director is a director of this company until 27 March 2009.
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 Syntec Planner Co., Ltd.	Thailand	Related company, Co-directors
15. Syntec Construction Pcl. (LLC)	United Arab Emirates	Associate, 46% shareholding and one of three of directors are representative of the Company until 20 November 2009. Please see Note 14 to the financial statements.

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

	<b>Pricing policies</b>
Revenue from construction	Contract price (Cost plus margin of 5-16% in 2010 and 4-6% in 2009) and bid price
Gain on sale of investment in associate	Approval from the associate's shareholders and net book value
Cost of construction	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
Aluminium lining boards (formwork)	The condition of aluminium lining boards which is based on the primary purchase price

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

Significant transactions for the years ended 31 December 2010 and 2009 with related parties were summarized as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Revenue</b>				
<b>Associates</b>				
Gain on sale of investment in associates	-	122,700	-	-
<b>Related company</b>				
Revenue from construction	22,005,121	60,022,100	22,005,121	60,022,100
<b>Expenses</b>				
<b>Associates</b>				
Loss on disposal of investment in associates	-	-	-	21,253,308
<b>Joint ventures</b>				
Cost of construction	1,448,550	8,412,849	1,448,550	-
<b>Related persons</b>				
Directors benefit expenses	1,155,000	540,000	1,155,000	540,000
Directors and management benefit expenses	25,061,900	20,592,200	25,061,900	20,592,200
(Please see Note 35 to the financial statement)				
<b>Equipment</b>				
<b>Joint ventures</b>				
Aluminium lining boards	4,749,462	-	19,262,160	-
<b>Related company</b>				
Aluminium lining boards (formwork)	59,701,307	-	59,701,307	-

On 15 March 2010 The Company has the payment of the creditors under the rehabilitation plan to Siam Syntech Planner Co., Ltd. in form of increased ordinary shares of 10.99 million, as described in Note 29 to the financial statements.

Balance as at 31 December 2010 and 2009 with related parties were as follows:

**Trade accounts receivable - related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Other related companies</b>				
Sansiri Public Company Limited	-	2,140,000	-	2,140,000
Park Opera Co.,Ltd.	5,952,694	5,952,694	5,952,694	5,952,694
Tate Enterprice Co., Ltd.	45,687,409	32,537,059	45,687,409	32,537,059
N & J Assets Management Co., Ltd.	20,714,598	49,085,268	20,714,598	49,085,268
<b>Total</b>	<b><u>72,354,701</u></b>	<b><u>89,715,021</u></b>	<b><u>72,354,701</u></b>	<b><u>89,715,021</u></b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

*Retentions receivable under construction contracts - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Other related companies</b>				
Sansiri Public Company Limited	-	6,298,840	-	6,298,840
Plus Property Co., Ltd.	-	2,004,339	-	2,004,339
Natural Real Estate Co., Ltd.	9,075,588	9,075,588	9,075,588	9,075,588
Park Opera Co., Ltd.	401,071	401,071	401,071	401,071
<b>Total</b>	<b><u>9,476,659</u></b>	<b><u>17,779,838</u></b>	<b><u>9,476,659</u></b>	<b><u>17,779,838</u></b>

*Unbilled construction work in progress - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Other related company</b>				
N & J Assets Management Co., Ltd.	6,605,499	-	6,605,499	-

*Short-term loans to related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Consist of :-</b>				
Other receivables and advance, net	177,586,982	192,427,465	471,258,074	338,975,002
<b>Total</b>	<b><u>177,586,982</u></b>	<b><u>192,427,465</u></b>	<b><u>471,258,074</u></b>	<b><u>338,975,002</u></b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Other receivables and advances</b>				
<b>Joint ventures</b>				
Joint Venture between Siam Syntec Construction Pcl. and Federal Engineering Co.,Ltd.	14,098,874	14,098,874	56,365,496	56,365,496
Joint Venture between Siam Syntec Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	2,068,392	2,219,468	4,136,782	4,095,856
SVK Joint Venture	5,170,649	4,653,357	10,552,344	9,496,647
SSU Joint Venture	5,000	335,106	100,000	6,702,116
Syntec – Mivan Joint Venture	176,910,613	115,679,354	505,458,895	336,131,236
<b>Other related company</b>				
Mivan (Thailand) Co.,Ltd.	<u>35,392,500</u>	<u>74,773,398</u>	<u>-</u>	<u>-</u>
Total	233,646,028	211,759,557	576,613,517	412,791,351
Less Allowance for doubtful accounts	<u>(56,059,046)</u>	<u>(19,332,092)</u>	<u>(105,355,443)</u>	<u>(73,816,349)</u>
<b>Net</b>	<b><u>177,586,982</u></b>	<b><u>192,427,465</u></b>	<b><u>471,258,074</u></b>	<b><u>338,975,002</u></b>
<b>Doubtful debts expense for the year</b>	<b><u>37,000,000</u></b>	<b><u>-</u></b>	<b><u>37,000,000</u></b>	<b><u>-</u></b>

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

On 30 August 2010, the Company received aluminium lining boards from Syntec-Mivan Joint Venture in the amount of Baht 20.61 million (inclusive VAT of Baht 1.35 million) and from Mivan (Thailand) Co., Ltd. in the amount of Baht 63.88 million (inclusive VAT of Baht 4.18 million) for receiving the payment by offsetting receivable and advance to related parties in the amount of Baht 84.49 million.

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

*Other long-term investments*

	<b>Consolidated and separate financial statements</b>			
	2010		2009	
	At cost	Fair value	At cost	Fair value
	<i>(in Baht)</i>			
<i>Available – for sale securities</i>				
<b>Other related company</b>				
Bangkok Metro Plc.	560,624,974	261,159,909	560,624,974	286,908,069
Less allowance for devaluation of investments	<u>(299,465,065)</u>	<u>-</u>	<u>(273,716,905)</u>	<u>-</u>
<b>Net</b>	<b><u>261,159,909</u></b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>	<b><u>286,908,069</u></b>

*Long-term loans to related parties*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Joint ventures</b>				
Joint Ventures between Siam Syntec Construction Pcl. and Federal Engineering Co., Ltd.	-	-	28,655,435	28,655,435
Siam Syntec – Wattana Engineering Co., Ltd.	12,180,598	12,180,598	12,180,598	12,180,598
<b>Other related companies</b>				
Gentech Engineering Co., Ltd.	<u>4,956,268</u>	<u>4,956,268</u>	<u>4,956,268</u>	<u>4,956,268</u>
Total	17,136,866	17,136,866	45,792,301	45,792,301
Less Allowance for doubtful accounts	<u>(17,136,866)</u>	<u>(17,136,866)</u>	<u>(45,792,301)</u>	<u>(45,792,301)</u>
<b>Net</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
At 1 January	17,136,866	17,136,866	45,792,301	45,792,301
No movement during the year	-	-	-	-
<b>At 31 December</b>	<b><u>17,136,866</u></b>	<b><u>17,136,866</u></b>	<b><u>45,792,301</u></b>	<b><u>45,792,301</u></b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

*Trade accounts payable – related party*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Venturer</b>				
Mivan (Thailand) Co., Ltd.	<u>64,425,712</u>	<u>64,425,712</u>	<u>-</u>	<u>-</u>

*Short-term loans from related parties*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Consist of :-</b>				
Other and retention payables	<u>13,461,480</u>	<u>13,461,480</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><b>13,461,480</b></u>	<u><b>13,461,480</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<i>Other and retention payables</i>				
<i>Other payables</i>				
<b>Venturer</b>				
Federal Engineering Co., Ltd.	134,813	134,813	-	-
<i>Retention payables</i>				
<b>Venturer</b>				
Mivan (Thailand) Co., Ltd.	<u>13,326,667</u>	<u>13,326,667</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><b>13,461,480</b></u>	<u><b>13,461,480</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

Details of provisions were described in Note 28 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.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
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The Ordinary General Meeting of Shareholders held 29 April 2009 resolved the approval of directors' remunerations for the year 2009 in the amount not exceeding Baht 2 million, which represented the meeting allowance of Baht 3,000 per time per head, and the annual audit committee directors' remuneration of Baht 120,000 per head.

***Significant agreements with related parties***

On 21 May 2009, the Company entered into the significant agreements with Syntec-Mivan Joint Venture and Mivan (Thailand) Co., Ltd. as details mentioned in Note 3 to the financial statements.

**6 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
Cash on hand	13,125	2,257,025	12,000	2,256,747
Cash at banks – current accounts	16,061,274	25,817,865	10,077,338	19,752,175
Cash at banks – savings accounts	311,254,267	341,368,898	311,176,077	341,307,543
Highly liquid short-term investments	228,863,428	221,195,446	228,863,428	221,195,446
<b>Total</b>	<b>556,192,094</b>	<b>590,639,234</b>	<b>550,128,843</b>	<b>584,511,911</b>

Cash and cash equivalents of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

**7 Trade accounts receivable**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b><i>Comprising:</i></b>				
Trade accounts receivable	736,270,904	775,475,808	713,270,684	775,475,808
Notes receivable	-	70,000,000	-	70,000,000
	<u>736,270,904</u>	<u>845,475,808</u>	<u>713,270,684</u>	<u>845,475,808</u>
<i>Less</i> undue advance received from customers under construction contracts	(150,015,406)	(115,700,934)	(150,015,406)	(115,700,934)
Total	586,255,498	729,774,874	563,255,278	729,774,874
<i>Less</i> allowance for doubtful accounts	(110,626,055)	(231,285,616)	(110,626,055)	(231,285,616)
<b>Net</b>	<b>475,629,443</b>	<b>498,489,258</b>	<b>452,629,223</b>	<b>498,489,258</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
Related parties	72,354,701	89,715,021	72,354,701	89,715,021
Other parties	513,900,797	640,059,853	490,900,577	640,059,853
Total	586,255,498	729,774,874	563,255,278	729,774,874
Less allowance for doubtful accounts	<u>(110,626,055)</u>	<u>(231,285,616)</u>	<u>(110,626,055)</u>	<u>(231,285,616)</u>
<b>Net</b>	<b><u>475,629,443</u></b>	<b><u>498,489,258</u></b>	<b><u>452,629,223</u></b>	<b><u>498,489,258</u></b>
Doubtful debts for the year	-	17,040,487	-	17,040,487
Bad debts for the year	(89,966,693)	-	(89,966,693)	-
Reversal of allowance for doubtful accounts for the year	<u>(30,692,868)</u>	<u>(392,148)</u>	<u>(30,692,868)</u>	<u>(392,148)</u>
<b>Total</b>	<b><u>(120,659,561)</u></b>	<b><u>16,648,339</u></b>	<b><u>(120,659,561)</u></b>	<b><u>16,648,339</u></b>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>					
	<b>Related parties</b>		<b>Other parties</b>		<b>Total</b>	
	2010	2009	2010	2009	2010	2009
	<i>(in Baht)</i>					
Within credit terms	-	6,143,379	196,224,301	320,695,520	196,224,301	326,838,899
Still installment	-	-	29,627,910	3,882,121	29,627,910	3,882,121
Overdue:						
-Less than 3 months	-	23,592,189	160,231,904	75,976,181	160,231,904	99,568,370
- Over 3 months to 6 months	1,763,840	13,717,834	31,679,000	21,171,260	33,442,840	34,889,094
- Over 6 months to 12 months	24,667,347	24,141,595	17,473,599	568,282	42,140,946	24,709,877
- Over 12 months	<u>45,923,514</u>	<u>22,120,024</u>	<u>78,664,083</u>	<u>217,766,489</u>	<u>124,587,597</u>	<u>239,886,513</u>
	<u>72,354,701</u>	<u>83,571,642</u>	<u>288,048,586</u>	<u>315,482,212</u>	<u>360,403,287</u>	<u>399,053,854</u>
<b>Total</b>	<b><u>72,354,701</u></b>	<b><u>89,715,021</u></b>	<b><u>513,900,797</u></b>	<b><u>640,059,853</u></b>	<b><u>586,255,498</u></b>	<b><u>729,774,874</u></b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

	Related parties		Separate financial statements		Total	
	2010	2009	Other parties		2010	2009
			2010	2009		
			<i>(in Baht)</i>			
Within credit terms	-	6,143,379	196,224,301	320,695,520	196,224,301	326,838,899
Still installment	-	-	29,627,910	3,882,121	29,627,910	3,882,121
Overdue:						
-Less than 3 months	-	23,592,189	160,001,622	75,976,181	160,001,622	99,568,370
- Over 3 months to 6 months	1,763,840	13,717,834	9,300,000	21,171,260	11,063,840	34,889,094
- Over 6 months to 12 months	24,667,347	24,141,595	17,082,661	568,282	41,750,008	24,709,877
- Over 12 months	<u>45,923,514</u>	<u>22,120,024</u>	<u>78,664,083</u>	<u>217,766,489</u>	<u>124,587,597</u>	<u>239,886,513</u>
	<u>72,354,701</u>	<u>83,571,642</u>	<u>265,048,366</u>	<u>315,482,212</u>	<u>337,403,067</u>	<u>399,053,854</u>
<b>Total</b>	<b><u>72,354,701</u></b>	<b><u>89,715,021</u></b>	<b><u>490,900,577</u></b>	<b><u>640,059,853</u></b>	<b><u>563,255,278</u></b>	<b><u>729,774,874</u></b>

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

During the year 2010, Syntec - Mivan Joint venture had the offsetting transaction between construction income and construction cost of the projects in the amount of Baht 154.41 million.

Trade accounts receivable of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

Notes receivable amounted to Baht 70 million due on 25 May 2010, were discounted with a domestic commercial bank at the discount rate 3% per annum on 27 November 2009.

As at 31 December 2010 and 2009, the Company had overdue trade accounts receivable of Baht 360 million and Baht 399 million, respectively in the consolidated financial statements and Baht 337 million and Baht 399 million, respectively in the separate financial statement less subsequent collection until 10 February 2011 and 2010 of Baht 33 million in the year 2010 and 2009 in the consolidated and separate financial statements. Balanced to Baht 327 million and Baht 366 million, respectively in the consolidated financial statements and Baht 304 million and Baht 366 million, respectively in the separate financial statement. The management believes those debts are collectible and the Company has provided for an allowance for doubtful account of Baht 111 million and Baht 231 million, respectively in the consolidated and the separate financial statement.

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**8 Retentions receivable under construction contracts**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
Related parties	9,476,659	17,779,838	9,476,659	17,779,838
Other parties	<u>521,883,197</u>	<u>410,373,875</u>	<u>489,954,125</u>	<u>409,073,875</u>
Total	531,359,856	428,153,713	499,430,784	426,853,713
Less allowance for doubtful accounts	<u>(37,317,592)</u>	<u>(41,983,439)</u>	<u>(37,317,592)</u>	<u>(41,983,439)</u>
<b>Net</b>	<b><u>494,042,264</u></b>	<b><u>386,170,274</u></b>	<b><u>462,113,192</u></b>	<b><u>384,870,274</u></b>
Doubtful debts expense for the year	9,075,588	9,239,321	9,075,588	9,239,321
Reversal of allowance for doubtful accounts for the year	<u>(13,741,435)</u>	<u>-</u>	<u>(13,741,435)</u>	<u>-</u>
<b>Total</b>	<b><u>(4,665,847)</u></b>	<b><u>9,239,321</u></b>	<b><u>(4,665,847)</u></b>	<b><u>9,239,321</u></b>

Retentions receivable under construction contracts of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht

**9 Unbilled construction work in progress**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
Related parties	6,605,499	-	6,605,499	-
Other parties	<u>1,058,012,895</u>	<u>1,143,739,227</u>	<u>1,058,012,895</u>	<u>962,950,808</u>
Total	1,064,618,394	1,143,739,227	1,064,618,394	962,950,808
Less allowance for doubtful Accounts	<u>(30,800,000)</u>	<u>(120,884,008)</u>	<u>(30,800,000)</u>	<u>(120,884,008)</u>
<b>Net</b>	<b><u>1,033,818,394</u></b>	<b><u>1,022,855,219</u></b>	<b><u>1,033,818,394</u></b>	<b><u>842,066,800</u></b>
Doubtful debts expense for the year	-	3,983,880	-	3,983,880
Bad debts for the year	<u>(90,084,008)</u>	<u>(24,215,085)</u>	<u>(90,084,008)</u>	<u>(24,215,085)</u>
<b>Total</b>	<b><u>(90,084,008)</u></b>	<b><u>(20,231,205)</u></b>	<b><u>(90,084,008)</u></b>	<b><u>(20,231,205)</u></b>

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in million Baht )</i>			
Construction project contracts amount	25,893	21,259	22,965	18,261
<i>Less</i> expected losses recognized	(64)	(64)	-	-
Construction project contracts amount, net	<u>25,829</u>	<u>21,195</u>	<u>22,965</u>	<u>18,261</u>
Contract revenue recognized as revenue since commencing date to present	19,829	15,971	17,244	13,368
<i>Less</i> progress billings (as invoices)	(18,793)	(14,944)	(16,208)	(12,522)
Unbilled construction work in progress	1,036	1,027	1,036	846
Unbilled construction work in progress (before 2000)	29	117	29	117
Unbilled construction work in progress at the end of year	1,065	1,144	1,065	963
<i>Less</i> allowance for doubtful accounts	(31)	(121)	(31)	(121)
<b>Net</b>	<b><u>1,034</u></b>	<b><u>1,023</u></b>	<b><u>1,034</u></b>	<b><u>842</u></b>
<b>Comprising</b>				
<b>Unbilled construction work in progress</b>				
Related parties	7	-	7	-
Other parties	1,058	1,144	1,058	963
	<u>1,065</u>	<u>1,144</u>	<u>1,065</u>	<u>963</u>
<i>Less</i> allowance for doubtful accounts	(31)	(121)	(31)	(121)
<b>Net</b>	<b><u>1,034</u></b>	<b><u>1,023</u></b>	<b><u>1,034</u></b>	<b><u>842</u></b>
Excess of progress billing over work in progress	(216)	(324)	(216)	(324)
<b>Total</b>	<b><u>818</u></b>	<b><u>699</u></b>	<b><u>818</u></b>	<b><u>518</u></b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Construction materials	126,308,494	334,210,126	126,308,494	334,210,126
Spare parts and supplies	8,463,909	7,788,241	8,463,909	7,788,241
Less allowance for decline in value of inventories	<u>(844,084)</u>	<u>-</u>	<u>(844,084)</u>	<u>-</u>
Net	<u>7,619,825</u>	<u>7,788,241</u>	<u>7,619,825</u>	<u>7,788,241</u>
<b>Total</b>	<b><u>133,928,319</u></b>	<b><u>341,998,367</u></b>	<b><u>133,928,319</u></b>	<b><u>341,998,367</u></b>
<b>Impairment loss for the year</b>	<b><u>844,084</u></b>	<b><u>-</u></b>	<b><u>844,084</u></b>	<b><u>-</u></b>

**11 Advance payments to subcontractors**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
Other non-related parties	<u>71,039,524</u>	<u>39,961,625</u>	<u>70,910,749</u>	<u>39,832,850</u>
<b>Net</b>	<b><u>71,039,524</u></b>	<b><u>39,961,625</u></b>	<b><u>70,910,749</u></b>	<b><u>39,832,850</u></b>

Advance payments to subcontractors of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

**12 Other receivables**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Other receivables	26,765,908	17,845,417	26,765,908	17,845,417
Less allowance for doubtful accounts	<u>(8,528,914)</u>	<u>(9,631,603)</u>	<u>(8,528,914)</u>	<u>(9,631,603)</u>
<b>Net</b>	<b><u>18,236,994</u></b>	<b><u>8,213,814</u></b>	<b><u>18,236,994</u></b>	<b><u>8,213,814</u></b>
Doubtful debts expense for the year	-	3,611,619	-	3,611,619
Bad debts for the year	1,102,688	-	1,102,688	-
Reversal of allowance for doubtful accounts for the year	-	<u>(5,148,083)</u>	-	<u>(5,148,083)</u>
<b>Net</b>	<b><u>1,102,688</u></b>	<b><u>(1,536,464)</u></b>	<b><u>1,102,688</u></b>	<b><u>(1,536,464)</u></b>

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**13 Other current assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Prepaid expenses	14,251,441	13,127,912	13,513,882	12,227,504
Advances	6,086,545	4,107,020	5,686,832	3,707,307
Prepaid value added tax	3,618,812	6,593,693	1,638,801	4,788,414
Others	4,069,441	50,000	3,556,296	50,000
<b>Total</b>	<b><u>28,026,239</u></b>	<b><u>23,878,625</u></b>	<b><u>24,395,811</u></b>	<b><u>20,773,225</u></b>

**14 Investments in associates**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
At 1 January	29,536,658	29,697,290	38,677,000	38,677,000
Share of net losses of investments by equity method	(143,233)	(21,536,661)	-	-
Purchase of investments	-	43,832,198	-	43,832,198
Disposals	-	(21,444,761)	-	(43,832,198)
Currency transaction differences	-	(1,011,408)	-	-
	<u>29,393,425</u>	<u>29,536,658</u>	<u>38,677,000</u>	<u>38,677,000</u>
Less allowance for valuation	<u>(29,302,000)</u>	<u>(29,302,000)</u>	<u>(38,677,000)</u>	<u>(38,677,000)</u>
<b>At 31 December</b>	<b><u>91,425</u></b>	<b><u>234,658</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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Investments in associates as at 31 December 2010 and 2009 were as follows:

	Percentage of shareholding		Paid-up share capital		<b>Consolidated financial statements</b>								
					Cost method		Equity method		Impairment		At equity - net		
					2010	2009	2010	2009	2010	2009	2010	2009	2010
	(%)				<i>(in million Baht)</i>								
<b>Associates</b>													
Natural Hotel Sukhumvit Co.,Ltd.	25	25	41	41	10	10	0.1	0.2	-	-	0.1	0.2	
Beauconcept Development Co., Ltd	25	25	RM 12	RM 12	29	29	-	-	(29)	(29)	-	-	
<b>Total</b>					<b>39</b>	<b>39</b>	<b>0.1</b>	<b>0.2</b>	<b>(29)</b>	<b>(29)</b>	<b>0.1</b>	<b>0.2</b>	
					<b>Separate financial statements</b>								
	Percentage of shareholding		Paid-up share capital		Cost method		Impairment		At cost - net		Dividend received		
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
	(%)				<i>(in million Baht)</i>								
<b>Associates</b>													
Natural Hotel Sukhumvit Co.,Ltd.	25	25	41	41	10	10	(10)	(10)	-	-	-	-	
Beauconcept Development Co., Ltd	25	25	RM 12	RM 12	29	29	(29)	(29)	-	-	-	-	
<b>Total</b>					<b>39</b>	<b>39</b>	<b>(39)</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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The Meeting of Board of Directors held on 15 October 2009 passed unanimously the resolution to dissolve the joint venture company due to the above joint venture company was impacted from the global financial crisis and its operations was not met the budget, and to mitigate risk from the future investment.

Subsequently, on 20 November 2009, the Company sold all of shares of such joint venture company to the former shareholder in the amount of Baht 22,578,890 and had the gain (loss) on sale of investment of Baht 122,720 and Baht (21,253,308) in the consolidated and separate financial statements, respectively.

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

	<b>Ownership</b> (%)	<b>Total</b> <b>assets</b>	<b>Total</b> <b>liabilities</b>	<b>Total</b> <b>revenues</b>	<b>Net profit</b> <b>(loss)</b>
		<i>(in million Baht)</i>			
<b>2010</b>					
Natural Hotel Sukhumvit Co., Ltd.	25	<u>2</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
<b>Total</b>		<b><u>2</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>(1)</u></b>
<b>2009</b>					
Natural Hotel Sukhumvit Co., Ltd.	25	<u>2</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
<b>Total</b>		<b><u>2</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>(1)</u></b>

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The following summarized financial information of interests in jointly controlled entities which represents the Group's share.

	Ownership (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Profit (loss) for the year
<i>(in million Baht)</i>										
<b>2010</b>										
SSU Joint Ventures	95	-	-	-	-	-	-	7	-	7
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	5	-	5	-	1	(1)
Syntec – Mivan Joint Ventures	65	100	13	113	566	-	566	30	77	(47)
<b>Total</b>		<b>100</b>	<b>14</b>	<b>114</b>	<b>589</b>	<b>64</b>	<b>653</b>	<b>37</b>	<b>78</b>	<b>(41)</b>
<b>2009</b>										
SSU Joint Ventures	95	-	-	-	6	-	6	-	1	(1)
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	5	-	5	-	1	(1)
Syntec – Mivan Joint Ventures	65	166	20	186	540	151	691	9	311	(302)
<b>Total</b>		<b>166</b>	<b>21</b>	<b>187</b>	<b>569</b>	<b>215</b>	<b>784</b>	<b>9</b>	<b>313</b>	<b>(304)</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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**15 Other long-term investments**

	<b>Consolidated and separate financial statements</b>			
	<b>Cost</b>		<b>Fair value</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
General investments - net	55,788,000	55,788,000	-	-
Equity securities available for sale, net	<u>560,624,974</u>	<u>560,624,974</u>	<u>261,159,909</u>	<u>286,908,069</u>
<b>Total</b>	<b><u>616,412,974</u></b>	<b><u>616,412,974</u></b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>General investments</b>				
S.S. Bangkok Development Co., Ltd.	34,038,000	34,038,000	34,038,000	34,038,000
Salintara Co., Ltd.	18,750,000	18,750,000	18,750,000	18,750,000
The Bangkok Club Co., Ltd.	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total	55,788,000	55,788,000	55,788,000	55,788,000
Less allowance for devaluation of investment	<u>(55,788,000)</u>	<u>(55,788,000)</u>	<u>(55,788,000)</u>	<u>(55,788,000)</u>
<b>Net</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Available-for-sale securities</b>				
Bangkok Metro Public Co., Ltd	560,624,974	560,624,974	560,624,974	560,624,974
Less unrealized loss on valuation adjustment	<u>(299,465,065)</u>	<u>(273,716,905)</u>	<u>(299,465,065)</u>	<u>(273,716,905)</u>
<b>Net</b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>
<b>Total</b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>
<b>Unrealized (gain) loss on valuation adjustment for the year recognized directly in equity</b>	<b><u>25,748,160</u></b>	<b><u>(139,775,726)</u></b>	<b><u>25,748,160</u></b>	<b><u>(139,775,726)</u></b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>General investments</b>				
At 1 January	55,788,000	55,788,000	55,788,000	55,788,000
Valuation adjustment	<u>(55,788,000)</u>	<u>(55,788,000)</u>	<u>(55,788,000)</u>	<u>(55,788,000)</u>
<b>At 31 December</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
<b>Available-for-sale securities</b>				
At 1 January	286,908,069	147,132,343	286,908,069	147,132,343
Valuation adjustment	(25,748,160)	139,775,726	(25,748,160)	139,775,726
<b>At 31 December</b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>	<b><u>261,159,909</u></b>	<b><u>286,908,069</u></b>
<b>Debt securities held to maturity</b>				
At 1 January	-	10,000,000	-	10,000,000
Redemption during the year	-	(10,000,000)	-	(10,000,000)
<b>At 31 December</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

As at 31 December 2010 and 2009, investment in Bangkok Metro Pcl., its fair value of Baht million 145 and 160 million, respectively, were used as collateral with a domestic commercial bank for long-term loans in unlimited credit, respectively, as disclosed in Note 45 to the financial statements.

**16 Land under development**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
<b>Cost</b>				
At 1 January	99,643,500	99,643,500	99,643,500	99,643,500
No movement during the year	-	-	-	-
<b>At 31 December</b>	<b><u>99,643,500</u></b>	<b><u>99,643,500</u></b>	<b><u>99,643,500</u></b>	<b><u>99,643,500</u></b>

Land under development amounted to Baht 99.64 million had the appraisal value which was appraised by the professional valuer based on market price of Baht 138.40 million and Baht 143.90 million as the appraisal report on 8 February 2010 and 17 January 2011, respectively.

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**17 Long-term loans to other parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Long-term loans to other parties	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>
<b>Net</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Long-term loans to other parties represented loans to two other companies without loan agreements and interest bearing and no movement during the year.

The Group's and the Company's long-term loans to other parties as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

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**18 Property, plant and equipment**

	<b>Consolidated financial statements</b>							Total
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	
	<i>(in Baht)</i>							
<b>Cost</b>								
At 1 January 2009	58,116,400	138,286,616	740,522,229	457,072,704	63,507,175	94,742,425	58,967,992	1,611,215,541
Additions	-	-	84,693,292	2,909,393	11,639,122	17,798,427	16,633,398	133,673,632
Transfers	-	69,944,609	-	-	-	-	(69,944,609)	-
Disposals	-	-	(37,291,999)	(6,852,832)	(6,260,787)	(3,437,865)	-	(53,843,483)
<b>At 31 December 2009</b>								
<b>and 1 January 2010</b>	<b>58,116,400</b>	<b>208,231,225</b>	<b>787,923,522</b>	<b>453,129,265</b>	<b>68,885,510</b>	<b>109,102,987</b>	<b>5,656,781</b>	<b>1,691,045,690</b>
Additions	-	3,177,570	164,360,261	66,512,462	11,130,079	11,050,500	16,848,680	273,079,552
Transfers	-	13,696,620	-	-	-	-	(13,696,620)	-
Disposals	-	-	(84,463,368)	(15,704,176)	(962,110)	(1,120,241)	-	(102,249,895)
<b>At 31 December 2010</b>	<b>58,116,400</b>	<b>225,105,415</b>	<b>867,820,415</b>	<b>503,937,551</b>	<b>79,053,479</b>	<b>119,033,246</b>	<b>8,808,841</b>	<b>1,861,875,347</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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	<b>Consolidated financial statements</b>							Total
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork) <i>(in Baht)</i>	Furniture, fixtures and equipment	Vehicles	Construction in progress	
<b><i>Accumulated depreciation</i></b>								
At 1 January 2009	-	70,975,632	614,379,282	435,438,868	40,823,910	58,283,454	-	1,219,901,146
Depreciation charge for the year	-	10,068,677	43,532,692	8,119,844	9,702,360	13,091,941	-	84,515,514
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(10,760,136)	(6,852,820)	(6,108,785)	(3,437,862)	-	(27,159,603)
<b>At 31 December 2009 and 1 January 2010</b>	<b>-</b>	<b>81,044,309</b>	<b>647,151,838</b>	<b>436,705,892</b>	<b>44,417,485</b>	<b>67,937,533</b>	<b>-</b>	<b>1,277,257,057</b>
Depreciation charge for the year	-	15,092,028	59,067,639	11,405,296	10,765,792	13,947,482	-	110,278,237
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(30,804,857)	(15,704,176)	(889,337)	(932,063)	-	(48,330,433)
<b>At 31 December 2010</b>	<b>-</b>	<b>96,136,337</b>	<b>675,414,620</b>	<b>432,407,012</b>	<b>54,293,940</b>	<b>80,952,952</b>	<b>-</b>	<b>1,339,204,861</b>
<b><i>Net book value</i></b>								
Owned assets	58,116,400	127,186,916	69,044,529	16,423,373	24,468,025	2,636,179	5,656,781	303,532,203
Assets under finance leases	-	-	71,727,155	-	-	38,529,275	-	110,256,430
<b>Total at 31 December 2009</b>	<b>58,116,400</b>	<b>127,186,916</b>	<b>140,771,684</b>	<b>16,423,373</b>	<b>24,468,025</b>	<b>41,165,454</b>	<b>5,656,781</b>	<b>413,788,633</b>
Owned assets	58,116,400	128,969,078	92,774,431	71,530,539	24,759,539	3,947,057	8,808,841	388,905,885
Assets under finance leases	-	-	99,631,364	-	-	34,133,237	-	133,764,601
<b>Total at 31 December 2010</b>	<b>58,116,400</b>	<b>128,969,078</b>	<b>192,405,795</b>	<b>71,530,539</b>	<b>24,759,539</b>	<b>38,080,294</b>	<b>8,808,841</b>	<b>522,670,486</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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	<b>Separate financial statements</b>							<b>Total</b>
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork)  <i>(in Baht)</i>	Furniture, fixtures and equipment	Vehicles	Construction in progress	
<b>Cost</b>								
At 1 January 2009	58,116,400	138,286,616	737,679,649	438,281,378	63,473,049	94,742,425	58,967,992	1,589,547,509
Additions	-	-	84,693,292	2,909,393	11,639,122	17,798,427	16,633,398	133,673,632
Transfers	-	69,944,609	-	-	-	-	(69,944,609)	-
Disposals	-	-	(37,291,999)	(6,852,832)	(6,260,786)	(3,437,865)	-	(53,843,482)
<b>At 31 December 2009 and 1 January 2010</b>	<b>58,116,400</b>	<b>208,231,225</b>	<b>785,080,942</b>	<b>434,337,939</b>	<b>68,851,385</b>	<b>109,102,987</b>	<b>5,656,781</b>	<b>1,669,377,659</b>
Additions	-	3,177,570	164,360,261	79,032,866	11,130,079	11,050,500	16,848,680	285,599,956
Transfers	-	13,696,620	-	-	-	-	(13,696,620)	-
Disposals	-	-	(84,463,368)	-	(962,110)	(1,120,241)	-	(86,545,719)
<b>At 31 December 2010</b>	<b>58,116,400</b>	<b>225,105,415</b>	<b>864,977,835</b>	<b>513,370,805</b>	<b>79,019,354</b>	<b>119,033,246</b>	<b>8,808,841</b>	<b>1,868,431,896</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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	<b>Separate financial statements</b>							Total
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork) <i>(in Baht)</i>	Furniture, fixtures and equipment	Vehicles	Construction in progress	
<b>Accumulated depreciation</b>								
At 1 January 2009	-	70,975,632	612,877,115	425,981,317	40,805,539	58,283,454	-	1,208,923,057
Depreciation charge for the year	-	10,068,677	42,964,488	4,363,637	9,695,539	13,091,941	-	80,184,282
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(10,760,136)	(6,852,820)	(6,108,785)	(3,437,862)	-	(27,159,603)
<b>At 31 December 2009</b>								
<b>1 January 2010</b>	-	<b>81,044,309</b>	<b>645,081,467</b>	<b>423,492,134</b>	<b>44,392,293</b>	<b>67,937,533</b>	-	<b>1,261,947,736</b>
Depreciation charge for the year	-	15,092,028	58,499,434	9,900,230	10,758,971	13,947,482	-	108,198,145
Disposals	-	-	(30,804,857)	-	(889,337)	(932,063)	-	(32,626,257)
<b>At 31 December 2010</b>	<b>-</b>	<b>96,136,337</b>	<b>672,776,044</b>	<b>433,392,364</b>	<b>54,261,927</b>	<b>80,952,952</b>	<b>-</b>	<b>1,337,519,624</b>
<b>Net book value</b>								
Owned assets	58,116,400	127,186,916	68,272,320	10,845,805	24,459,092	2,636,179	5,656,781	297,173,493
Assets under finance leases	-	-	71,727,155	-	-	38,529,275	-	110,256,430
<b>Total at 31 December 2009</b>	<b>58,116,400</b>	<b>127,186,916</b>	<b>139,999,475</b>	<b>10,845,805</b>	<b>24,459,092</b>	<b>41,165,454</b>	<b>5,656,781</b>	<b>407,429,923</b>
Owned assets	58,116,400	128,969,078	92,570,427	79,978,441	24,757,427	3,947,057	8,808,841	397,147,671
Assets under finance leases	-	-	99,631,364	-	-	34,133,237	-	133,764,601
<b>Total at 31 December 2010</b>	<b>58,116,400</b>	<b>128,969,078</b>	<b>192,201,791</b>	<b>79,978,441</b>	<b>24,757,427</b>	<b>38,080,294</b>	<b>8,808,841</b>	<b>530,912,272</b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Cost of construction	92,947,556	64,760,925	90,867,464	64,754,104
Administrative expenses	17,330,681	19,754,589	17,330,681	15,430,178
<b>Total</b>	<b>110,278,237</b>	<b>84,515,514</b>	<b>108,198,145</b>	<b>80,184,282</b>

As at 31 December 2010 and 2009, the gross amount of the Group's fully depreciated buildings and equipment that was still in use amounted to Baht 1,043 million and Baht 1,019 million, respectively.

As at 31 December 2010 and 2009, land, buildings and building improvement in the amount of Baht 99 million and Baht 104 million including indemnity from fire insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks, as mentioned in Note 45 to the financial statement.

During the year ended 31 December 2010, the Company had improving and constructing building and camp for worker with cost of Baht 10 million. Up to 31 December 2010, cost incurred totaled Baht 9 million balanced to Baht 1 million.

## 19 Intangible Assets

	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	Software license	Total
	<i>(in Baht)</i>	
<b>Cost</b>		
At 1 January 2009	11,112,855	11,112,855
Additions	511,681	511,681
<b>At 31 December 2009 and 1 January 2010</b>	<b>11,624,536</b>	<b>11,624,536</b>
Additions	278,835	278,835
<b>At 31 December 2010</b>	<b>11,903,371</b>	<b>11,903,371</b>
<b>Accumulated amortization</b>		
At 1 January 2009	9,963,285	9,963,285
Amortisation charge for the year	759,871	759,871
<b>At 31 December 2009 and 1 January 2010</b>	<b>10,723,156</b>	<b>10,723,156</b>
Amortisation charge for the year	378,612	378,612
<b>At 31 December 2010</b>	<b>11,101,768</b>	<b>11,101,768</b>
<b>Net book value</b>		
<b>At 31 December 2009</b>	<b>901,380</b>	<b>901,380</b>
<b>At 31 December 2010</b>	<b>801,603</b>	<b>801,603</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Amortization for the year was included in administrative expenses	378,612	759,871	378,612	759,871
<b>Total</b>	<b><u>378,612</u></b>	<b><u>759,871</u></b>	<b><u>378,612</u></b>	<b><u>759,871</u></b>

**20 Pledged deposits at banks**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Cash at banks – savings accounts	39,000,000	114,886,570	39,000,000	114,886,570
Cash at banks – fixed deposit accounts	49,754,079	113,852,262	49,754,079	113,852,262
<b>Total</b>	<b><u>88,754,079</u></b>	<b><u>228,738,832</u></b>	<b><u>88,754,079</u></b>	<b><u>228,738,832</u></b>

Pledged deposit at banks of the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

**21 Other non-current assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
<b>Deposits - Net</b>	<b><u>71,734,760</u></b>	<b><u>53,574,500</u></b>	<b><u>58,826,162</u></b>	<b><u>40,287,604</u></b>
Impairment loss for the year	249,950	-	-	-

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
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**22 Bank overdrafts and short-term loans from financial institutions**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Bank overdrafts	9,421,451	10,202,141	9,421,451	10,140,614
Short-term loans - promissory notes	-	96,000,000	-	70,000,000
<b>Total</b>	<b><u>9,421,451</u></b>	<b><u>106,202,141</u></b>	<b><u>9,421,451</u></b>	<b><u>80,140,614</u></b>

As at 31 December 2009, the Group and the Company had short term loans from two financial institutions in the amount of Baht 96 million and Baht 70 million in the consolidated and separate financial statement, respectively, due on 23 February 2010 and 25 May 2010. Interest rate was charged at MLR per annum and 3% per annum, respectively.

Bank overdrafts, short-term loans from financial institutions of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

As at 31 December 2010 and 2009, the Group and the Company had unutilized credit facilities provided by a financial institutions, totaling Baht 1,867 million and Baht 1,839 million, respectively.

**23 Trade accounts payable**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Related parties	64,425,712	64,425,712	-	-
Other parties	458,382,754	511,491,648	358,058,644	351,189,035
<b>Total</b>	<b><u>522,808,466</u></b>	<b><u>575,917,360</u></b>	<b><u>358,058,644</u></b>	<b><u>351,189,035</u></b>

Trade accounts payable of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

**24 Short-term loans from other parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Notes payable	<u>412,000,000</u>	<u>414,350,000</u>	<u>412,000,000</u>	<u>414,350,000</u>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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As at 31 December 2010 and 2009, other short-term loans from other parties of Baht 412 million and Baht 414.35 million, respectively represented the promissory notes from non-related parties due within January 2011 and March 2010, respectively, with interest rate charged at 4.75% and 5.50% per annum, respectively without guarantee.

Short-term loans from other parties of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

**25 Other current liabilities**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Accrued value added tax	8,685,214	9,663,343	8,654,623	9,652,671
Accrued withholding tax	6,944,206	10,562,373	6,840,534	10,045,615
Other payable	61,662,035	1,255,806	1,470,811	1,183,941
Others	2,121,589	4,226,932	2,987,912	1,827,257
<b>Total</b>	<b><u>79,413,044</u></b>	<b><u>25,708,454</u></b>	<b><u>19,953,880</u></b>	<b><u>22,709,484</u></b>

**26 Creditors under the rehabilitation plan**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Creditors under the rehabilitation plan	111,107,081	121,710,506	111,107,081	121,710,506
Creditors in the process of converting debts to share capital	-	11,241,700	-	11,241,700
	<u>111,107,081</u>	<u>132,952,206</u>	<u>111,107,081</u>	<u>132,952,206</u>
<i>Less</i> current portion due within one year	<u>(111,107,081)</u>	<u>(132,952,206)</u>	<u>(111,107,081)</u>	<u>(132,952,206)</u>
<b>Net</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Thai Baht (THB)	95,366,872	105,975,036	95,366,872	105,975,036
United States Dollars (USD)	15,740,209	26,977,170	15,740,209	26,977,170
<b>Total</b>	<b><u>111,107,081</u></b>	<b><u>132,952,206</u></b>	<b><u>111,107,081</u></b>	<b><u>132,952,206</u></b>

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

**27 Finance lease liabilities**

	Consolidated and Separate financial statements					
	2010			2009		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in Baht)</i>					
Within one year	30,654,901	7,640,751	38,295,652	23,588,711	4,752,521	28,341,232
After one year but within five years	106,924,613	12,192,222	119,116,835	71,716,207	6,418,039	78,134,246
<b>Total</b>	<b>137,579,514</b>	<b>19,832,973</b>	<b>157,412,487</b>	<b>95,304,918</b>	<b>11,170,560</b>	<b>106,475,478</b>

As at 31 December 2010 and 2009, finance lease liabilities of Baht 138 million and Baht 95 million, respectively, represented the creditors under the hire purchase agreements on machinery, computers and vehicles with other companies of 6 companies and 8 companies respectively, for 55 agreements and 59 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.

**28 Provisions**

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Estimated loss under joint venture agreement	-	-	489,306,390	442,608,926
Estimated loss for construction contracts	-	49,367,370	-	-
Estimated penalties under construction contracts	-	151,305,431	-	-
<b>Total</b>	<b>-</b>	<b>200,672,801</b>	<b>489,306,390</b>	<b>442,608,926</b>
<b>At 31 December</b>				
Current	-	49,367,370	-	-
Non-current	-	151,305,431	489,306,390	442,608,926
<b>Total</b>	<b>-</b>	<b>200,672,801</b>	<b>489,306,390</b>	<b>442,608,926</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
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Movements during the years 2010 and 2009 were as follows:

	<b>Consolidated financial statements</b>			<b>Total</b>
	Estimated loss under joint venture agreement	Estimated loss for construction contracts	Estimated penalties under construction contracts	
		<i>(in Baht)</i>		
<b>At 1 January 2009</b>	-	<b>30,976,437</b>	<b>40,605,156</b>	<b>71,581,593</b>
Provision made	-	33,117,370	110,700,275	143,817,645
Provision reversed	-	(14,726,437)	-	(14,726,437)
<b>At 31 December 2009 and 1 January 2010</b>	-	<b>49,367,370</b>	<b>151,305,431</b>	<b>200,672,801</b>
Provision made	-	-	13,003,963	13,003,963
Provision reversed	-	(49,367,370)	(164,309,394)	(213,676,764)
<b>At 31 December 2010</b>	-	-	-	-

  

	<b>Separate financial statements</b>			<b>Total</b>
	Estimated loss under joint venture agreement	Estimated loss for construction contracts	Estimated penalties under construction contracts	
		<i>(in Baht)</i>		
<b>At 1 January 2009</b>	<b>140,368,044</b>	-	-	<b>140,368,044</b>
Provision made	302,240,882	-	-	302,240,882
<b>At 31 December 2009 and 1 January 2010</b>	<b>442,608,926</b>	-	-	<b>442,608,926</b>
Provision made	46,697,464	-	-	46,697,464
<b>At 31 December 2010</b>	<b>489,306,390</b>	-	-	<b>489,306,390</b>

**Estimated loss under joint venture agreement**

As at 31 December 2010 and 2009, the Company recognized the estimated loss under joint venture agreement to outsider, which was based on the proportionate share of the entities, was summarized as follows:

	<b>Separate financial statements</b>	
	2010	2009
	<i>(in Baht)</i>	
Joint Venture between Siam Syntec Construction Plc. and Federal Engineering Co., Ltd.	36,497,042	36,497,042
Syntec – Mivan Joint Venture	452,809,348	406,111,884
<b>Total</b>	<b>489,306,390</b>	<b>442,608,926</b>

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**Estimated loss for construction contracts**

As at 31 December 2009, Syntec-Mivan Joint Venture recognized the estimated loss for construction contracts for 1 project in the amount of Baht 49 million in the consolidated financial statements.

**Estimated penalties under construction contracts**

As at 31 December 2009, Syntec-Mivan Joint Venture recorded the estimated penalties under construction contracts which were based on the rate identified in construction contracts and expected for damages in the amount of Baht 151 million in the consolidated financial statements.

**29 Share capital**

	<i>Par value (Baht)</i>	<b>Consolidated and Separate financial statements</b>			
		2010		2009	
		Number	Amount	Number	Amount
		<i>(in million shares / in million Baht)</i>			
<b><i>Authorized share capital</i></b>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
<b>At 31 December</b>					
- Ordinary shares	<i>1</i>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>
<b><i>Issued and paid up</i></b>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
<b>At 31 December</b>					
- Ordinary shares	<i>1</i>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>	<u><b>1,600</b></u>

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 2009, the Company had the remaining shares balanced to Baht 11.24 million (11,241,700 shares) which was presented under share subscription receivables. Those share certificates were issued on behalf of the Plan Administrator (Siam Syntech Planner Co., Ltd.) who collected and delivered to the creditors under the Plan.

The Board of Directors Meeting held on 18 March 2010 passed a resolution to approve Siam Syntech Planner Co., Ltd. as the Plan Administrator who is the representative of creditors under the restructuring plan to receive the debt payment in form of certificates of new ordinary shares for 11,241,700 shares of Baht 11,241,700. The Plan Administrator will continue to transfer those shares certificates to the creditors under the rehabilitation plan.

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.

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**30 Additional paid-in capital and reserves**

**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 securities*

Fair value changes of available-for-sale securities was recognized in the shareholders’ equity related to cumulative net changes in the fair value of available-for-sale investments until disposal of 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.

At the annual general meeting of the shareholders of the Company held on 29 April 2010, the shareholders approved the allocation 5% of annual net profit for the year 2009 to legal reserve of Baht 16 million.

The Company appropriated legal reserve at 5% of net profit for 2010 amounting to Baht 10 million.

**31 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.

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**32 Other income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Gain on sale on construction materials	100,794,478	58,345,228	100,794,478	58,345,228
Gain on sale of investment in associates	-	122,720	-	-
Others	31,376,185	3,143,524	10,140,828	3,143,524
<b>Total</b>	<b>132,170,663</b>	<b>61,611,472</b>	<b>110,935,306</b>	<b>61,488,752</b>

**33 Selling expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Expenses for construction after projects completed	28,123,044	43,990,094	28,123,044	43,990,094
<b>Total</b>	<b>28,123,044</b>	<b>43,990,094</b>	<b>28,123,044</b>	<b>43,990,094</b>

**34 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Personnel	70,277,855	79,088,148	70,277,855	79,088,148
Consulting and professional	12,741,380	12,383,685	12,359,140	11,963,474
Entertainment	19,132,337	10,518,769	19,132,337	10,518,769
Depreciation and Amortization	17,709,293	20,514,460	17,709,293	16,190,049
Travelling	4,417,040	2,850,162	4,417,040	2,850,162
Vehicle	2,391,795	2,864,465	2,391,795	2,864,465
Others	22,917,356	20,535,063	28,440,858	24,692,889
<b>Total</b>	<b>149,587,056</b>	<b>148,754,752</b>	<b>154,728,318</b>	<b>148,167,956</b>

**35 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
<b>Management</b>				
Salaries and bonus	25,061,900	20,514,200	25,061,900	20,514,200
Others	1,155,000	618,000	1,155,000	618,000
	<u>26,216,900</u>	<u>21,132,200</u>	<u>26,216,900</u>	<u>21,132,200</u>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
<b>Other employees</b>				
Salaries and wages	277,417,096	236,083,677	277,417,096	236,083,677
Others	8,198,259	21,283,772	8,198,259	21,283,772
	<u>285,615,355</u>	<u>257,367,449</u>	<u>285,615,355</u>	<u>257,367,449</u>
<b>Total</b>	<b><u>311,832,255</u></b>	<b><u>278,499,649</u></b>	<b><u>311,832,255</u></b>	<b><u>278,499,649</u></b>

Partial employee benefit expenses were included in cost of construction.

Management and directors benefit expenses were included in income statement as follow :

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
Cost of construction	10,812,600	8,322,100	10,812,600	8,322,100
Management benefit expenses	15,404,300	12,810,100	15,404,300	12,810,100
<b>Total</b>	<b><u>26,216,900</u></b>	<b><u>21,132,200</u></b>	<b><u>26,216,900</u></b>	<b><u>21,132,200</u></b>

### 36 Expenses by nature

Certain accounts included in calculating profit from operations for the years ended 31 December 2010 and 2009 have been classified by nature as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Raw material and consumables used	1,331	1,072	1,331	1,072
Subcontractor cost	2,132	3,353	2,072	3,178
Employee and workers benefits expenses	825	733	825	733
Depreciation and amortization expenses	111	85	108	80
Other expenses	479	456	488	460
Total cost of construction, selling expenses and administrative expenses	4,878	5,699	4,824	5,523

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Management benefit expenses	15	13	15	13
Doubtful debt expenses	46	34	46	34
Impairment loss on asset	-	2	-	-
Estimated loss under the joint venture agreements	-	-	47	302
Loss from disposal of investment	-	-	-	21
Estimated loss under the construction contracts	-	18	-	-
Estimated penalties under the construction contracts	13	111	-	-
<b>Total</b>	<b>4,952</b>	<b>5,877</b>	<b>4,932</b>	<b>5,893</b>

**37 Finance costs**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Baht )</i>			
Interest expense				
- Non-related parties	21,390,397	29,907,427	21,390,397	29,907,427
- Financial institutions	7,643,146	8,147,879	6,995,817	6,478,799
- Creditors under the rehabilitation plan	1,928	11,888	1,928	11,888
Bank charge	8,575,662	10,151,744	5,503,326	5,784,255
<b>Total</b>	<b>37,611,133</b>	<b>48,218,938</b>	<b>33,891,468</b>	<b>42,182,369</b>

**38 Income tax expense**

Royal Decree No. 475 B.E. 2551 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.

**The Company**

For the year 2010, the Company has no income tax liability mainly due to:

The different treatment for accounting and taxation purposes of certain items of income and expense, which is approved by the Board of Directors on 27 December 2010, in particular,

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- a) a reversal of reserve for doubtful debts expense due to receiving the payment and writing off bad debts;
- b) a reserve for doubtful debts expense during the year;
- c) a reserve for the estimated loss under joint venture agreement;
- d) a depreciation expense from cost of vehicle exceeding the amount of Baht 1 million;
- e) a damage loss from operating business of deposit for construction materials.

For the year 2009, the current tax expense of income is less than the amount calculated by applying the Thai Corporation tax rate to the accounting profit for the year principally because:

1. The Company has unutilised tax losses brought forward from the previous year which has been utilized during the year to set-off against the current year's tax charge for the year.
2. The different treatment for accounting and taxation purposes of certain items of income and expense, in particular,
  - a) a reversal of reserve for doubtful debts expense due to receiving the payment and writing off bad debts;
  - b) a reserve for doubtful debts expense during the year;
  - c) a reserve for the estimated loss under joint venture agreement;
  - d) a depreciation expense from cost of vehicle exceeding the amount of Baht 1 million.

**Joint Venture**

A joint venture has the current tax expense of income is less than the amount determined by applying the Thai Corporation tax rate to the accounting profit for the year 2010 principally because:

1. The joint venture has unutilised tax losses brought forward from the previous year which has been utilized during the year to set-off against the current year's tax charge for the year.

Four joint ventures and five joint ventures in 2010 and 2009, respectively have no income tax liability mainly due to:

1. The joint ventures have unutilised tax losses brought forward from the previous year which has been utilized during the year to set-off against the current year's tax charge for the year.
2. The different treatment for accounting and taxation purposes of certain items of income and expense, in particular,
  - a) a reversal of reserve for estimated loss under the construction contracts;
  - b) a reserve for estimated penalties under the construction contracts and a reversal of reserve for estimated loss under the construction contracts due to the project has already finished.

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**39 Earnings per share**

*Basic earnings per share*

Basic earnings per share for the years ended 31 December 2010 and 2009 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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
Net profit attributable to shareholders of the Company (basic) (Baht)	203,484,491	318,109,101	206,812,234	320,006,292
Number of ordinary shares outstanding (shares)	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
<b>Basic earnings per share (Baht)</b>	<b>0.13</b>	<b>0.20</b>	<b>0.13</b>	<b>0.20</b>

**40 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.

**41 Financial instruments**

*Financial risk management policies*

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

*Capital management*

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

*Interest rate risk*

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
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**For the years ended 31 December 2010 and 2009**

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows :

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	
<b>2010</b>					
<b>Current</b>					
Bank overdrafts and short-term loans from financial institutions	1.12	9	-	-	9
Creditor under rehabilitation plan	0.01	111	-	-	111
Short-term loans from other parties	5.18	412	-	-	412
Finance lease liabilities	6.01	31	-	-	31
<b>Non current</b>					
Finance lease liabilities	6.01	-	107	-	107
<b>Total</b>		<b>563</b>	<b>107</b>	<b>-</b>	<b>670</b>
<b>2009</b>					
<b>Current</b>					
Bank overdrafts and short-term loans from financial institutions	3.24	106	-	-	106
Creditor under rehabilitation plan	0.01	133	-	-	133
Short-term loans from other parties	7.52	414	-	-	414
Finance lease liabilities	0.04	24	-	-	24
<b>Non current</b>					
Finance lease liabilities	0.04	-	72	-	72
<b>Total</b>		<b>677</b>	<b>72</b>	<b>-</b>	<b>749</b>

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	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
<b>2010</b>					
<b>Current</b>					
Bank overdrafts and short-term loans from financial institutions	-	9	-	-	9
Creditor under rehabilitation plan	0.01	111	-	-	111
Short-term loans from other parties	5.18	412	-	-	412
Finance lease liabilities	6.01	31	-	-	31
<b>Non current</b>					
Finance lease liabilities	6.01	-	107	-	107
<b>Total</b>		<b>563</b>	<b>107</b>	<b>-</b>	<b>670</b>
<b>2009</b>					
<b>Current</b>					
Bank overdrafts and short-term loans from financial institutions	1.01	80	-	-	80
Creditor under rehabilitation plan	0.01	132	-	-	132
Short-term loans from other parties	7.52	414	-	-	414
Finance lease liabilities	0.04	24	-	-	24
<b>Non current</b>					
Finance lease liabilities	0.04	-	72	-	72
<b>Total</b>		<b>650</b>	<b>72</b>	<b>-</b>	<b>722</b>

**Foreign currency risk**

The Company is exposed to foreign currency risk relating to creditors denominated in foreign currencies of which is immaterial, however, the Company does not utilize any forward exchange contracts. As at 31 December 2010 and 2009, the Company had creditors denominated in the following currencies: -

	2010	2009
	<i>(in million)</i>	
<b>Foreign currencies</b>		
United States Dollars	0.52	0.81

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***Credit risk***

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Collection in advance before starting projects and collection based on the completion of work are performed. The exposure to credit risk is represented by the carrying amount less an allowance for doubtful accounts in the reporting date (as described in Note 7 to the financial statement). However, due to the large number of parties comprising the Group's / Company's customer base, management does not anticipate material losses from its debt collection.

***Liquidity risk***

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

***Determination of fair values***

A number of the Group's/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

The fair value of investments in equity, which are held for 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.

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Fair values of financial assets and liabilities, together with the carrying values shown in the balance sheets at 31 December 2010 and 2009 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Fair value	Book value	Fair value	Book value
	<i>(in Million Baht)</i>			
<b>2010</b>				
<b><i>Current</i></b>				
Deposit at the financial institutions	556	556	550	550
Trade accounts receivable	476	476	453	453
Retentions receivable under construction contracts	494	494	462	462
Unbilled construction in progress	1,034	1,034	1,034	1,034
Short-term loans to related parties	178	178	471	471
Advance payments to subcontractors	71	71	71	71
Other receivables	18	18	18	18
Bank overdrafts, and short-term loans from financial institutions	(9)	(9)	(9)	(9)
Trade accounts payable	(523)	(523)	(358)	(358)
Creditor under rehabilitation plan	(111)	(111)	(111)	(111)
Short-term loans from related parties	(13)	(13)	-	-
Short-term loans from other parties	(412)	(412)	(412)	(412)
Finance lease liabilities	(31)	(31)	(31)	(31)
Advances received from customers under construction contracts	(216)	(216)	(216)	(216)
Retention payables from subcontractors	(231)	(231)	(221)	(221)
Accrued expenses	(178)	(178)	(177)	(177)
Undue value added tax	(104)	(104)	(99)	(99)
Other payable	(62)	(62)	(1)	(1)
<b><i>Non-current</i></b>				
Other equity securities	261	261	261	261
Withholding tax	306	306	305	305
Pledged deposits at the banks	89	89	89	89
Finance lease liabilities	(107)	(107)	(107)	(107)
<b>Total</b>	<b>1,486</b>	<b>1,486</b>	<b>1,972</b>	<b>1,972</b>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Fair value	Book value	Fair value	Book value
<i>(in Million Baht)</i>				
<b>2009</b>				
<b><i>Current</i></b>				
Deposit at the financial institutions	588	588	582	582
Trade accounts receivable	498	498	498	498
Retentions receivable under construction contracts	386	386	385	385
Unbilled construction in progress	1,023	1,023	842	842
Short-term loans to related parties	192	192	339	339
Advance payments to subcontractors	40	40	40	40
Other receivables	8	8	8	8
Bank overdrafts, and short-term loans from financial institutions	(106)	(106)	(80)	(80)
Trade accounts payable	(576)	(576)	(351)	(351)
Creditor under rehabilitation plan	(133)	(133)	(133)	(133)
Short-term loans from related parties	(13)	(13)	-	-
Short-term loans from other parties	(414)	(414)	(414)	(414)
Finance lease liabilities	(24)	(24)	(24)	(24)
Advances received from customers under construction contracts	(324)	(324)	(324)	(324)
Retention payables from subcontractors	(255)	(255)	(243)	(243)
Accrued expenses	(171)	(171)	(171)	(171)
Undue value added tax	(95)	(95)	(83)	(83)
Other payable	(1)	(1)	(1)	(1)
<b><i>Non-current</i></b>				
Other equity securities	287	287	287	287
Withholding tax	406	406	404	404
Pledged deposits at the banks	229	229	229	229
Finance lease liabilities	(72)	(72)	(72)	(72)
<b>Total</b>	<b>1,473</b>	<b>1,473</b>	<b>1,718</b>	<b>1,718</b>

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**42 Commitments with non-related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2010	2009	2010	2009
	<i>(in Million Baht)</i>			
<b>Capital commitments</b>				
Worker lodgings and other structures	1	7	1	7
<b>Other commitments</b>				
Subcontractor agreements	480	813	480	791
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,404	1,862	1,128	1,574
Commission agreement	172	211	172	211
<b>Total</b>	<b>2,057</b>	<b>2,893</b>	<b>1,781</b>	<b>2,583</b>

**43 Contingent liabilities**

As at 31 December 2010, contingent liabilities were as follows:

The Company had 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 had the contingent liabilities in relation to Syntec – Mivan Joint Venture and the Company were sued and claimed by 10 creditors on the counts of purchase and sell construction supplies, hire of service, rental, hire of work, hire of property and breaching the hire of work agreement in Eua - Arthorn Housing Project and other projects. The litigation claim including interest at 7.5% per annum amounted to Baht 181 million at the date of litigation. The case is in the process of consideration, the result has not been finalized.

**44 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 Syntech Planner Company Limited as the Company's Plan Administrator and the Company implemented under the rehabilitation. On 28 April 2003, the Central Bankruptcy Court ordered to cancel the Company's rehabilitation in accordance with the Bankruptcy Act. Therefore, the responsibility for managing the business operations and the debtors' assets were devolved to the debtors' management. The debtors' shareholders had legal rights from the announcement in the Government Gazette dated 1 July 2003 onwards. Pursuant to the rehabilitation plan requiring a period of 7 year, the Company 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.

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**45 Pledged assets**

As at 31 December 2010 and 2009, the Company's cash at bank of Baht 89 million and Baht 229 million, respectively was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks and guarantee to the Court for the settle debt to a creditor as the Primary Court's judgment.

As at 31 December 2010 and 2009, long-term investments in securities available for sale for 205 million shares, their book value of Baht 145 million and Baht 160 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 2010 and 2009, 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 99 million and Baht 104 million, respectively, including indemnity from fire insurance of those assets were mortgaged as collateral for loans from banks issuance of the letter of guarantee from banks, other short-term loans and other long-term loans from others pursuant to the mortgage agreements dated 28 May 2003, 8 May 2008 and 28 July 2009 in the credit line amounting to Baht 817.50 million.

**46 Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Standard Interpretations (TFRSI) not yet adopted**

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

	Topic	Year effective
<b>TAS</b>		
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 2 (revised 2009)	Inventories	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after the Reporting Period	2011
TAS 11 (revised 2009)	Construction Contracts	2011
TAS 12	Income Taxes	2013
TAS 16 (revised 2009)	Property, Plant and Equipment	2011
TAS 17 (revised 2009)	Leases	2011
TAS 18 (revised 2009)	Revenue	2011
TAS 19	Employee Benefit	2011
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance	2013
TAS 21 (revised 2009)	The effects of Change in Foreign Exchange Rate	2013
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 26	Accounting and Reporting by Retirement Benefit Plans	2011

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2010 and 2009**

	Topic	Year effective
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	2011
TAS 28 (revised 2009)	Investments in Associates	2011
TAS 29	Financial Reporting in Hyperinflationary Economies	2011
TAS 31 (revised 2009)	Interests in Joint Ventures	2011
TAS 33 (revised 2009)	Earnings per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011
TAS 40 (revised 2009)	Investment Property	2011
<b>TFRS</b>		
TFRS 2	Share-based Payment	2011
TFRS 3 (revised 2009)	Business Combinations	2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	2011
<b>TFRSI</b>		
TFRSI 15	Agreements for the Construction of Real Estate	2011

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

However, instances where application of a new or revised standard have a material impact on the Company and management will have already made an assessment of the potential impact of TAS 19 Employee Benefit. Management has determined that the transitional liability as at 1 January 2011 for post-employment benefits is about Baht 47 million.

#### 47 Reclassification of accounts

Certain accounts in the 2009 financial statements have been reclassified to the appropriate and conform to the presentation in the 2010 financial statements were as follows:

	2009					
	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify	Before reclassify	Reclassify	After reclassify
	<i>(in million Baht)</i>					
<b>Statement of income</b>						
Gain on sale of equipment	-	5	5	-	5	5
Other income	67	(5)	62	67	(5)	62
	<b>67</b>	<b>-</b>	<b>67</b>	<b>67</b>	<b>-</b>	<b>67</b>

The reclassifications have been made in order to conform and more appropriate to the Company's business which doesn't effect to annual net profit or shareholders' equity.