

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

Interim financial statements  
and  
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended  
30 September 2011

# NPS Siam

## **NPS Siam Audit Limited**

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

## **บริษัท เอ็นพีเอส สยาม สอบบัญชี จำกัด**

ชั้น 5 อาคารเอสเอสพีทาวเวอร์  
555/5-6 ซอยสุขุมวิท 63 (เอกมัย)  
ถนนสุขุมวิท คลองตันเหนือ  
เขตวัฒนา กรุงเทพฯ 10110

Tel: 66(2) 711 5300  
Fax: 66(2) 711 5866  
Email: info@npssiam.co.th

## **Review report of Certified Public Accountant**

### **To the Board of Directors of Syntec Construction Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position as at 30 September 2011; and the related statements of comprehensive income for the three-month and nine-month periods then ended and the related statements of changes in equity and cash flows for the nine-month periods then ended of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my review. The consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2010 and the related statements of changes in equity and cash flows for the nine-month periods ended 30 September 2010 of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively, were reviewed by another auditor whose report dated 15 November 2010 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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

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

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

## **NPS Siam**

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

As described in notes 2, 3 and 4 to the financial statements, during the three-month and nine-month periods ended 30 September 2011, the Company has adopted certain new and revised financial reporting standards, with effect from 1 January 2011 for the preparation of the accompanying interim financial statements. Accordingly, the financial statements for the three-month and nine-month periods ended 30 September 2010 the consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, have been presented in accordance with the interim financial statements for the three-month and nine-month periods ended 30 September 2011.

(Maliwan Phahuwattanakorn)  
Certified Public Accountant  
Registration number 4701

NPS Siam Audit Limited  
Bangkok  
14 November 2011

Syntec Construction Public Company Limited and Joint Ventures

Statements of financial position

As at 30 September 2011 and 31 December 2010

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011 (Unaudited)	31 December 2010	30 September 2011 (Unaudited)	31 December 2010
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		502,785	556,192	501,568	550,129
Accounts receivable, net	7, 8	697,558	475,630	674,558	452,629
Retention receivable under construction contracts, net	7, 9	505,099	494,042	473,170	462,113
Unbilled construction in progress, net	7, 10	1,026,560	1,033,818	1,026,560	1,033,818
Short-term loans to related parties, net	5, 7	65,963	177,587	438,395	471,258
Inventories		302,517	133,928	302,517	133,928
Advance payments to subcontractors		73,097	71,040	72,968	70,911
Other receivables, net		10,491	18,237	10,491	18,237
Other current assets		30,986	28,026	26,127	24,396
<b>Total current assets</b>		<b>3,215,056</b>	<b>2,988,500</b>	<b>3,526,354</b>	<b>3,217,419</b>
<b>Non-current assets</b>					
Investment in associates	11	48	91	-	-
Other long-term investments, net	7, 12	205,985	261,160	205,985	261,160
Long-term loans to related parties, net	7	-	-	-	-
Other long-term loans, net		-	-	-	-
Investment properties	4	103,225	103,780	103,225	103,780
Property, plant and equipment, net	4, 13	578,024	518,534	584,302	526,776
Intangible assets		9,153	802	9,153	802
Withholding tax		247,396	306,248	247,332	304,818
Pledged deposit at bank		82,307	88,754	82,307	88,754
Other non-current assets, net		89,013	71,735	76,104	58,826
<b>Total non-current assets</b>		<b>1,315,151</b>	<b>1,351,104</b>	<b>1,308,408</b>	<b>1,344,916</b>
<b>Total Assets</b>		<b>4,530,207</b>	<b>4,339,604</b>	<b>4,834,762</b>	<b>4,562,335</b>

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of financial position

As at 30 September 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011 (Unaudited)	31 December 2010	30 September 2011 (Unaudited)	31 December 2010
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions		56,796	9,421	56,796	9,421
Trade accounts payable	7, 14	460,237	522,809	376,419	358,059
Current portion of creditors under rehabilitation plan	15, 19	28,799	111,107	28,799	111,107
Short-term loans from related parties	7	-	13,461	-	-
Short-term loans from other parties	16	462,000	412,000	462,000	412,000
Current portion of financial lease liabilities		37,323	30,655	37,323	30,655
Advances received from customers					
under construction contracts	10	459,929	215,958	459,929	215,958
Retention payables from subcontractors		185,974	230,527	185,675	220,894
Accrued expenses		175,670	177,559	175,537	177,357
Undue value added tax		118,827	104,811	113,473	99,457
Accrued income tax		-	339	-	-
Other current liabilities		84,901	79,413	26,684	19,954
<b>Total current liabilities</b>		<b>2,070,456</b>	<b>1,908,060</b>	<b>1,922,635</b>	<b>1,654,862</b>
<b>Non-current liabilities</b>					
Financial lease liabilities		135,429	106,925	135,429	106,925
Employee benefit obligations	4, 17	54,555	-	54,555	-
Long-term provisions	18	-	-	435,258	489,306
<b>Total non-current liabilities</b>		<b>189,984</b>	<b>106,925</b>	<b>625,242</b>	<b>596,231</b>
<b>Total liabilities</b>		<b>2,260,440</b>	<b>2,014,985</b>	<b>2,547,877</b>	<b>2,251,093</b>

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

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

**Statements of financial position**

**As at 30 September 2011 and 31 December 2010**

<b>Liabilities and equity</b>	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		30 September 2011 (Unaudited)	31 December 2010	30 September 2011 (Unaudited)	31 December 2010
<i>(in thousand Baht)</i>					
<b>Equity</b>					
Share capital	19				
Authorized share capital		<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
Issued and paid-up share capital		1,600,000	1,600,000	1,600,000	1,600,000
Additional paid-in capital					
Premium on ordinary shares		24	24	24	24
Retained earnings					
Appropriated					
Legal reserve	20	57,811	51,501	57,811	51,501
Unappropriated	4, 17	966,572	972,559	983,690	959,182
Other components of equity	7, 12	<u>(354,640)</u>	<u>(299,465)</u>	<u>(354,640)</u>	<u>(299,465)</u>
<b>Total equity</b>		<u><b>2,269,767</b></u>	<u><b>2,324,619</b></u>	<u><b>2,286,885</b></u>	<u><b>2,311,242</b></u>
<b>Total liabilities and equity</b>		<u><b>4,530,207</b></u>	<u><b>4,339,604</b></u>	<u><b>4,834,762</b></u>	<u><b>4,562,335</b></u>

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

**Syntec Construction Public Company Limited and Joint Ventures**  
**Statements of comprehensive income**  
**For the three-month periods ended 30 September 2011 and 2010 (Unaudited)**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<b>Revenues</b>					
Revenue from construction	7	1,373,676	1,228,673	1,373,676	1,228,673
Interest income		1,136	248	1,136	248
Reversal of allowance for doubtful accounts		230	24,959	230	24,959
Reversal of creditors under rehabilitation plan	15	82,314	-	82,314	-
Gain on sale of assets		1,286	964	1,286	964
Net foreign exchange gain		-	1,086	-	1,086
Reversal of estimated loss under joint venture agreements		-	-	11,278	-
Other income		13,353	2,352	910	590
<b>Total revenues</b>		<b>1,471,995</b>	<b>1,258,282</b>	<b>1,470,830</b>	<b>1,256,520</b>
<b>Expenses</b>					
Cost of construction	7	1,297,919	1,161,500	1,298,650	1,158,620
Selling expenses		522	726	522	726
Administrative expenses		44,722	34,649	44,114	33,537
Management benefit expenses	7	4,369	6,590	4,369	6,590
Net foreign exchange loss		220	-	220	-
Bad debt and doubtful debts expenses		58,361	16,000	46,000	16,000
Estimated loss under joint venture agreements (reversal)	18	-	-	-	(6,944)
<b>Total expenses</b>		<b>1,406,113</b>	<b>1,219,465</b>	<b>1,393,875</b>	<b>1,208,529</b>
<b>Profit before finance costs and income tax expense</b>					
		<b>65,882</b>	<b>38,817</b>	<b>76,955</b>	<b>47,991</b>
Finance costs		10,879	9,490	10,185	8,758
Share of loss of investments in associates	11	8	34	-	-
Profit before income tax expense		54,995	29,293	66,770	39,233
Income tax expense		2,910	7,641	2,910	7,646
<b>Profit for the period</b>		<b>52,085</b>	<b>21,652</b>	<b>63,860</b>	<b>31,587</b>
Other comprehensive profit (loss) for the period		(33,105)	47,818	(33,105)	47,818
<b>Total comprehensive income for the period</b>		<b>18,980</b>	<b>69,470</b>	<b>30,755</b>	<b>79,405</b>

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of comprehensive income

For the three-month periods ended 30 September 2011 and 2010 (Unaudited)

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2011	2010	2011	2010
<i>(in thousand Baht)</i>					
<b>Profit attributable to :-</b>					
Equity holders of the Company		<u><b>52,085</b></u>	<u><b>21,652</b></u>	<u><b>63,860</b></u>	<u><b>31,587</b></u>
<b>Total comprehensive income attributable to :-</b>					
Equity holders of the Company		<u><b>18,980</b></u>	<u><b>69,470</b></u>	<u><b>30,755</b></u>	<u><b>79,405</b></u>
<b>Earnings per share</b>					
Basic (in Baht)	23	<u><b>0.03</b></u>	<u><b>0.01</b></u>	<u><b>0.04</b></u>	<u><b>0.02</b></u>

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



Syntec Construction Public Company Limited and Joint Ventures

Statements of income

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<b>Revenues</b>					
Revenue from construction	7	3,630,877	3,696,354	3,630,877	3,696,354
Interest income		3,642	1,655	3,641	1,655
Reversal of allowance for doubtful accounts		230	44,434	230	44,434
Reversal of creditors under rehabilitation plan	15	82,314	-	82,314	-
Gain on sale of assets		6,860	11,232	6,860	11,232
Reversal of estimated loss under joint venture agreements		-	-	54,048	-
Other income		39,547	3,492	1,820	1,687
<b>Total revenues</b>		<b>3,763,470</b>	<b>3,757,167</b>	<b>3,779,790</b>	<b>3,755,362</b>
<b>Expenses</b>					
Cost of construction	7	3,366,667	3,394,559	3,368,836	3,336,557
Selling expenses		1,953	2,247	1,953	2,247
Administrative expenses		127,759	94,990	125,881	100,227
Management benefit expenses	7	13,603	19,626	13,603	19,626
Net foreign exchange loss		530	143	530	143
Bad debt and doubtful debts expenses		126,043	16,000	113,682	16,000
Estimated loss under joint venture agreements	18	-	-	-	63,352
Estimated penalties under the construction contracts	18	-	13,004	-	-
<b>Total expenses</b>		<b>3,636,555</b>	<b>3,540,569</b>	<b>3,624,485</b>	<b>3,538,152</b>
<b>Profit before finance costs and income tax expense</b>					
		<b>126,915</b>	<b>216,598</b>	<b>155,305</b>	<b>217,210</b>
Finance costs		28,274	28,608	26,213	25,583
Share of loss of investments in associates	11	44	102	-	-
Profit before income tax expense		98,597	187,888	129,092	191,627
Income tax expense		2,910	63,438	2,910	62,758
<b>Profit for the period</b>		<b>95,687</b>	<b>124,450</b>	<b>126,182</b>	<b>128,869</b>
Other comprehensive loss for the period		(55,175)	-	(55,175)	-
<b>Total comprehensive income for the period</b>		<b>40,512</b>	<b>124,450</b>	<b>71,007</b>	<b>128,869</b>

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of income

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<b>Profit attributable to :-</b>					
Equity holders of the Company		<u>95,687</u>	<u>124,450</u>	<u>126,182</u>	<u>128,869</u>
<b>Total comprehensive income attributable to :-</b>					
Equity holders of the Company		<u>40,512</u>	<u>124,450</u>	<u>71,007</u>	<u>128,869</u>
<b>Earnings per share</b>					
Basic (in Baht)	23	<u>0.06</u>	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>

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

**Syntec Construction Public Company Limited and Joint Ventures**  
**Statements of changes in equity**  
**For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)**

		<b>Consolidated financial statements</b>					Other components	
		Issued and	Share		<i>Retained earnings</i>		of equity	
Note		paid-up	subscription	Premium on	Appropriated	Unappropriated	Available for sale	Total
		share capital	receivables	ordinary shares	legal reserve		securities	equity
					<i>(in thousand Baht)</i>			
		<b>1,600,000</b>	<b>(11,242)</b>	<b>24</b>	<b>41,161</b>	<b>827,415</b>	<b>(273,717)</b>	<b>2,183,641</b>
	21	-	-	-	-	(48,000)	-	(48,000)
	20	-	-	-	6,444	(6,444)	-	-
	19	-	11,242	-	-	-	-	11,242
		-	-	-	-	124,450	-	124,450
		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>47,605</b>	<b>897,421</b>	<b>(273,717)</b>	<b>2,271,333</b>
		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>51,501</b>	<b>972,559</b>	<b>(299,465)</b>	<b>2,324,619</b>
	4, 17	-	-	-	-	(47,364)	-	(47,364)
		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>51,501</b>	<b>925,195</b>	<b>(299,465)</b>	<b>2,277,255</b>
	21	-	-	-	-	(48,000)	-	(48,000)
	20	-	-	-	6,310	(6,310)	-	-
		-	-	-	-	95,687	(55,175)	40,512
		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>57,811</b>	<b>966,572</b>	<b>(354,640)</b>	<b>2,269,767</b>

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

**Syntec Construction Public Company Limited and Joint Ventures**  
**Statements of changes in equity**  
**For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)**

	<i>Note</i>	<b>Separate financial statements</b>					Other components of equity Available for sale securities	Total equity
		Issued and paid-up share capital	Share subscription receivables	Premium on ordinary shares	<i>Retained earnings</i>			
					Appropriated legal reserve <i>(in thousand Baht)</i>	Unappropriated		
<b>Balance at 1 January 2010</b>		<b>1,600,000</b>	<b>(11,242)</b>	<b>24</b>	<b>41,161</b>	<b>810,710</b>	<b>(273,717)</b>	<b>2,166,936</b>
Dividends	<i>21</i>	-	-	-	-	(48,000)	-	(48,000)
Transfer to legal reserve	<i>20</i>	-	-	-	6,444	(6,444)	-	-
Decrease in subscription receivables	<i>19</i>	-	11,242	-	-	-	-	11,242
Comprehensive income for the period		-	-	-	-	128,869	-	128,869
<b>Balance at 30 September 2010</b>		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>47,605</b>	<b>885,135</b>	<b>(273,717)</b>	<b>2,259,047</b>
<b>Balance at 1 January 2011 - as reported</b>		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>51,501</b>	<b>959,182</b>	<b>(299,465)</b>	<b>2,311,242</b>
Cumulative effect of change in accounting policy	<i>4, 17</i>	-	-	-	-	(47,364)	-	(47,364)
<b>Balance at 1 January 2011 - restated</b>		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>51,501</b>	<b>911,818</b>	<b>(299,465)</b>	<b>2,263,878</b>
Dividends	<i>21</i>	-	-	-	-	(48,000)	-	(48,000)
Transfer to legal reserve	<i>20</i>	-	-	-	6,310	(6,310)	-	-
Comprehensive income (loss) for the period		-	-	-	-	126,182	(55,175)	71,007
<b>Balance at 30 September 2011</b>		<b>1,600,000</b>	<b>-</b>	<b>24</b>	<b>57,811</b>	<b>983,690</b>	<b>(354,640)</b>	<b>2,286,885</b>

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

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

**Statements of cash flows**

**For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>					
Profit for the period		95,687	124,450	126,182	128,869
<b><i>Adjustments for</i></b>					
Reversal of allowance for					
doubtful accounts		(230)	(44,434)	(230)	(44,434)
Bad debt and doubtful debts expenses		126,043	16,147	113,682	16,147
Depreciation and amortization		63,793	78,829	65,757	76,163
Withholding tax written off		150	1,226	-	1,226
Interest income		(3,642)	(1,655)	(3,641)	(1,655)
Interest expense		22,768	28,608	22,768	25,583
Gain on sale of equipment		(6,860)	(11,232)	(6,860)	(11,232)
Unrealized (gain) loss on exchange rate		530	(1,583)	530	(1,583)
Share of loss from investments in associated		44	102	-	-
Reversal of creditors under rehabilitation plan		(82,314)	-	(82,314)	-
Estimated penalties under construction contracts		-	13,004	-	-
Reversal of estimated loss					
on construction contracts		-	(49,367)	-	-
Estimated loss under joint venture agreements					
(reversal)		-	-	(54,048)	63,352
Expense of employee benefits		8,737	-	8,737	-
Income tax expense		2,910	63,438	2,910	62,758
		227,616	217,533	193,473	315,194
<b><i>Changes in operating assets and liabilities</i></b>					
Accounts receivable		(221,849)	(42,693)	(221,849)	(19,151)
Retention receivable under construction contract		(10,907)	(110,175)	(10,907)	(79,546)
Unbilled construction in progress		7,258	117,784	7,258	(63,004)
Inventories		(168,589)	181,836	(168,589)	181,836
Advance payments to subcontractors		(2,057)	(1,268)	(2,057)	(1,268)
Other receivables		7,746	(8,693)	7,746	(8,693)
Other current assets		(2,475)	(10,612)	(1,246)	(10,864)
Withholding tax paid		(111,502)	(102,118)	(111,164)	(101,714)
Withholding tax returned		166,955	84,730	165,740	84,730
Receivables from related parties		(27,880)	(76,748)	(80,819)	(204,773)
Other non-current assets		(17,278)	(12,476)	(17,278)	(12,854)
Trade accounts payable		(62,572)	(61,229)	18,360	(42,195)
Advance received under construction contracts		243,971	(126,949)	243,971	(126,949)
Retention payable from subcontractors		(44,553)	3,364	(35,219)	3,978
Accrued expenses		(1,889)	(47,637)	(1,820)	(47,992)

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

Syntec Construction Public Company Limited and Joint Ventures

Statements of cash flows

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Other current liabilities		18,434	48,680	19,676	(1,295)
Payment of penalties under construction contracts		-	(164,310)	-	-
Payment of employee benefits		(1,546)	-	(1,546)	-
<b>Net cash provided by (used in)</b>					
<b>operating activities</b>		<b>(1,117)</b>	<b>(110,981)</b>	<b>3,730</b>	<b>(134,560)</b>
<b><i>Cash flows from investing activities</i></b>					
Interest received		3,642	1,655	3,641	1,655
Pledged deposit at bank		6,447	113,017	6,447	113,017
Purchase of property, plant and equipment		(112,201)	(106,016)	(112,201)	(106,016)
Purchase of intangible assets		(10,876)	(222)	(10,876)	(222)
Sale of equipment		61,432	46,314	61,432	43,227
<b>Net cash provided by (used in)</b>					
<b>investing activities</b>		<b>(51,556)</b>	<b>54,748</b>	<b>(51,557)</b>	<b>51,661</b>
<b><i>Cash flows from financing activities</i></b>					
Finance cost paid		(23,253)	(24,330)	(23,253)	(21,891)
Dividend paid		(47,946)	(47,951)	(47,946)	(47,951)
Bank overdrafts		(2,625)	(31,506)	(2,625)	(5,445)
Proceeds from short-term loan from financial institution		50,000	-	50,000	-
Proceeds from short-term loan from other party		50,000	-	50,000	-
Payment of short-term loans from other parties		-	(2,350)	-	(2,350)
Payment of creditors under the rehabilitation plan		(524)	(5,451)	(524)	(5,451)
Finance lease payment		(26,386)	(17,200)	(26,386)	(17,200)
<b>Net cash used in financing activities</b>		<b>(734)</b>	<b>(128,788)</b>	<b>(734)</b>	<b>(100,288)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(53,407)</b>	<b>(185,021)</b>	<b>(48,561)</b>	<b>(183,187)</b>
Cash and cash equivalents at beginning of period		556,192	590,639	550,129	584,512
<b>Cash and cash equivalents at end of period</b>		<b>502,785</b>	<b>405,618</b>	<b>501,568</b>	<b>401,325</b>

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

**Statements of cash flows**

**For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2011	2010	2011	2010
<i>(in thousand Baht)</i>					
<b><i>Non-cash transactions</i></b>					
1. Purchase of machinery and vehicle under finance lease agreements		61,558	44,745	61,558	44,745
2. Payment of creditors under the rehabilitation plan in form of new ordinary shares to Plan Administrator	7, 19	-	10,987	-	10,987
3. Receiving the payment from receivables and advance to related parties by offset the reimbursed expenses	7	-	6,702	-	6,702
4. The offsetting transactions between construction income and construction cost of a joint venture	7	-	154,408	-	-
5. Receiving aluminium lining boards by offset the receivables and advance to related parties	7, 13	-	69,530	-	78,963
6. Decrease in short-term loans to related parties and short-term loans from related parties due to the offset transaction and dissolution	7	13,461	-	-	-
7. Transfer of note payable to non-related party	7	60,000	-	60,000	-

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of interim financial statements
3	Significant accounting policies
4	Changes in accounting policies
5	Syntec – Mivan Joint venture
6	Seasonal operations
7	Related party transactions and balances
8	Trade accounts receivable
9	Retention receivable under construction contracts
10	Unbilled construction in progress
11	Investments in associates
12	Other long-term investments
13	Property, plant and equipment
14	Trade accounts payable
15	Current portion of creditors under the rehabilitation plan
16	Short-term loans from other parties
17	Employee benefit obligations
18	Provisions
19	Share capital
20	Legal reserve
21	Dividends
22	Segment information
23	Basic earnings per share
24	Commitments with non-related parties
25	Contingent liabilities and other events
26	Expenses by nature
27	Thai Financial Reporting Standards (TFRS) not yet adopted
28	Reclassification of accounts



**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

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

The interim financial statements were authorized for issue by the Board of Directors on 14 November 2011.

**1 General information**

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

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

The Company’s major shareholders who held more than 5% of total paid-up share capital as at 30 September 2011 and 31 December 2010 were as follows:

	30 September 2011	31 December 2010
	(%)	
Phahusuth Group	13.68	13.68
Natural Ventures Company Limited	-	11.88
Subandit Group	6.64	6.64
Thai NVDR Company Limited	13.71	-

The principal business of the Company is construction.

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

	Type of business	Country of incorporation	Portion of joint (%)	
			30 September 2011	31 December 2010
<b><i>Joint ventures</i></b>				
1) Joint venture between Siam Syntech Construction Pcl. and Federal Engineering Co., Ltd.	Construction (dissolution on 7 April 2011)	Thailand	-	75
2) Joint venture between Siam Syntech Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	Construction (dissolution on 7 April 2011)	Thailand	-	50
3) SVK Joint venture	Construction (ceased operations)	Thailand	51	51
4) SSU Joint venture	Construction (notify to dissolution on 3 June 2011)	Thailand	95	95
5) Syntec - Mivan Joint venture	Construction	Thailand	65	65

The Revenue Department dispose the names of Joint venture between Siam Syntech Construction Pcl. and Federal Engineering Co., Ltd. and Joint venture between Siam Syntech Construction Pcl. and Underground Technologies (Thailand) Co., Ltd. from the register of VAT on 7 April 2011.

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

**2 Basis of preparation of interim financial statements**

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

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

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

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

During 2010 and 2011, the FAP issued the new and revised Thai Financial Reporting Standards (“TFRS”) relevant to the Group/Company’s operations, and effective for accounting periods beginning on or after 1 January 2011 were as follows:

<b>TFRS/TAS</b>	<b>Topic</b>
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 31 (revised 2009)	Interests In Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
FAP’s announcement No.17/2544	Transitional Procedures for Other Long – Term Employee Benefits
FAP’s announcement No.19/2544	Accounting Guidance for Condominiums

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

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

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

*Use of estimates and judgements*

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

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

*Estimations*

*Measurement of defined employee benefit plan obligation*

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

The obligation under the post-employment benefits (defined benefit plan) is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates as described in note 17 to the financial statements.

The consolidated and separate financial statements for the three-month and nine-month periods ended 30 September 2011 and 2010 included the investments in an associate which had been accounted for by equity method in the consolidated financial statements, based on financial statements of such associate which had been reviewed by the other auditor. However, the Company had no obligations under any guarantee for such associates. An allowance for impairment of investments in the abovementioned associates was provided as at 30 September 2011 and 31 December 2010 in the amount of Baht 10 million in the separate financial statements. Please also see note 11 to the financial statements.

### **3 Significant accounting policies**

Significant accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2011 are consistent with those applied in the financial statements for the year ended 31 December 2010, except for the changes in accounting policies as described in notes 4 and 17 to the financial statements.

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

**4 Changes in accounting policies**

For the three-month and nine-month periods ended 30 September 2011, the Group/Company has changed the significant accounting policies were summarized as follows:

**4.1 Presentation of financial statements**

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

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

**4.2 Accounting for property, plant and equipment**

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

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

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

**4.3 Accounting for employee benefits**

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

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

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

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

Cumulative effect from the changes of mentioned accounting policies has been separately presented in the statement of changes in equity.

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

**4.4 Accounting for investment properties**

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

Under the revised standard, investment property, defined as property owned to earn rentals; capital appreciation; or both. The Group/Company has selected the cost model and presented separately from property, plant and equipment and land under development, which has resulted to reclassify the accounts for the comparative financial statements. Since 1 January 2011, the depreciable amount and useful life of the investment property have been reassessed in accordance with the requirements as described in note 4.2 to the financial statements. These changes in this regard have been applied prospectively.

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

**Adjustment of financial statements:-**

**Statement of financial position as at 30 September 2011**

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>Accounting for property, plant and equipment:-</b>		
Decrease in accumulated depreciation	19,954	19,954
Increase in carrying amount of property, plant and equipment	19,954	19,954
<b>Accounting for employee benefits:-</b>		
Increase in employee benefit obligations	47,364	47,364
Decrease in retained earnings at 1 January 2011	(47,364)	(47,364)
<b>Accounting for investment property:-</b>		
Decrease in property, plant and equipment, net	(3,951)	(3,951)
Decrease in land under development	(99,644)	(99,644)
Increase in investment property	103,595	103,595

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

*Statement of comprehensive income for the three-month and nine-month periods ended 30 September 2011*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Three-month periods	Nine- month periods	Three-month periods	Nine- month periods
<i>(in thousand Baht)</i>				
<b>Accounting for property, plant and equipment:-</b>				
Decrease in depreciation resulting in:-				
Decrease in cost of construction	10,687	29,921	10,687	29,921
Decrease in administrative expense	380	1,100	380	1,100
<b>Total</b>	<b>11,067</b>	<b>31,021</b>	<b>11,067</b>	<b>31,021</b>
<b>Accounting for employee benefits:-</b>				
Increase in employee benefit expenses resulting in:-				
Increase in cost of construction	(2,277)	(6,831)	(2,277)	(6,831)
Increase in administrative expenses	(262)	(786)	(262)	(786)
Increase in management benefit expenses	(373)	(1,120)	(373)	(1,120)
<b>Total</b>	<b>(2,912)</b>	<b>(8,737)</b>	<b>(2,912)</b>	<b>(8,737)</b>
<b>Increase in profit for the period</b>	<b>8,155</b>	<b>22,284</b>	<b>8,155</b>	<b>22,284</b>
<b>Earnings per share:</b>				
Increase in basic earnings per share (in Baht)	0.005	0.014	0.005	0.014

**5 Syntec - Mivan Joint Venture**

*Syntec – Mivan Joint Venture*

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

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

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

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

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

During 2010, Syntec – Mivan Joint Venture already carried out the construction and 3 projects for 8,582 units were examined by National Housing Authority. As of 14 November 2011, the aforementioned projects have been in the stage of guarantee for defect within 2 years beginning at the date of project acceptance.

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.

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

- the above related company entered into the guarantee agreement to guarantee total unlimited payment of supplies purchased by itself, all wages and all obligations 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 owed the Company, and to agree the Company checking and moving the aluminium lining boards (formwork). The expenses incurred due to the above conduct were charged to the above mentioned related company. The Company received the transferred aluminium lining boards on 30 August 2010.
- Syntec - Mivan Joint Venture entered into the memorandum to make the payment to the Company in form of transfer of ownership of aluminium lining boards valued at 30 April 2009 in the amount of Baht 12.4 million. The Company also received the transfer of ownership of aluminium lining boards on 30 August 2010.

As at 30 September 2011, Syntec – Mivan Joint Venture was sued by 4 creditors with regard to offence of sale and purchase, hire of work and hire of property with the sue amount of Baht 130.28 million but the Joint Venture agreed and accepted in the amount of Baht 116.30 million, which was recorded in the accounts and has been in the process of installment.

The financial informations of Syntec – Mivan Joint Venture were as follows:

Summary of statements of financial position of Syntec – Mivan Joint Venture as at 30 September 2011 and 31 December 2010 were as follows:

	30 September 2011	31 December 2010
	<i>(in million Baht)</i>	
<b>Information of statements of financial position</b>		
Current assets	127	154
Non-current assets	20	20
<b>Total assets</b>	<b>147</b>	<b>174</b>
Current liabilities	816	871
Deficit in venturers equity	(669)	(697)
<b>Total liabilities net deficit in venturers' equity</b>	<b>147</b>	<b>174</b>

Summary of statements of income information of Syntec – Mivan Joint Venture for the nine-month periods ended 30 September 2011 and 2010 were as follows:

	2011	2010
	<i>(in million Baht)</i>	
<b>Information of statements of income</b>		
Total revenues	33	17
Total expenses	(3)	(111)
Finance costs	(3)	(4)
<b>Profit (loss) for the period</b>	<b>27</b>	<b>(98)</b>



**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

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. In addition, the above related company entered into an acknowledged debt agreement on liable debts. As at 30 September 2011 and 31 December 2010, the Company recognized estimated loss under joint venture agreement amounted to Baht 435 million and Baht 453 million, respectively in the separate financial statements as described in note 18 to the financial statements.

**6 Seasonal operations**

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

**7 Related party transactions and balances**

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

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

	<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 and notify to dissolution on 3 June 2011
4.	Joint venture between Siam Syntec Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	Thailand	Joint venture, 50% portion of joint, until 7 April 2011 (Date of Dissolution)
5.	Joint venture between Siam Syntec Construction Pcl. and Federal Engineering Co., Ltd.	Thailand	Joint venture, 75% portion of joint, until 7 April 2011 (Date of Dissolution)
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

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

	<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
9.	Natural Park Public company Limited	Thailand	Indirect related company and a shareholder of Natural Venture Co., Ltd. and Sansiri Public Company Limited
10.	Bangkok Metro Plc.	Thailand	Related company, 3.08 % shareholding.
11.	Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venturer in Syntec-Mivan joint venture
12.	Tate Enterprise Co., Ltd.	Thailand	Related company
13.	N&J Assets Management Co., Ltd.	Thailand	Related company
14.	Siam Syntech Planner Co., Ltd.	Thailand	Related company, some common directors
15.	A related person	Thailand	A related person of the management (since 1 April 2011 to 1 July 2011)

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 22% in 2011 and 9 - 11% in 2010) and bid price
Cost of construction	Invoice price pursuant to the joint venture agreement (Market price)
Directors benefit expenses represent meeting allowance and director bonus	Approval from the Company's directors and shareholders
Directors and management benefit expenses represent salary and bonus	Approval from the Company's directors and shareholders
Interest expenses	4.75% per annum
Aluminium lining boards (formwork)	The condition of aluminium lining boards which is based on the primary purchase price

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

Significant transactions for the three-month and nine-month periods ended 30 September 2011 and 2010 with related parties were summarized as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>Financial statements</b>	
	Three-month periods		Three-month periods	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Revenue</b>				
<b>Related company</b>				
Revenue from construction	-	30	-	30
<b>Expenses</b>				
<b>Related persons</b>				
Management benefit expenses				
Short-term benefits	3,996	6,590	3,996	6,590
Post-employment benefits	373	-	373	-
	<u>4,369</u>	<u>6,590</u>	<u>4,369</u>	<u>6,590</u>
<b>Equipment</b>				
<b>Joint ventures</b>				
Aluminium lining boards	-	4,749	-	19,262
<b>Related company</b>				
Aluminium lining boards	-	59,701	-	59,701
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Nine-month periods		Nine-month periods	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Revenue</b>				
<b>Related company</b>				
Revenue from construction	166	27,253	166	27,253
<b>Expenses</b>				
<b>Joint ventures</b>				
Cost of construction	-	1,449	-	1,449
<b>Related persons</b>				
Interest expense	703	-	703	-
Management benefit expenses				
Short-term benefits	12,483	19,626	12,483	19,626
Post-employment benefits	1,120	-	1,120	-
	<u>13,603</u>	<u>19,626</u>	<u>13,603</u>	<u>19,626</u>
<b>Equipment</b>				
<b>Joint ventures</b>				
Aluminium lining boards	-	4,749	-	19,262
<b>Related company</b>				
Aluminium lining boards	-	59,701	-	59,701

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

On 15 March 2010, the Company had the payment of the creditors under the rehabilitation plan in form of ordinary shares to Planner in the amount of Baht 10.99 million as described in note 19 to the financial statements.

Balance as at 30 September 2011 and 31 December 2010 with related parties were as follows:

***Trade accounts receivable - related parties***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Other related companies</b>				
Park Opera Co., Ltd.	5,832	5,953	5,832	5,953
Tate Enterprice Co., Ltd.	23,053	45,687	23,053	45,687
N & J Assets Management Co., Ltd.	-	20,715	-	20,715
<b>Total</b>	<b>28,885</b>	<b>72,355</b>	<b>28,885</b>	<b>72,355</b>

***Retentions receivable under construction contracts - related parties***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Other related companies</b>				
Natural Real Estate Co., Ltd.	8,896	9,076	8,896	9,076
Park Opera Co., Ltd.	401	401	401	401
<b>Total</b>	<b>9,297</b>	<b>9,477</b>	<b>9,297</b>	<b>9,477</b>

***Unbilled construction in progress - related parties***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Other related company</b>				
N&J Assets Management Co., Ltd.	-	6,605	-	6,605
<b>Total</b>	<b>-</b>	<b>6,605</b>	<b>-</b>	<b>6,605</b>

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

*Short-term loans to related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Comprising</b>				
Other receivables and advance, net	65,963	177,587	438,395	471,258
<b>Total</b>	<b>65,963</b>	<b>177,587</b>	<b>438,395</b>	<b>471,258</b>
<b>Other receivables and advances</b>				
<b>Joint ventures</b>				
Joint Ventures between Siam Syntech Construction Pcl. and Federal Engineering Co.,Ltd.	-	14,099	-	56,365
Joint Ventures between Siam Syntech Construction Pcl. and Underground Technologies (Thailand)	-	2,068	-	4,137
SVK Joint Ventures	5,432	5,171	11,086	10,552
SSU Joint Ventures	-	5	-	100
Syntec – Mivan Joint Venture	205,056	176,911	585,874	505,459
<b>Other related company</b>				
Mivan (Thailand) Co., Ltd.	22,348	35,392	-	-
<b>Total</b>	<b>232,836</b>	<b>233,646</b>	<b>596,960</b>	<b>576,613</b>
Less allowance for doubtful accounts	(166,873)	(56,059)	(158,565)	(105,355)
<b>Net</b>	<b>65,963</b>	<b>177,587</b>	<b>438,395</b>	<b>471,258</b>

In May 2011, Syntec – Mivan Joint Venture had the offset transaction between short-term loans to related party and short-term loans from related party in the amount of Baht 13.33 million (or 65% of Baht 20.50 million)

In April 2011, short-term loans to related party and short-term loans from related party were decreased by Baht 0.13 million due to the dissolution.

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 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.

On 30 March 2010, a reimbursed expense from SSU Joint Ventures had been netted against the receivable and advances to related parties in the amount of Baht 6.70 million.

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

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

*Other long-term investments*

	<b>Consolidated and separate financial statements</b>			
	30 September 2011		31 December 2010	
	At cost	Fair value	At cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Available – for sale securities</i>				
<b>Other related company</b>				
Bangkok Metro Plc.	560,625	205,985	560,625	261,160
Less allowance for devaluation of investments	(354,640)	-	(299,465)	-
<b>Net</b>	<b>205,985</b>	<b>205,985</b>	<b>261,160</b>	<b>261,160</b>

*Long-term loans to related parties*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Joint ventures</b>				
Joint Ventures between Siam Syntec Construction Pcl. and Federal Engineering Co., Ltd.	-	-	-	28,655
Siam Syntec – Wattana Engineering Joint Venture	12,181	12,181	12,181	12,181
<b>Other related company</b>				
Gentech Engineering Co., Ltd.	4,956	4,956	4,956	4,956
Total	17,137	17,137	17,137	45,792
Less allowance for doubtful accounts	(17,137)	(17,137)	(17,137)	(45,792)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Movements during the nine-month periods ended 30 September 2011 and 2010 of long-term loans to related parties were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	17,137	17,137	45,792	45,792
Decrease	-	-	(28,655)	-
<b>At 30 September</b>	<b>17,137</b>	<b>17,137</b>	<b>17,137</b>	<b>45,792</b>

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

*Trade accounts payable - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Joint venturer</b>				
Mivan (Thailand) Co., Ltd.	64,426	64,426	-	-

*Short-term loans from related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Comprising</b>				
Other and retention payables	-	13,461	-	-
<b>Total</b>	-	<b>13,461</b>	-	-

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Other payables</b>				
<b>Joint venturer</b>				
Federal Engineering Co., Ltd.	-	135	-	-
<b>Retention payables</b>				
<b>Joint venturer</b>				
Mivan (Thailand) Co., Ltd.	-	13,326	-	-
<b>Total</b>	-	<b>13,461</b>	-	-

Movement during the nine-month periods ended 30 September 2011 and 2010 of short-term loans from related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	13,461	13,461	-	-
Change during the period	60,000	-	60,000	-
Decrease	(73,461)	-	(60,000)	-
<b>At 30 September</b>	-	<b>13,461</b>	-	-

On 30 June 2011, short-term loans represented the promissory note from related person of Baht 60 million with interest charged at 4.75% per annum (due on 1 July 2011) was transferred to other person who is non-related party since 1 July 2011.

Details of provisions were described in note 18 to the financial statements.

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

*The commitments with related parties*

The Ordinary General Meeting of Shareholders held on 29 April 2011 and 2010, resolved the approval of directors' remunerations for the year 2011 and 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' remunerations of Baht 180,000 per head.

*Significant agreements with related parties*

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

**8 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<i>Comprising:</i>				
Trade accounts receivable	851,578	736,271	828,578	713,270
Less undue advance received from customers under construction contracts	(43,474)	(150,015)	(43,474)	(150,015)
Total	808,104	586,256	785,104	563,255
Less allowance for doubtful accounts	(110,546)	(110,626)	(110,546)	(110,626)
<b>Net</b>	<b>697,558</b>	<b>475,630</b>	<b>674,558</b>	<b>452,629</b>
Related parties	28,885	72,355	28,885	72,355
Other parties	779,219	513,901	756,219	490,900
Total	808,104	586,256	785,104	563,255
Less allowance for doubtful accounts	(110,546)	(110,626)	(110,546)	(110,626)
<b>Net</b>	<b>697,558</b>	<b>475,630</b>	<b>674,558</b>	<b>452,629</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Doubtful debts expenses (reversal)</b>				
For the three-month period ended 30 September	(80)	(26,201)	(80)	(26,201)
For the nine-month period ended 30 September	(80)	(37,141)	(80)	(37,141)



**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements					
	Related parties		Other parties		Total	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>					
Within credit terms	-	-	307,496	196,224	307,496	196,224
Still installment	5,832	-	29,628	29,628	35,460	29,628
Overdue:						
Less than 3 months	-	-	236,939	160,232	236,939	160,232
Over 3 months to 6 months	-	1,764	43,496	31,679	43,496	33,443
Over 6 months to 12 months	-	24,667	42,913	17,474	42,913	42,141
Over 12 months	23,053	45,924	118,747	78,664	141,800	124,588
	<u>23,053</u>	<u>72,355</u>	<u>442,095</u>	<u>288,049</u>	<u>465,148</u>	<u>360,404</u>
<b>Total</b>	<b><u>28,885</u></b>	<b><u>72,355</u></b>	<b><u>779,219</u></b>	<b><u>513,901</u></b>	<b><u>808,104</u></b>	<b><u>586,256</u></b>
	<b>Separate financial statements</b>					
	Related parties		Other parties		Total	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>					
Within credit terms	-	-	307,496	196,224	307,496	196,224
Still installment	5,832	-	29,628	29,628	35,460	29,628
Overdue:						
Less than 3 months	-	-	236,939	160,001	236,939	160,001
Over 3 months to 6 months	-	1,764	43,496	9,300	43,496	11,064
Over 6 months to 12 months	-	24,667	42,913	17,083	42,913	41,750
Over 12 months	23,053	45,924	95,747	78,664	118,800	124,588
	<u>23,053</u>	<u>72,355</u>	<u>419,095</u>	<u>265,048</u>	<u>442,148</u>	<u>337,403</u>
<b>Total</b>	<b><u>28,885</u></b>	<b><u>72,355</u></b>	<b><u>756,219</u></b>	<b><u>490,900</u></b>	<b><u>785,104</u></b>	<b><u>563,255</u></b>

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

During the period 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.

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

**9 Retentions receivable under construction contracts**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Related parties	9,297	9,477	9,297	9,477
Other parties	532,940	521,883	501,011	489,954
<b>Total</b>	<b>542,237</b>	<b>531,360</b>	<b>510,308</b>	<b>499,431</b>
<i>Less</i> allowance for doubtful accounts	(37,138)	(37,318)	(37,138)	(37,318)
<b>Net</b>	<b>505,099</b>	<b>494,042</b>	<b>473,170</b>	<b>462,113</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Reversal doubtful debts expenses</b>				
For the three-month period ended 30 September	(150)	(5,387)	(150)	(5,387)
For the nine-month period ended 30 September	(180)	(13,742)	(180)	(13,742)

**10 Unbilled construction in progress**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Related parties	-	6,605	-	6,605
Other parties	1,057,360	1,058,013	1,057,360	1,058,013
<b>Total</b>	<b>1,057,360</b>	<b>1,064,618</b>	<b>1,057,360</b>	<b>1,064,618</b>
<i>Less</i> allowance for doubtful accounts	(30,800)	(30,800)	(30,800)	(30,800)
<b>Net</b>	<b>1,026,560</b>	<b>1,033,818</b>	<b>1,026,560</b>	<b>1,033,818</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Reversal doubtful debts expenses</b>				
For the three-month period ended 30 September	-	(2,184)	-	(2,184)
For the nine-month period ended 30 September	-	(2,184)	-	(2,184)

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in million Baht)</i>			
Construction project contracts amount	19,787	25,893	19,787	22,965
<i>Less</i> expected losses recognized	-	(64)	-	-
Construction project contracts amount, net	19,787	25,829	19,787	22,965
Contract revenue recognized as revenue since commencing date to present	13,844	19,829	13,844	17,244
<i>Less</i> progress billings (as invoices)	(12,816)	(18,793)	(12,816)	(16,208)
Unbilled construction in progress	1,028	1,036	1,028	1,036
Unbilled construction in progress (before 2000)	29	29	29	29
Unbilled construction in progress at the end of period	1,057	1,065	1,057	1,065
<i>Less</i> allowance for doubtful accounts	(31)	(31)	(31)	(31)
<b>Net</b>	<b>1,026</b>	<b>1,034</b>	<b>1,026</b>	<b>1,034</b>
Excess of progress billing over work in progress	(460)	(216)	(460)	(216)
<b>Net</b>	<b>566</b>	<b>818</b>	<b>566</b>	<b>818</b>

**11 Investments in associates**

Movements during the nine-month periods ended 30 September 2011 and 2010 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	29,394	29,537	38,677	38,677
Share of net loss of investments - equity method	(44)	(102)	-	-
	29,350	29,435	38,677	38,677
<i>Less</i> allowance for valuation of investments	(29,302)	(29,302)	(38,677)	(38,677)
<b>At 30 September</b>	<b>48</b>	<b>133</b>	<b>-</b>	<b>-</b>

# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 12 Other long-term investments

	Consolidated and separate financial statements			
	Cost		Fair Value	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
General investments - net	55,788	55,788	-	-
Equity securities available for sale - net	560,625	560,625	205,985	261,160
<b>Total</b>	<b>616,413</b>	<b>616,413</b>	<b>205,985</b>	<b>261,160</b>

Movements during the nine-month periods ended 30 September 2011 and 2010 of other long-term investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>General investments</b>				
At 1 January	55,788	55,788	55,788	55,788
Valuation adjustment	(55,788)	(55,788)	(55,788)	(55,788)
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available-for-sale securities</b>				
At 1 January	261,160	286,908	261,160	286,908
Valuation adjustment	(55,175)	-	(55,175)	-
<b>At 30 September</b>	<b>205,985</b>	<b>286,908</b>	<b>205,985</b>	<b>286,908</b>

### 13 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2011 and 2010 were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Net book value at 1 January	518,534	413,789	526,776	407,430
Acquisition and transfer in - at cost	112,201	106,016	112,201	106,016
Transfer in - by debt offsetting	-	69,530	-	78,963
Purchase of machinery and vehicle under finance lease agreements	61,558	44,745	61,558	44,745
Disposal and transfer out - net book value	(53,556)	(35,083)	(53,556)	(31,996)
Depreciation for the period	(60,713)	(78,551)	(62,677)	(75,885)
<b>Net book value at 30 September</b>	<b>578,024</b>	<b>520,446</b>	<b>584,302</b>	<b>529,273</b>

# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 14 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Related parties	64,426	64,426	-	-
Others parties	395,811	458,383	376,419	358,059
<b>Total</b>	<b>460,237</b>	<b>522,809</b>	<b>376,419</b>	<b>358,059</b>

### 15 Current portion of creditors under the rehabilitation plan

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
creditors under the rehabilitation plan	28,799	111,107	28,799	111,107

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

Subsequently, Group 8 creditor, No.449 (outstanding debt under the rehabilitation plan amounted to Baht 82.31 million) made the settlement agreement on 3 June 2011 at the Thai Arbitration Institute, the Office of Judiciary that was the Consortium made a single cash payment to above creditor and the creditor delivered the letter to the Consortium to release the obligations on 16 June 2011. Therefore, the dispute has been settled and all obligations have been released.

On the above payment, the Consortium agreed to a company in the group indemnified the Company against on payment in full amount. The Board of Directors meeting held on 30 September 2011, resolved the approval of the reversal of creditor under the rehabilitation plan of Baht 82.31 million is recognized in the statement of income.

# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 16 Short-term loans from other parties

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Notes payable	<b>462,000</b>	<b>412,000</b>	<b>462,000</b>	<b>412,000</b>

As at 30 September 2011 and 31 December 2010, short-term loans from other parties of Baht 462 million and Baht 412 million, respectively represented the promissory notes from non-related parties due within January 2012 and January 2011, respectively with interest charged at 5.25% per annum and 5.5% per annum, respectively without guarantee.

### 17 Employee benefit obligations

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

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

Movement in the present value of the defined benefit obligations

	<b>Consolidated and separate financial statements</b> <i>(in thousand Baht)</i>
<i><b>For the nine-month period ended 30 September 2011</b></i>	
Defined benefit obligations at 1 January 2011	47,364
Current service costs and interest	8,737
Payment of employee benefits	(1,546)
<b>Defined benefit obligations at 30 September 2011</b>	<b>54,555</b>

Expense recognised in profit or loss

***For the three-month and nine-month periods ended 30 September 2011***

	<b>Consolidated and Separate financial statements</b>	
	Three-month periods	Nine-month periods
	<i>(in thousand Baht)</i>	
Current service costs	2,468	7,405
Interest on obligation	444	1,332
<b>Total</b>	<b>2,912</b>	<b>8,737</b>

**Syntec Construction Public Company Limited and Joint Ventures**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

The above expense is recognised in the following line items:

*For the three-month and nine-month periods ended 30 September 2011*

	<b>Consolidated and Separate financial statements</b>	
	Three-month periods	Nine-month periods
	<i>(in thousand Baht)</i>	
Cost of construction	2,277	6,831
Administrative expenses	262	786
Management benefit expenses	373	1,120
<b>Total</b>	<b><u>2,912</u></b>	<b><u>8,737</u></b>

Principal actuarial assumptions at the reporting date

	(%)
<i>For the nine-month period ended 30 September 2011</i>	
Discount rate	3.75
Salary increase rate	6.00 – 8.00
Staff turnover rate	0 – 18.00
Mortality rate (Thai Mortality Ordinary Table 1997)	TMO 1997
Disability rate	5% of mortality rate

## 18 Provisions

	<b>Separate financial statements</b>	
	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
<b>Non-current</b>		
Estimated loss under joint venture agreement	<u>435,258</u>	<u>489,306</u>
<b>Total</b>	<b><u>435,258</u></b>	<b><u>489,306</u></b>

Movements during the nine-month periods ended 30 September 2011 were as follows:

	<b>Separate financial statements</b>	
	Estimated loss under the joint venture agreements	<b>Total</b>
	<i>(in thousand Baht)</i>	
<b>At 1 January 2011</b>	489,306	489,306
Provision reversed	<u>(54,048)</u>	<u>(54,048)</u>
<b>At 30 September 2011</b>	<b><u>435,258</u></b>	<b><u>435,258</u></b>

# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### Estimated loss under joint venture agreement

	Separate financial statements	
	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
Joint Venture between Siam Syntech Construction Plc. and Federal Engineering Co., Ltd.	-	36,497
Syntec – Mivan Joint Venture	435,258	452,809
<b>Total</b>	<b>435,258</b>	<b>489,306</b>

## 19 Share capital

	<i>Par value (Baht)</i>	30 September 2011		31 December 2010	
		<i>Number (in thousand shares)</i>	<i>Value (in thousand Baht)</i>	<i>Number (in thousand shares)</i>	<i>Value (in thousand Baht)</i>
<b>Authorized share capital</b>					
At the beginning of period					
- Ordinary shares	<i>1</i>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
<b>At the end of period</b>					
- Ordinary shares	<i>1</i>	<u><b>1,600,000</b></u>	<u><b>1,600,000</b></u>	<u><b>1,600,000</b></u>	<u><b>1,600,000</b></u>
<b>Issued and paid up share capital</b>					
At the beginning of period					
- Ordinary shares	<i>1</i>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
<b>At the end of period</b>					
- Ordinary shares	<i>1</i>	<u><b>1,600,000</b></u>	<u><b>1,600,000</b></u>	<u><b>1,600,000</b></u>	<u><b>1,600,000</b></u>

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

## 20 Legal reserve

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

For the nine-month periods ended 30 September 2011 and 2010, the Company allocated as legal reserve at 5% of profit for the period in the amount of Baht 6.31 million and Baht 6.44 million, respectively.

## 21 Dividends

At the Annual Ordinary General Meeting of the Shareholders of the Company held on 29 April 2011 and 2010, approved the appropriation of dividends of Baht 0.03 per share and Baht 0.03 per share, respectively, amounting to Baht 48 million and Baht 48 million, respectively. The dividends were paid to shareholders during the year 2011 and 2010, respectively.



# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 22 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.

### 23 Earnings per share

The calculation of basic earnings per share for the three-month and the nine-month periods ended 30 September 2011 and 2010 was based on the profit for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

	<b>Consolidated financial statements</b>			
	Three-month periods		Nine-month periods	
	2011	2010	2011	2010
Profit attributable to equity holders of the Company (basic) (in thousand Baht)	52,085	21,652	95,687	124,450
Number of ordinary shares outstanding (in thousand shares)	1,600,000	1,600,000	1,600,000	1,600,000
<b>Basic earnings per share (in Baht)</b>	<b>0.03</b>	<b>0.01</b>	<b>0.06</b>	<b>0.08</b>
	<b>Separate financial statements</b>			
	Three-month periods		Nine-month periods	
	2011	2010	2011	2010
Profit attributable to equity holders of the Company (basic) (in thousand Baht)	63,860	31,587	126,182	128,869
Number of ordinary shares outstanding (in thousand shares)	1,600,000	1,600,000	1,600,000	1,600,000
<b>Basic earnings per share (in Baht)</b>	<b>0.04</b>	<b>0.02</b>	<b>0.08</b>	<b>0.08</b>

# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 24 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in Million Baht)</i>			
<b>Capital commitments</b>				
Worker lodgings	-	1	-	1
<b>Other commitments</b>				
Subcontractor agreements	699	480	699	480
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	2,014	1,404	1,738	1,128
Commission agreement	66	172	66	172
<b>Total</b>	<b>2,779</b>	<b>2,057</b>	<b>2,503</b>	<b>1,781</b>

As at 30 September 2011 and 31 December 2010, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 1,492 million and Baht 1,867 million, respectively.

### 25 Contingent liabilities and other events

As at 30 September 2011, contingent liabilities were as follows:

- The Company had contingent liabilities due to be sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 89 million. Such case has been in the process of consideration by the Court, which has not been finalized.
- On 26 September 2011, the Company received the notice from a domestic commercial bank to pay the bank charge from 1997 to 2011 for guarantee on 2 projects in the amount of Baht 30 million based on two bank guarantee amount of Baht 174 million. Subsequently, on 21 October 2011, the Company informed the bank to cancel the above bank charge of Baht 30 million because the Company used the right to terminate the contract with 2 owners already which the bank, as guarantor, was not jointly liable on the guarantee amount including bank charge debt incurred before the Central Bankruptcy Court approved the rehabilitation plan of the Company (on 21 June 2000), and the bank did not submit claim under the rehabilitation plan on that time. In addition, the rehabilitation plan required all creditors agreed to haircut fees. Therefore, the bank had no right to charge such fees from the Company.

#### **Other events**

On 11 February 2011, the black case no. 270/2554, the Company, as the plaintiff, sued Kempin Siam Company Limited (“the Employer”) regarding false of construction agreement in the amount of Baht 301 million. Subsequently, on 30 June 2011, the Employer sued the Company as the black case no. 1146/2554 regarding false of construction agreement and claim compensation in the amount of Baht 2,864 million. As of 14 November 2011, two cases as the above mentioned has been in the process of the Court’s consideration, the result has not been finalized.

# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

On 28 June 2011, the black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million. As of 14 November 2011, the case has been in the process of the Court's consideration, the result has not been finalized.

### 26 Expenses by nature

Certain accounts included in calculating profit from operations for the nine-month periods ended 30 September 2011 and 2010 have been classified by nature as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Raw material and consumables used	995	721	995	721
Subcontractor cost	1,355	1,621	1,353	1,563
Employee and workers benefits expenses	690	562	690	562
Depreciation and amortization expenses	64	79	66	76
Management benefit expenses	14	20	14	20
Bad debt and doubtful debt expense	126	16	114	16
Estimated loss under the joint venture				
Agreements	-	-	-	63
Estimated penalties under construction contracts	-	13	-	-
Other expenses	392	508	392	517
<b>Total</b>	<b>3,636</b>	<b>3,540</b>	<b>3,624</b>	<b>3,538</b>

### 27 Financial Reporting Standards (TFRS) not yet adopted

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

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

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

# Syntec Construction Public Company Limited and Joint Ventures

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 28 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2010 and statements of comprehensive income for the three-month and the nine-month periods ended 30 September 2010 have been reclassified to more appropriate and conform to the presentation in the 2011 interim financial statements as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify <i>(in thousand Baht)</i>	Before reclassify	Reclassify	After reclassify
<b>Statement of financial position</b>						
Property, plant and equipment	522,670	(4,136)	518,534	530,912	(4,136)	526,776
Land under development	99,644	(99,644)	-	99,644	(99,644)	-
Investment properties	-	103,780	103,780	-	103,780	103,780
	<u>622,314</u>	<u>-</u>	<u>622,314</u>	<u>630,556</u>	<u>-</u>	<u>630,556</u>
<b>Three-month period</b>						
	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify <i>(in thousand Baht)</i>	Before reclassify	Reclassify	After reclassify
<b>Statement of comprehensive income</b>						
Other income	29,977	(27,625)	2,352	28,215	(27,625)	590
Cost of construction	(1,186,503)	25,003	(1,161,500)	(1,183,623)	25,003	(1,158,620)
Selling expenses	(2,622)	1,896	(726)	(2,622)	1,896	(726)
Administrative expenses	(35,375)	726	(34,649)	(34,263)	726	(33,537)
	<u>(1,194,523)</u>	<u>-</u>	<u>(1,194,523)</u>	<u>(1,192,293)</u>	<u>-</u>	<u>(1,192,293)</u>
<b>Nine-month period</b>						
	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify <i>(in thousand Baht)</i>	Before reclassify	Reclassify	After reclassify
<b>Statement of comprehensive income</b>						
Other income	81,986	(78,494)	3,492	80,181	(78,494)	1,687
Cost of construction	(3,448,963)	54,404	(3,394,559)	(3,390,961)	54,404	(3,336,557)
Selling expenses	(24,090)	21,843	(2,247)	(24,090)	21,843	(2,247)
Administrative expenses	(97,237)	2,247	(94,990)	(102,474)	2,247	(100,227)
	<u>(3,488,304)</u>	<u>-</u>	<u>(3,488,304)</u>	<u>(3,437,344)</u>	<u>-</u>	<u>(3,437,344)</u>