# Syntec Construction Public Company Limited and its Subsidiaries

Interim financial statements
for the three-months and six-months period ended
30 June 2013
and
Independent auditor's report
on review of interim financial information

# NPS Siam

**NPS Siam Audit Limited**

SSP Tower, 5th 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

## Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, as at 30 June 2013, the related consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, changes in equity and cash flows for the six-month period then ended, and condensed notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

*Scope of Review*

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

*Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

**NPS Siam**

*Emphasis of Matters*

Without qualifying my conclusion, I draw your attention to notes 4 and 20 to the interim financial information describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The consolidated and separate statements of financial position as at 31 December 2012 and 1 January 2012, which are included as a comparative information, are components of audited consolidated and separate financial statements after making the adjustments described in note 4. I have audited these adjustments and, based on my audit, in my opinion, such adjustments are appropriate and have been properly applied. The consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2012, change in equity and cash flows for the six - month period ended 30 June 2012, which are included as comparative information, have also been adjusted as described in note 4. I have reviewed these adjustments and, based on my review, nothing has come to my attention to indicate that such adjustments are not appropriate and properly applied.

Maliwan Phahuwattanak

(Maliwan Phahuwattanakorn)
Certified Public Accountant
Registration Number 4701

NPS Siam Audit Limited
Bangkok
7 August 2013

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of financial position**

**As at 30 June 2013**

| Assets | Note | Consolidated financial statements | | | Separate financial statements | | |
|---|---|---|---|---|---|---|---|
| | | 30 June 2013 (Unaudited) | 31 December 2012 (Restated) | 1 January 2012 (Restated) | 30 June 2013 (Unaudited) | 31 December 2012 (Restated) | 1 January 2012 (Restated) |
| | | | | *(in thousand Baht)* | | | |
| *Current assets* | | | | | | | |
| Cash and cash equivalents | | 286,609 | 246,854 | 403,812 | 270,556 | 217,973 | 402,579 |
| Current investments | *8* | 200,380 | 60,173 | 50,123 | 200,380 | 60,173 | 50,123 |
| Trade accounts receivable | *9* | 513,468 | 545,600 | 688,455 | 490,468 | 522,600 | 665,455 |
| Other receivables | *7, 10* | 55,121 | 54,237 | 85,872 | 51,158 | 50,628 | 477,589 |
| Retention receivable under construction contracts | *11* | 558,501 | 564,621 | 444,262 | 526,572 | 532,692 | 412,333 |
| Unbilled construction in progress | *12* | 1,079,152 | 1,094,701 | 839,264 | 1,079,152 | 1,094,701 | 839,264 |
| Inventories | | 111,125 | 140,250 | 255,796 | 111,125 | 140,249 | 255,796 |
| Advance payments to subcontractors | | 33,677 | 35,756 | 81,980 | 33,677 | 35,756 | 81,980 |
| Other current assets | | 391 | 391 | 391 | - | - | - |
| **Total current assets** | | **2,838,424** | **2,742,583** | **2,849,955** | **2,763,088** | **2,654,772** | **3,185,119** |
| *Non-current assets* | | | | | | | |
| Investment in subsidiary | *13* | - | - | - | 52,000 | 52,000 | - |
| Investment in associate | *14* | 394 | 409 | 46 | - | - | - |
| Other long-term investments | *7, 15* | 435,936 | 292,482 | 220,698 | 435,936 | 292,482 | 220,698 |
| Long-term loans | *7, 16* | - | - | - | - | - | - |
| Investment properties | *17* | 101,930 | 102,300 | 103,040 | 101,930 | 102,300 | 103,040 |
| Property, plant and equipment | *18* | 903,935 | 798,794 | 611,347 | 813,405 | 729,742 | 616,895 |
| Intangible assets | *19* | 3,291 | 5,171 | 8,141 | 3,291 | 5,171 | 8,141 |
| Withholding tax | | 221,253 | 142,264 | 284,649 | 221,252 | 142,198 | 284,584 |
| Pledged deposit at bank | | 136,647 | 155,343 | 203,066 | 136,647 | 155,343 | 203,066 |
| Deferred tax assets | *4, 20* | 19,598 | 29,684 | 29,528 | 19,598 | 29,684 | 29,528 |
| Other non-current assets | | 94,645 | 105,753 | 92,803 | 81,734 | 92,844 | 79,894 |
| **Total non-current assets** | | **1,917,629** | **1,632,200** | **1,553,318** | **1,865,793** | **1,601,764** | **1,545,846** |
| **Total Assets** | | **4,756,053** | **4,374,783** | **4,403,273** | **4,628,881** | **4,256,536** | **4,730,965** |

SYNTEC

บริษัท ซินเต็ก คอนสตรัคชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

Syntec Construction Public Company Limited and its Subsidiaries

**Statements of financial position**

**As at 30 June 2013**

| Liabilities and equity | Note | Consolidated financial statements | | | Separate financial statements | | |
|---|---|---|---|---|---|---|---|
| | | 30 June 2013 (Unaudited) | 31 December 2012 (Restated) | 1 January 2012 (Restated) | 30 June 2013 (Unaudited) | 31 December 2012 (Restated) | 1 January 2012 (Restated) |
| | | | | *(in thousand Baht)* | | | |
| ***Current liabilities*** | | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | *21* | 446,310 | 554,575 | 30,988 | 445,209 | 554,575 | 30,988 |
| Trade accounts payable | *7, 22* | 497,504 | 423,193 | 322,894 | 450,604 | 376,569 | 267,305 |
| Other payables | *23* | 146,001 | 139,709 | 246,306 | 87,587 | 81,409 | 187,985 |
| Current portion of creditors under rehabilitation plan | | 28,778 | 28,521 | 29,074 | 28,778 | 28,521 | 29,074 |
| Short-term loans | *24* | - | - | 462,000 | - | - | 462,000 |
| Current portion of financial lease liabilities | | 37,822 | 49,448 | 38,261 | 37,822 | 49,448 | 38,261 |
| Advances received from customers under construction contracts | *12* | 320,075 | 404,753 | 485,034 | 320,075 | 404,753 | 485,034 |
| Retention payables from subcontractors | | 210,913 | 190,134 | 161,558 | 210,421 | 189,684 | 161,223 |
| Undue value added tax | | 108,556 | 112,558 | 105,652 | 103,201 | 107,204 | 100,298 |
| Short-term provisions | *27* | - | 5,144 | - | - | 5,144 | - |
| Other current liabilities | | 5,748 | 5,250 | 5,400 | 5,748 | 5,250 | 5,400 |
| **Total current liabilities** | | **1,801,707** | **1,913,285** | **1,887,167** | **1,689,445** | **1,802,557** | **1,767,568** |
| ***Non-current liabilities*** | | | | | | | |
| Debentures | *25* | 350,000 | - | - | 350,000 | - | - |
| Financial lease liabilities | | 135,903 | 153,906 | 143,077 | 135,903 | 153,906 | 143,077 |
| Deferred tax liabilities | *4, 20* | 30,589 | 39,245 | 33,890 | 30,589 | 39,245 | 33,890 |
| Employee benefit obligations | *26* | 78,239 | 71,266 | 57,453 | 78,239 | 71,266 | 57,453 |
| Long-term provisions | *27* | - | - | - | 39,053 | 39,063 | 436,901 |
| **Total non-current liabilities** | | **594,731** | **264,417** | **234,420** | **633,784** | **303,480** | **671,321** |
| **Total liabilities** | | **2,396,438** | **2,177,702** | **2,121,587** | **2,323,229** | **2,106,037** | **2,438,889** |

SYNTEC

บริษัท ซินเท็ค คอนสตรักชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of financial position**

**As at 30 June 2013**

| Liabilities and equity | Note | Consolidated financial statements | | | Separate financial statements | | |
|---|---|---|---|---|---|---|---|
| | | 30 June 2013 (Unaudited) | 31 December 2012 (Restated) | 1 January 2012 (Restated) | 30 June 2013 (Unaudited) | 31 December 2012 (Restated) | 1 January 2012 (Restated) |
| | | | | *(in thousand Baht)* | | | |
| ***Equity*** | | | | | | | |
| Share capital | *28* | | | | | | |
| Authorized share capital | | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| Issued and paid-up share capital | | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| Additional paid-in capital | | | | | | | |
| Premium on ordinary shares | | 24 | 24 | 24 | 24 | 24 | 24 |
| Retained earnings | | | | | | | |
| Appropriated | | | | | | | |
| Legal reserve | *29* | 58,138 | 57,553 | 57,553 | 58,138 | 57,553 | 57,553 |
| Unappropriated | | 813,390 | 794,790 | 964,036 | 807,179 | 796,065 | 974,426 |
| Other components of equity | *7, 15* | (159,689) | (303,143) | (339,927) | (159,689) | (303,143) | (339,927) |
| **Total equity attributable to owners of the Company** | | **2,311,863** | **2,149,224** | **2,281,686** | **2,305,652** | **2,150,499** | **2,292,076** |
| Non-controlling interests | | 47,752 | 47,857 | - | - | - | - |
| **Total equity** | | **2,359,615** | **2,197,081** | **2,281,686** | **2,305,652** | **2,150,499** | **2,292,076** |
| **Total liabilities and equity** | | **4,756,053** | **4,374,783** | **4,403,273** | **4,628,881** | **4,256,536** | **4,730,965** |

SYNTEC

บริษัท ซินเทค คอนสตรักชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of comprehensive income**

**For the three-month period ended 30 June 2013 (Unaudited)**

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| | | *(in thousand Baht)* | | | |
| *Revenues* | | | | | |
| Revenue from construction | | 1,420,427 | 1,116,951 | 1,420,427 | 1,116,951 |
| Interest income | | 2,066 | 2,616 | 2,017 | 2,604 |
| Gain on sale of equipment | | - | 760 | - | 760 |
| Reversal of allowance for doubtful accounts | *9, 11* | 270 | 150 | 270 | 150 |
| Reversal of estimated loss under joint venture agreements | *27* | - | - | 10 | - |
| Other income | | 509 | 551 | 509 | 532 |
| **Total revenues** | | **1,423,272** | **1,121,028** | **1,423,233** | **1,120,997** |
| *Expenses* | | | | | |
| Cost of construction | *26* | 1,309,705 | 1,132,085 | 1,316,703 | 1,132,808 |
| Selling expenses | | 25 | 368 | 25 | 368 |
| Administrative expenses | *26* | 64,737 | 49,534 | 64,927 | 47,831 |
| Other expenses | *7, 10, 12* | 98 | 975 | 866 | 2,783 |
| Finance cost | | 11,723 | 8,571 | 11,723 | 8,571 |
| **Total expenses** | | **1,386,288** | **1,191,533** | **1,394,244** | **1,192,361** |
| Share of loss of investments in associate | *14* | (7) | (3) | - | - |
| **Profit (loss) before income tax expense** | | **36,977** | **(70,508)** | **28,989** | **(71,364)** |
| Income tax expense (revenues) | *4, 20* | 8,156 | (8,657) | 8,156 | (8,657) |
| **Profit (loss) for the period** | | **28,821** | **(61,851)** | **20,833** | **(62,707)** |
| **Other comprehensive loss** | | | | | |
| Loss in fair value of available-for-sale | *15* | (36,783) | (3,678) | (36,783) | (3,678) |
| Other comprehensive loss for the period | | (36,783) | (3,678) | (36,783) | (3,678) |
| **Total comprehensive loss for the period** | | **(7,962)** | **(65,529)** | **(15,950)** | **(66,385)** |

SYNTEC

บริษัท ซินเท็ค คอนสตรักชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of comprehensive income**

**For the three-month period ended 30 June 2013 (Unaudited)**

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| | | *(in thousand Baht)* | | | |
| **Profit (loss) attributable to :-** | | | | | |
| Owners of the Company | | **28,909** | **(61,710)** | **20,833** | **(62,707)** |
| Non - controlling interests | | **(88)** | **(141)** | **-** | **-** |
| | | **28,821** | **(61,851)** | **20,833** | **(62,707)** |
| **Total comprehensive loss attributable to :-** | | | | | |
| Owners of the Company | | **(7,874)** | **(65,388)** | **(15,950)** | **(66,385)** |
| Non - controlling interests | | **(88)** | **(141)** | **-** | **-** |
| | | **(7,962)** | **(65,529)** | **(15,950)** | **(66,385)** |
| **Earnings (loss) per share** | | | | | |
| Basic (in Baht) | *32* | **0.02** | **(0.04)** | **0.01** | **(0.04)** |

บริษัท ซินเทค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of comprehensive income**

**For the six-month period ended 30 June 2013 (Unaudited)**

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| | | *(in thousand Baht)* | | | |
| *Revenues* | | | | | |
| Revenue from construction | | 2,727,529 | 2,232,571 | 2,727,529 | 2,232,571 |
| Interest income | | 3,146 | 3,841 | 3,097 | 3,829 |
| Gain on sale of equipment | | - | 846 | - | 846 |
| Reversal of allowance for doubtful accounts | *9, 11* | 420 | 300 | 420 | 300 |
| Reversal of estimated loss under joint venture agreements | *27* | - | - | 10 | 4,045 |
| Other income | | 997 | 8,384 | 997 | 1,607 |
| **Total revenues** | | **2,732,092** | **2,245,942** | **2,732,053** | **2,243,198** |
| *Expenses* | | | | | |
| Cost of construction | *26* | 2,541,739 | 2,247,128 | 2,549,453 | 2,248,574 |
| Selling expenses | | 272 | 610 | 272 | 610 |
| Administrative expenses | *26* | 134,741 | 99,437 | 131,010 | 96,236 |
| Other expenses | *7, 10, 12* | 13,045 | 2,316 | 16,419 | 10,688 |
| Finance cost | | 21,770 | 17,281 | 21,770 | 17,281 |
| **Total expenses** | | **2,711,567** | **2,366,772** | **2,718,924** | **2,373,389** |
| Share of profit (loss) of investments in associate | *14* | (15) | 380 | - | - |
| **Profit (loss) before income tax expense** | | **20,510** | **(120,450)** | **13,129** | **(130,191)** |
| Income tax expense (revenues) | *4, 20* | 1,430 | (3,457) | 1,430 | (3,457) |
| **Profit (loss) for the period** | | **19,080** | **(116,993)** | **11,699** | **(126,734)** |
| **Other comprehensive income (loss)** | | | | | |
| Profit in fair value of available-for-sale | *15* | 143,454 | 3,679 | 143,454 | 3,679 |
| Other comprehensive income for the period | | 143,454 | 3,679 | 143,454 | 3,679 |
| **Total comprehensive income (loss) for the period** | | **162,534** | **(113,314)** | **155,153** | **(123,055)** |

SYNTEC

บริษัท ซินแท็ก คอนสตรัคชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of comprehensive income**

**For the six-month period ended 30 June 2013 (Unaudited)**

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| | | *(in thousand Baht)* | | | |
| **Profit (loss) attributable to :-** | | | | | |
| Owners of the Company | | **19,185** | **(116,852)** | **11,699** | **(126,734)** |
| Non - controlling interests | | **(105)** | **(141)** | **-** | **-** |
| | | **19,080** | **(116,993)** | **11,699** | **(126,734)** |
| **Total comprehensive income (loss) attributable to :-** | | | | | |
| Owners of the Company | | **162,639** | **(113,173)** | **155,153** | **(123,055)** |
| Non - controlling interests | | **(105)** | **(141)** | **-** | **-** |
| | | **162,534** | **(113,314)** | **155,153** | **(123,055)** |
| **Earnings (loss) per share** | | | | | |
| Basic (in Baht) | *32* | **0.01** | **(0.07)** | **0.01** | **(0.08)** |

บริษัท ซินแท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

Syntec Construction Public Company Limited and its Subsidiaries

Statements of changes in equity

For the six-month period ended 30 June 2013 (Unaudited)

| | Note | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Issued and paid-up share capital | Premium on ordinary shares | Retained earnings: Legal reserve | Retained earnings: Unappropriated | Other components of equity: Net change in fair value of available-for-sale investments | Total equity attributable to owners of the Company | Non-controlling interests | Total equity |
| | | (in thousand Baht) | | | | | | | |
| **Balance at 1 January 2012 - as reported** | | **1,600,000** | **24** | **57,553** | **968,398** | **(339,927)** | **2,286,048** | **-** | **2,286,048** |
| Cumulative effect of change in accounting policy regarding accounting for income tax | *4, 20* | - | - | - | (4,362) | - | (4,362) | - | (4,362) |
| **Balance at 1 January 2012 - restated** | | **1,600,000** | **24** | **57,553** | **964,036** | **(339,927)** | **2,281,686** | **-** | **2,281,686** |
| Non-controlling interests | | - | - | - | - | - | - | 36,000 | 36,000 |
| Dividends | *30* | - | - | - | (32,000) | - | (32,000) | - | (32,000) |
| Comprehensive income (loss) for the period (restated) | | - | - | - | (116,852) | 3,679 | (113,173) | (141) | (113,314) |
| **Balance at 30 June 2012** | | **1,600,000** | **24** | **57,553** | **815,184** | **(336,248)** | **2,136,513** | **35,859** | **2,172,372** |
| **Balance at 1 January 2013 - as reported** | | **1,600,000** | **24** | **57,553** | **804,351** | **(303,143)** | **2,158,785** | **47,857** | **2,206,642** |
| Cumulative effect of change in accounting policy regarding accounting for income tax | *4, 20* | - | - | - | (9,561) | - | (9,561) | - | (9,561) |
| **Balance at 1 January 2013 - restated** | | **1,600,000** | **24** | **57,553** | **794,790** | **(303,143)** | **2,149,224** | **47,857** | **2,197,081** |
| Transfer to legal reserve | *29* | - | - | 585 | (585) | - | - | - | - |
| Comprehensive income (loss) for the period | | - | - | - | 19,185 | 143,454 | 162,639 | (105) | 162,534 |
| **Balance at 30 June 2013** | | **1,600,000** | **24** | **58,138** | **813,390** | **(159,689)** | **2,311,863** | **47,752** | **2,359,615** |

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

บริษัท ซินเท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of changes in equity**

**For the six-month period ended 30 June 2013 (Unaudited)**

| | | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Retained earnings | | Other components of equity | |
| | Note | Issued and paid-up share capital | Premium on ordinary shares | Appropriated legal reserve | Unappropriated | Net change in fair value of available-for-sale investments | Total equity |
| | | (in thousand Baht) | | | | | |
| **Balance at 1 January 2012 - as reported** | | **1,600,000** | **24** | **57,553** | **978,788** | **(339,927)** | **2,296,438** |
| Cumulative effect of change in accounting policy regarding accounting for income tax | *4, 20* | - | - | - | (4,362) | - | (4,362) |
| **Balance at 1 January 2012 - restated** | | **1,600,000** | **24** | **57,553** | **974,426** | **(339,927)** | **2,292,076** |
| Dividends | *30* | - | - | - | (32,000) | - | (32,000) |
| Comprehensive income (loss) for the period (restated) | | - | - | - | (126,734) | 3,679 | (123,055) |
| **Balance at 30 June 2012** | | **1,600,000** | **24** | **57,553** | **815,692** | **(336,248)** | **2,137,021** |
| **Balance at 1 January 2013 - as reported** | | **1,600,000** | **24** | **57,553** | **805,626** | **(303,143)** | **2,160,060** |
| Cumulative effect of change in accounting policy regarding accounting for income tax | *4, 20* | - | - | - | (9,561) | - | (9,561) |
| **Balance at 1 January 2013 - restated** | | **1,600,000** | **24** | **57,553** | **796,065** | **(303,143)** | **2,150,499** |
| Transfer to legal reserve | *29* | - | - | 585 | (585) | - | - |
| Comprehensive income for the period | | - | - | - | 11,699 | 143,454 | 155,153 |
| **Balance at 30 June 2013** | | **1,600,000** | **24** | **58,138** | **807,179** | **(159,689)** | **2,305,652** |

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

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of cash flows**

**For the six-month period ended 30 June 2013 (Unaudited)**

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | *Note* | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| | | *(in thousand Baht)* | | | |
| ***Cash flows from operating activities*** | | | | | |
| Profit (loss) for the period | | 19,080 | (116,993) | 11,699 | (126,734) |
| *Adjustments for* | | | | | |
| Reversal of allowance for doubtful accounts | | (420) | (300) | (420) | (300) |
| Doubtful debt | | 11,529 | 2,316 | 14,903 | 10,688 |
| Depreciation and amortization | | 45,641 | 46,565 | 53,355 | 48,011 |
| Interest income | | (3,146) | (3,841) | (3,097) | (3,829) |
| Interest expense | | 21,770 | 17,281 | 21,770 | 17,281 |
| (Gain) loss on sale of equipment | | 1,516 | (846) | 1,516 | (846) |
| Unrealized loss on exchange rate | | 257 | 70 | 257 | 70 |
| Unrealized gain on change in fair value of current investments | | - | (289) | - | (289) |
| Share of (gain) loss from investments in associate | | 15 | (380) | - | - |
| Allowance for impairment of asset | | 99 | - | - | - |
| Reversal of estimated loss under joint venture agreement | | - | - | (10) | (4,045) |
| Expense of employee benefits | | 7,573 | 7,293 | 7,573 | 7,293 |
| Income tax expense (revenue) | | 1,430 | (3,457) | 1,430 | (3,457) |
| | | 105,344 | (52,581) | 108,976 | (56,157) |
| *Changes in operating assets and liabilities* | | | | | |
| Trade accounts receivable | | 32,281 | 98,878 | 32,281 | 98,878 |
| Other receivables | | (7,924) | 1,762 | (10,944) | (2,539) |
| Retention receivable under construction contract | | 6,390 | (86,091) | 6,390 | (86,091) |
| Unbilled construction in progress | | 5,837 | (241,286) | 5,837 | (241,286) |
| Inventories | | 29,124 | 90,185 | 29,124 | 90,185 |
| Advance payments to subcontractors | | 2,079 | 51,228 | 2,079 | 51,228 |
| Withholding tax paid | | (79,089) | (60,499) | (79,053) | (60,499) |
| Withholding tax returned | | - | 139,078 | - | 139,078 |
| Other non-current assets | | 11,109 | (1,227) | 11,109 | (1,227) |
| Trade accounts payable | | 74,312 | 130,108 | 74,035 | 138,466 |
| Advance received under construction contracts | | (84,678) | (89,282) | (84,678) | (89,282) |
| Retention payable from subcontractors | | 20,779 | 4,901 | 20,737 | 4,876 |
| Other payables | | 6,292 | (67,073) | 6,177 | (67,641) |
| Undue value added tax | | (4,003) | - | (4,003) | - |
| Other current liabilities | | 644 | 7,413 | 644 | 7,413 |
| Payment of short-term provisions | | (5,144) | - | (5,144) | - |
| Payment of employee benefit liabilities | | (600) | (589) | (600) | (589) |
| Net cash provied by (used in) operating activities | | 112,753 | (75,075) | 112,967 | (75,187) |

SYNTEC
บริษัท ซินเท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

**Syntec Construction Public Company Limited and its Subsidiaries**

**Statements of cash flows**

**For the six-month period ended 30 June 2013 (Unaudited)**

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2013 | 2012 (Restated) | 2013 | 2012 (Restated) |
| | | *(in thousand Baht)* | | | |
| ***Cash flows from investing activities*** | | | | | |
| Interest received | | 3,134 | 3,797 | 3,084 | 3,785 |
| Purchase of current investments | | (350,000) | (160,000) | (350,000) | (160,000) |
| Proceeds from current investments | | 209,793 | 190,000 | 209,793 | 190,000 |
| Purchase of investment in subsidiary | | - | - | - | (39,000) |
| Purchase of other long-term investments | | - | (35,000) | - | (35,000) |
| Pledged deposit at bank | | 18,696 | 27,792 | 18,696 | 27,792 |
| Purchase of property, plant and equipment | | (151,879) | (129,601) | (138,115) | (59,856) |
| Purchase of intangible assets | | (232) | (1,221) | (232) | (1,221) |
| Sales of equipments | | 1,918 | 16,829 | 1,918 | 16,829 |
| **Net cash used in investing activities** | | **(268,570)** | **(87,404)** | **(254,856)** | **(56,671)** |
| ***Cash flows from financing activities*** | | | | | |
| Interest paid | | (16,533) | (25,017) | (16,533) | (25,017) |
| Dividends paid | | - | (31,943) | - | (31,943) |
| Bank overdrafts | | (8,266) | 8,860 | (9,366) | 8,860 |
| Proceeds from short-term loan from financial institutions | | 270,000 | 450,000 | 270,000 | 450,000 |
| Payment of short-term loans from financial institutions | | (370,000) | (25,000) | (370,000) | (25,000) |
| Payment of short-term loans from other parties | | - | (462,000) | - | (462,000) |
| Proceeds from issuing of debentures | | 350,000 | - | 350,000 | - |
| Proceeds from non-controlling interests | | - | 36,000 | - | - |
| Finance lease payment | | (29,629) | (26,180) | (29,629) | (26,180) |
| **Net cash provided by (used in) financing activities** | | **195,572** | **(75,280)** | **194,472** | **(111,280)** |
| **Net increase (decrease) in cash and cash equivalents** | | **39,755** | **(237,759)** | **52,583** | **(243,138)** |
| Cash and cash equivalents at beginning of period | | 246,854 | 403,812 | 217,973 | 402,579 |
| **Cash and cash equivalents at end of period** | | **286,609** | **166,053** | **270,556** | **159,441** |
| ***Non-cash transactions*** | | | | | |
| Purchase of machinery and vehicle under finance lease agreements | *18* | - | 24,378 | - | 24,378 |

บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

# Syntec Construction Public Company Limited and its Subsidiaries
## Notes to the interim financial statements
## For the three-month and six-month periods ended 30 June 2013 (Unaudited)


| Note | Contents |
|---|---|
| 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 | Current investments |
| 9 | Trade accounts receivable |
| 10 | Other receivables |
| 11 | Retention receivable under construction contracts |
| 12 | Unbilled construction in progress |
| 13 | Investments in subsidiary |
| 14 | Investments in associate |
| 15 | Other long-term investments |
| 16 | Long-term loans |
| 17 | Investment properties |
| 18 | Property, plant and equipment |
| 19 | Intangible assets |
| 20 | Deferred tax |
| 21 | Bank overdrafts and short-term loans from financial institution |
| 22 | Trade accounts payable |
| 23 | Other payables |
| 24 | Short-term loans |
| 25 | Debentures |
| 26 | Employee benefit obligations |
| 27 | Provisions |
| 28 | Share capital |
| 29 | Legal reserve |
| 30 | Dividends |
| 31 | Segment information |
| 32 | Earnings (loss) per share |
| 33 | Commitments with non-related parties |
| 34 | Contingent liabilities and assets |
| 35 | Events after the reporting period |
| 36 | Thai Financial Reporting Standards (TFRS) not yet adopted |


SYNTEC
บริษัท ซินเทคคอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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 7 August 2013.

## 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 28 June 2013.

| | *(%) of total paid-up share capital* |
|---|---|
| Phahusuth Group and Taneehiranrat Group | 13.83 |
| Subandit Group | 6.64 |

The principal business of the Company is construction.

Details of the Company's subsidiary and joint ventures were as follows:

| Name of entity | Type of business | Country of incorporation | Ownership interest (%) 30 June 2013 | Ownership interest (%) 31 December 2012 |
|---|---|---|---|---|
| *Direct subsidiary* | | | | |
| 1) SCR Asset Management Co., Ltd. | Real estate development for rental (not commercial operations yet) | Thailand | 52 | 52 |
| *Joint ventures* | | | | |
| 1) SVK Joint venture | Construction (ceased operations) | Thailand | 51 | 51 |
| 2) Syntec - Mivan Joint venture | Construction (end of construction contract) | Thailand | 65 | 65 |

## 2 Basis of preparation of interim financial statements

### *2.1 Statement of compliance*

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

SYNTEC
บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP), and related applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2012. The financial statements 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 of the Company and the subsidiary for the year ended 31 December 2012.

The FAP issued the new and revised Thai Financial Reporting Standards ("TFRS") and Announcements relevant to the Group/Company's operations and effective for accounting periods beginning on or after 1 January 2013:

| TFRS | Topic |
|---|---|
| **TAS** | |
| TAS 12 | Income Taxes |
| TAS 20 (revised 2009) | Accounting for Government Grants and Disclosures of Government Assistance |
| TAS 21 (revised 2009) | The Effects of Changes in Foreign Exchange Rate |
| **TFRS** | |
| TFRS 8 | Operating Segments |
| **FAP's Announcement 34/2555** | Accounting Guidance for Transfers of Financial Assets |

The adoption of these new and revised TFRS and FAP Announcements has resulted in changes in accounting policies of the Group/Company's. The effects of changes in accounting policies as disclosed in notes 4 to the financial statements.

In addition to the above new and revised TFRS and Announcement as at 30 June 2013, the FAP had issued a number of new interpretations which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these interim financial statements as disclosed in notes 36 to the financial statements.

### 2.2 *Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Group/the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand/million unless otherwise stated.

### 2.3 *Use of estimates and judgments*

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, 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 judgments made by management in applying the Group/the Company'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 2012. Changes principally derive from the adoption of new and revised TFRS from 1 January 2013.

Information about areas of estimation and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the interim financial statements is:

| | |
|---|---|
| *Notes 14 and 15* | *Allowance for impairment of investments* |
| *Notes 4 and 20* | *Income tax for the current period and deferred tax* |
| *Note 26* | *Discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate.* |
| *Notes 27* | *Estimated construction project costs, provision for losses on construction projects and estimated loss under joint venture agreement* |
| *Note 34* | *Contingent liabilities and litigation* |

*2.4* The consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2013 and 2012 included the investments and share of profit (loss) of investments in an associate, which had been accounted for by equity method amounted to Baht (0.01) million and Baht (0.01) million and Baht (0.02) million and Baht (0.38) million, respectively in the consolidated financial statements, based on financial statements of such associate, which had been reviewed by the other auditor. In addition, the Company had no obligation under the guarantee for such associate and an allowance for impairment of investments in the abovementioned associate was set up as at 30 June 2013 and 31 December 2012 in the amount of Baht 10 million and Baht10 million, respectively in the separate financial statements. Please also see note 14 to the financial statements. However, the values of the investments in the associate were not significant.

## 3 Significant accounting policies

The Group/the Company have significant accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2012, except for the changes in accounting policies as described in notes 4 to the financial statements.

## 4 Changes in accounting policies

Since 1 January 2013, the adoption of these new and revised TFRS and The FAP's Announcement as described in note 2 to the financial statements, the Group/the Company have change in accounting policies in the following areas :

*4.1 Accounting for income tax*

The principal change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the financial statements.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group/the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group/Company adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognized retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

| | **Consolidated and separate financial statements** | | |
|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 1 January 2012 |
| | | *(in million Baht)* | |
| ***Statement of financial position*** | | | |
| Increase in deferred tax assets | 20 | 30 | 30 |
| Increase in deferred tax liabilities | 31 | 39 | 34 |
| Decrease in retained earnings | (11) | (9) | (4) |
| Decrease in shareholders' equity | (11) | (9) | (4) |
| **Decrease in total equity** | **(11)** | **(9)** | **(4)** |

| | **Consolidated and separate financial statements** | |
|---|---|---|
| | 2013 | 2012 |
| | *(in million Baht)* | |
| ***Statement of comprehensive income for the three-month period ended 30 June*** | | |
| (Increase) decrease in income tax expense | (8) | 8 |
| Increase (decrease) in profit for the period | (8) | 8 |
| Increase (decrease) in earnings per share | | |
| Basic earnings per share (in Baht) | (0.01) | 0.01 |

SYNTEC
บริษัท ซินเต็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

| | Consolidated and separate financial statements | |
|---|---|---|
| | 2013 | 2012 |
| | *(in million Baht)* | |
| *for the six-month period ended 30 June* | | |
| (Increase) decrease in income tax expense | (2) | 3 |
| Increase (decrease) in profit for the period | (2) | 3 |
| Increase (decrease) in earnings per share | | |
| - Basic earnings per share (in Baht) | - | - |

*4.2 Accounting for the effects of changes in foreign exchange rates*

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 from 1 January 2013 has not had a significant impact on the Group/the Company's reported assets, liabilities or retained earnings.

*4.3 Presentation of information on operating segments*

From 1 January 2013, the Group/Company has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segment has been applied retrospectively and segment information included in the 2012 financial statements, which are included in the Group's / Company's 2013 interim financial statements for comparative purpose, has been re-presented accordingly.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in Group/the Company's financial statements.

## 5 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 biding 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 % |

Syntec – Mivan Joint Venture had already finished its own construction and 3 projects amounted to 8,582 units were inspected by National Housing Authority. The retention for dilapidation of those projects was due in March 2012. As of 7 August 2013, the Company has been in the process of requesting the amount of retention from National Housing Authority and please see note 34 to the financial statements.

As of 7 August 2013, the above mentioned related company was insolvent and was sued by other creditors to be bankrupt.

SYNTEC
บริษัท ซินเท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

Summary of statements of financial position information of Syntec – Mivan Joint Venture as at 30 June 2013 and 31 December 2012 were as follows:

| | 30 June 2013 | 31 December 2012 |
|---|---|---|
| | *(in million Baht)* | |
| **Information of statement of financial position** | | |
| Current assets | 93 | 93 |
| Non-current assets | 20 | 20 |
| **Total assets** | **113** | **113** |
| Current liabilities | 788 | 783 |
| Deficit in venturers' equity | (675) | (670) |
| **Total liabilities net deficit in venturers' equity** | **113** | **113** |

Summary of statements of comprehensive income information of Syntec – Mivan Joint Venture for the six-month periods ended 30 June 2013 and 2012 were as follows:

| | 2013 | 2012 |
|---|---|---|
| | *(in million Baht)* | |
| **Information of statement of comprehensive income** | | |
| Total revenues | - | 10 |
| Total expenses | (5) | (4) |
| **Profit (loss) for the period** | **(5)** | **6** |

Syntec – Mivan Joint Venture had suffered recurring and had significant deficit in ventures' equity. In addition, Syntec – Mivan Joint Venture lacked of liquidity and ceased operation. 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 June 2013 and 31 December 2012, the Company recognized the estimated loss under joint venture agreement amounted to Baht 39 million and Baht 39 million, respectively in the separate financial statements as described in note 27 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

For the purposes of these financial statements, parties are considered to be related to the Group/the Company if the Group/the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Group/the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

SYNTEC
บริษัท ซินแท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Relationships with related parties were as follows:

| | Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|---|---|---|
| 1. | Natural Hotel Sukhumvit Co., Ltd. | Thailand | Associate, 25% shareholding |
| 2. | Beauconcept Development Sdn.Bhd. | - | Associate which ceased its operations and no financial information |
| 3. | SVK Joint venture | Thailand | Joint venture, 51% portion of joint which ceased its operations |
| 4. | Syntec – Mivan Joint venture | Thailand | Joint venture, 65% portion of joint which ceased its operations |
| 5. | SCR Asset Management Co., Ltd. | Thailand | Subsidiary, 52% shareholding and some common directors |
| 6. | Bangkok Metro Plc. | Thailand | Related company, 3.08 % shareholding |
| 7. | Mivan (Thailand) Co., Ltd. | Thailand | Related company as a venturer in Syntec-Mivan joint venture |
| 8. | Siam Syntec Planner Co., Ltd. | Thailand | Related company, some common directors |
| 9. | Tate Enterprise Co., Ltd. | Thailand | Related company |
| 10. | N&J Assets Management Co., Ltd. | Thailand | Related company |
| 11. | Narai Phand Co., Ltd. | Thailand | Related company |
| 12. | C.N.C. Building Co., Ltd. | Thailand | Related company |
| 13. | Key management personnel | Thailand | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group/Company (whether executive or otherwise). |

SYNTEC
บริษัท ซินแท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

| | Pricing policies |
|---|---|
| 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 |

Significant transactions for the three-month and six-month periods ended 30 June 2013 and 2012 with related parties were summarized as follows:

| | Consolidated financial statements Three-month periods | | Separate Financial statements Three-month periods | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| *Expenses* | | | | |
| **Key management personnel** | | | | |
| Management benefit expenses | | | | |
| Short-term benefit | 5,121 | 4,931 | 5,121 | 4,931 |
| Post-employment benefit | 299 | 479 | 299 | 479 |
| | 5,420 | 5,410 | 5,420 | 5,410 |

| | Consolidated financial statements Six-month periods | | Separate Financial statements Six-month periods | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| *Expenses* | | | | |
| **Key management personnel** | | | | |
| Management benefit expenses | | | | |
| Short-term benefit | 9,450 | 9,019 | 9,450 | 9,019 |
| Post-employment benefit | 599 | 957 | 599 | 957 |
| | 10,049 | 9,976 | 10,049 | 9,976 |

Balance as at 30 June 2013 and 31 December 2012 with related parties were as follows:

***Other receivables - related parties***

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| *Other receivables and advances* | | | | |
| **Joint ventures** | | | | |
| SVK Joint Venture | 5,452 | 5,450 | 11,127 | 11,121 |
| Syntec – Miyan Joint Venture | 215,240 | 213,423 | 614,971 | 609,781 |

บริษัท ซินเท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| **Subsidiary** | | | | |
| SCR Asset Management Co.,Ltd. | 3 | 10 | - | - |
| Total | 220,695 | 218,883 | 626,098 | 620,902 |
| *Less* Allowance for doubtful accounts | (219,134) | (217,318) | (622,919) | (617,729) |
| **Net** | **1,561** | **1,565** | **3,179** | **3,173** |

| | 2013 | 2012 | 2013 | 2012 |
|---|---|---|---|---|
| | *(in thousand Baht)* | | | |
| **Doubtful debt** | | | | |
| For the three month period ended 30 June | 1,026 | 974 | 2,933 | 1,461 |
| For the six month period ended 30 June | 1,816 | 2,315 | 5,190 | 10,687 |

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| **Key management personnel** | | | | |
| Advance to project managers | 3,426 | 4,014 | 3,426 | 4,014 |

As at 30 June 2013 and 31 December 2012, advance to project managers in the amount of Baht 3.43 million and Baht 4.01 million, respectively, represented the petty cash for construction projects in the amount of Baht 50,000 to Baht 100,000 per a project.

Details of investments in associates were described in notes 13 and 14 to financial statements.

***Other long-term investments***

| | Consolidated and separate financial statements | | | |
|---|---|---|---|---|
| | 30 June 2013 | | 31 December 2012 | |
| | At cost | Fair value | At cost | Fair value |
| | *(in thousand Baht)* | | | |
| ***Available – for sale securities*** | | | | |
| **Other related company** | | | | |
| Bangkok Metro Plc. | 560,625 | 400,936 | 560,625 | 257,482 |
| *Less* allowance for devaluation of investments | (159,689) | - | (303,143) | - |
| **Net** | **400,936** | **400,936** | **257,482** | **257,482** |

SYNTEC
บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

***Long-term loans to related parties***

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| **Joint ventures** | | | | |
| Siam Syntech – Wattana Engineering Joint Venture | 12,181 | 12,181 | 12,181 | 12,181 |
| **Other related company** | | | | |
| Gentech Engineering Co., Ltd. | 4,956 | 4,956 | 4,956 | 4,956 |
| Total | 17,137 | 17,137 | 17,137 | 17,137 |
| *Less* allowance for doubtful accounts | (17,137) | (17,137) | (17,137) | (17,137) |
| **Net** | - | - | - | - |

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

Movements of long-term loans to related parties for the six–month periods ended 30 June 2013 and 2012 were as follows:

| | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| At 1 January | 17,137 | 17,137 | 17,137 | 17,137 |
| No movement during the period | - | - | - | - |
| **At 30 June** | **17,137** | **17,137** | **17,137** | **17,137** |

***Trade accounts payable - related parties***

| | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| **Joint venturer** | | | | |
| Mivan (Thailand) Co., Ltd. | 41,885 | 41,885 | | - |

Venturer (Mivan (Thailand) Co., Ltd.) transferred debt in the amount of Baht 64 million (according to the proportionate ventures amounted to 65% of Baht 64 million) to the Company to settle all debt.

Details of provisions were described in note 27 to the financial statements.

SYNTEC
บริษัท ซินเทิค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

*The commitments with related parties*

The Ordinary General Meeting of Shareholders held on 29 April 2013 and 27 April 2012 resolved the approval of directors' remunerations for the year 2013 and 2012 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 200,000 per head

*Significant agreements with related parties*

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

The Company entered into a land rental agreement with a related company for use as temporary shelter for workers. The rental period covers six months from June 2013 to December 2013 with a monthly rental rate Baht 100,000.

## 8 Current investments

| | Consolidated and separate financial statements | | | |
|---|---|---|---|---|
| | 30 June 2013 | | 31 December 2012 | |
| | Cost | Fair value | Cost | Fair value |
| | *(in thousand Baht)* | | | |
| **Current investments** | | | | |
| Bills of exchange | 200,380 | 200,380 | 60,173 | 60,173 |
| **Total** | **200,380** | **200,380** | **60,173** | **60,173** |

Movements during the six-month periods ended 30 June 2013 and 2012 were as follows:

| | Consolidated and separate financial statements | |
|---|---|---|
| | 2013 | 2012 |
| | *(in thousand Baht)* | |
| **Bills of exchange** | | |
| At 1 January | 60,173 | 30,000 |
| Purchases during the period | 350,000 | 160,000 |
| Sales during the period | (209,793) | (190,000) |
| **At 30 June** | **200,380** | - |
| | | |
| **Open Fund** | | |
| At 1 January | - | 20,000 |
| Valuation adjustment | - | 413 |
| **At 30 June** | - | **20,413** |

บริษัท ซินเทค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

## 9 Trade accounts receivable

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| *Comprising:* | | | | |
| Trade accounts receivable - other parties | 610,573 | 642,855 | 587,573 | 619,855 |
| *Less* allowance for doubtful accounts | (97,105) | (97,255) | (97,105) | (97,255) |
| **Net** | **513,468** | **545,600** | **490,468** | **522,600** |

| | 2013 | 2012 | 2013 | 2012 |
|---|---|---|---|---|
| | *(in thousand Baht)* | | | |
| **Reversal of allowance for Doubtful accounts** | | | | |
| For the three-month period ended 30 June | (90) | (60) | (90) | (60) |
| For the six-month period ended 30 June | (150) | (120) | (150) | (120) |

Aging analyses for trade accounts receivable were as follows:

| | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Within credit terms | 336,485 | 290,518 | 336,485 | 290,519 |
| Still installment | 35,011 | 35,161 | 35,011 | 35,161 |
| Overdue: | | | | |
| - Less than 3 months | 49,978 | 135,416 | 49,978 | 135,416 |
| - Over 3 months to 6 months | 13,794 | 3,519 | 13,794 | 3,519 |
| - Over 6 months to 12 months | 1,043 | 55,012 | 1,043 | 55,012 |
| - Over 12 months | 174,262 | 123,229 | 151,262 | 100,228 |
| | 239,077 | 317,176 | 216,077 | 294,175 |
| **Total** | **610,573** | **642,855** | **587,573** | **619,855** |

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

SYNTEC
บริษัท ซินเต็ก คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

## 10 Other receivables

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Other receivables | 17,252 | 16,225 | 17,252 | 16,225 |
| Accrued income | 1,851 | 1,368 | 1,851 | 1,368 |
| Prepaid expenses | 31,560 | 31,207 | 30,888 | 30,545 |
| Advance | 227,031 | 226,102 | 632,435 | 628,121 |
| Prepaid value added tax | 5,090 | 5,182 | 180 | 627 |
| Total | 282,784 | 280,084 | 682,606 | 676,886 |
| *Less* allowance for doubtful accounts | (227,663) | (225,847) | (631,448) | (626,258) |
| **Net** | **55,121** | **54,237** | **51,158** | **50,628** |
| Related parties | 220,695 | 218,883 | 626,098 | 620,902 |
| Key management personnel | 3,426 | 4,014 | 3,426 | 4,014 |
| Other parties | 58,663 | 57,187 | 53,082 | 51,970 |
| | 282,784 | 280,084 | 682,606 | 676,886 |
| *Less* allowance for doubtful accounts | (227,663) | (225,847) | (631,448) | (626,258) |
| **Net** | **55,121** | **54,237** | **51,158** | **50,628** |

| | 2013 | 2012 | 2013 | 2012 |
|---|---|---|---|---|
| | *(in thousand Baht)* | | | |
| **Doubtful Debt** | | | | |
| For the three month period ended 30 June | 1,026 | 974 | 2,933 | 1,461 |
| For the six month period ended 30 June | 1,816 | 2,315 | 5,190 | 10,687 |

## 11 Retentions receivable under construction contracts

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Other parties | 601,347 | 607,737 | 569,418 | 575,808 |
| *Less* allowance for doubtful accounts | (42,846) | (43,116) | (42,846) | (43,116) |
| **Net** | **558,501** | **564,621** | **526,572** | **532,692** |

SYNTEC
บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| **Reversal of allowance for doubtful accounts** | | | | |
| For the three month period ended 30 June | (180) | (90) | (180) | (90) |
| For the six month period ended 30 June | (270) | (180) | (270) | (180) |

Aging analyses for retentions receivable under construction contracts were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Within credit terms | 428,662 | 417,030 | 428,662 | 417,030 |
| Still installment | 25,053 | 25,004 | 25,053 | 25,004 |
| Overdue: | | | | |
| - Less than 1 year | 7,751 | 40,636 | 7,751 | 18,338 |
| - Over 1 year to 2 year | 105,679 | 90,865 | 73,750 | 81,234 |
| - Over 3 year | 34,202 | 34,202 | 34,202 | 34,202 |
| | 147,632 | 165,703 | 115,703 | 133,774 |
| **Total** | **601,347** | **607,737** | **569,418** | **575,808** |

The normal period of retentions under construction granted by the Company ranges from 1 – 2 years.

The overdue retention receivable under construction contract of a joint venture as at 30 June 2013 amounted to Baht 32 million has been in the process of following up for collectible. Please also see note 5 to the financial statements.

## 12 Unbilled construction in progress

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Other parties | 1,117,865 | 1,123,701 | 1,117,865 | 1,123,701 |
| *Less* allowance for doubtful accounts | (38,713) | (29,000) | (38,713) | (29,000) |
| Net | 1,079,152 | 1,094,701 | 1,079,152 | 1,094,701 |

SYNTEC
บริษัท ซินเต็ก คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in million Baht)* | | | |
| Construction project contracts amount | 21,810 | 22,427 | 21,810 | 22,427 |
| Contract revenue recognized as revenue since commencing date to present | 15,495 | 15,060 | 15,495 | 15,060 |
| *Less* progress billings (as invoices) | (14,406) | (13,965) | (14,406) | (13,965) |
| Unbilled construction in progress | 1,089 | 1,095 | 1,089 | 1,095 |
| Unbilled construction in progress (before 2000) | 29 | 29 | 29 | 29 |
| Unbilled construction in progress at the end of period | 1,118 | 1,124 | 1,118 | 1,124 |
| *Less* allowance for doubtful accounts | (39) | (29) | (39) | (29) |
| **Net** | **1,079** | **1,095** | **1,079** | **1,095** |
| Excess of progress billing over work in progress | (320) | (405) | (320) | (405) |
| **Net** | **759** | **690** | **759** | **690** |

| | 2013 | 2012 | 2013 | 2012 |
|---|---|---|---|---|
| | *(in thousand Baht)* | | | |
| **Doubtful debt** | | | | |
| For the six month period ended 30 June | 9,713 | - | 9,713 | - |

## 13 Investments in subsidiary

Movements during the six-month period ended 30 June 2013 and 2012 was as follows:

| | Separate financial statements | |
|---|---|---|
| | 2013 | 2012 |
| | *(in thousand Baht)* | |
| At 1 January | 52,000 | - |
| Acquisition | - | 52,000 |
| *Less* Payable on investments in subsidiary | - | (13,000) |
| **Net** | **52,000** | **39,000** |

SYNTEC
บริษัท ซินเต็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Investments in subsidiary as at 30 June 2013 and 31 December 2012 were as follows:

| | Separate financial statements | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ownership interest | | Paid-up capital | | Cost method | | Impairment | | At cost - net | | Dividend received | |
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | (%) | | | | (in million Baht) | | | | | | | |
| ***Direct subsidiary*** | | | | | | | | | | | | |
| SCR Asset Management Co., Ltd | 52 | 52 | 100 | 100 | 52 | 52 | - | - | 52 | 52 | - | - |
| **Total** | | | | | **52** | **52** | - | - | 52 | **52** | - | - |

SYNTEC
บริษัท สินธิ คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

As of 7 August 2013, the subsidiary was in process of construction. Please also see note 35 to the financial statements.

## 14 Investments in associates

Movements during the six-month periods ended 30 June 2013 and 2012 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| At 1 January | 29,711 | 29,348 | 38,677 | 38,677 |
| Share of profit (loss) of investments from equity method | (15) | 380 | - | - |
| | 29,696 | 29,728 | 38,677 | 38,677 |
| Less allowance for valuation of investments | (29,302) | (29,302) | 38,677 | (38,677) |
| **At 30 June** | **394** | **426** | - | - |

SYNTEC
บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Investments in associates were as follows:

| | Consolidated financial statements | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ownership interest | | Paid-up capital | | Cost method | | Equity method | | Impairment | | At equity - net | |
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | (%) | | | | (in million Baht) | | | | | | | |
| *Associates* | | | | | | | | | | | | |
| Natural Hotel Sukhumvit Co., Ltd. | 25 | 25 | 41 | 41 | 10 | 10 | 0.39 | 0.41 | - | - | 0.39 | 0.41 |
| Beauconcept Development Co.,Ltd. | 25 | 25 | RM12 | RM12 | 29 | 29 | - | - | (29) | (29) | - | - |
| **Total** | | | | | **39** | **39** | **0.39** | **0.41** | **(29)** | **(29)** | **0.39** | **0.41** |

| | Separate financial statements | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ownership interest | | Paid-up capital | | Cost method | | Impairment | | At cost - net | | Dividend received | |
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | (%) | | | | (in million Baht) | | | | | | | |
| *Associates* | | | | | | | | | | | | |
| Natural Hotel Sukhumvit Co., Ltd. | 25 | 25 | 41 | 41 | 10 | 10 | (10) | (10) | - | - | - | - |
| Beauconcept Development Co.,Ltd. | 25 | 25 | RM12 | RM12 | 29 | 29 | (29) | (29) | - | - | - | - |
| **Total** | | | | | **39** | **39** | **(39)** | **(39)** | **-** | **-** | **-** | **-** |

## 15 Other long-term investments

| | Consolidated and separate financial statements | | | |
|---|---|---|---|---|
| | Cost | | Fair Value | |
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| General investments | 55,788 | 55,788 | - | - |
| Equity securities available for sale | 560,625 | 560,625 | 400,936 | 257,482 |
| Debt securities held to maturity | 35,000 | 35,000 | 35,000 | 35,000 |
| **Total** | **651,413** | **651,413** | **435,936** | **292,482** |

Movements of other long-term investments during the six-month periods ended 30 June 2013 and 2012 were as follows:

| | Consolidated and separate financial statements | |
|---|---|---|
| | 2013 | 2012 |
| | *(in thousand Baht)* | |
| ***General investments*** | | |
| At 1 January | 55,788 | 55,788 |
| Valuation adjustment | (55,788) | (55,788) |
| **At 30 June** | - | - |
| ***Available-for-sale securities*** | | |
| At 1 January | 257,482 | 220,698 |
| Valuation adjustment | 143,454 | 3,679 |
| **At 30 June** | **400,936** | **224,377** |
| ***Debt securities held to maturity*** | | |
| At 1 January | 35,000 | - |
| Purchases during the period | - | 35,000 |
| **At 30 June** | **35,000** | **35,000** |
| **Unrealized gain on valuation adjustment for the period recognized directly in equity** | **143,454** | **3,678** |

## 16 Long-term loans

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Related parties | 17,137 | 17,137 | 17,137 | 17,137 |
| Other parties | 3,000 | 3,000 | 3,000 | 3,000 |
| | 20,137 | 20,137 | 20,137 | 20,137 |
| *Less* allowance for doubtful accounts | (20,137) | (20,137) | (20,137) | (20,137) |
| **Net** | - | - | - | - |



SYNTEC
บริษัท ซินเทค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

## 17 Investment properties

Acquisitions, disposals and transfers of investment properties during the six-month periods ended 30 June 2013 and 2012 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| Net book value at 1 January | 102,300 | 103,040 | 102,300 | 103,040 |
| Depreciation for the period | (370) | (370) | (370) | (370) |
| **Net book value at 30 June** | **101,930** | **102,670** | **101,930** | **102,670** |

## 18 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2013 and 2012 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| Net book value at 1 January | 798,794 | 611,347 | 729,742 | 616,895 |
| Acquisition and transfer in - at cost | 151,879 | 129,601 | 138,115 | 59,856 |
| Purchase of machinery and vehicle under finance lease agreements | - | 24,378 | - | 24,378 |
| Disposal and transfer out - net book value | (3,579) | (16,091) | (3,579) | (16,091) |
| Depreciation for the period | (43,159) | (44,144) | (50,873) | (45,590) |
| **Net book value at 30 June** | **903,935** | **705,091** | **813,405** | **639,448** |

On 23 January 2013, SCR Asset Management Co., Ltd ('the subsidiary") had entered into an agreement to buy and to sell land of 2 plots with 2 other persons, located at Sriracha district, Chonburi province, totaled area 1 Rai 2 Ngan 47.3 square wah, amounted to Baht 92.9 million. Advance payment was already paid on the date of agreement amounted to Baht 10 million, balance amounted to Baht 82.9 million, which will pay within 28 June 2013, together registering the transfer of the right. Please see note 35 to the financial statements.

## 19 Intangible assets

Acquisitions, disposals and transfers of intangible assets during the six-month periods ended 30 June 2013 and 2012 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| Net book value at 1 January | 5,171 | 8,141 | 5,171 | 8,141 |
| Acquisition and transfer in - at cost | 232 | 1,221 | 232 | 1,221 |
| Amortisation charge for the period | (2,112) | (2,051) | (2,112) | (2,051) |
| **Net book value at 30 June** | **3,291** | **7,311** | **3,291** | **7,311** |

SYNTEC
บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

## 20 Deferred income tax

Movements of deferred tax assets and liabilities during the six-month periods ended 30 June 2013 and 2012 were as follows:

*For the six-month period ended 30 June 2013*

| | Consolidated and separate financial statements | | |
|---|---|---|---|
| | | (Charged) / credited to | |
| | **At 1 January 2013** | Profit or loss | **At 30 June 2013** |
| | | *(in million Baht)* | |
| ***Deferred tax assets*** | | | |
| Trade accounts receivable | 10 | (10) | - |
| Other receivables | 2 | (2) | - |
| Retention receivable under construction contracts | 1 | (1) | - |
| Unbilled construction in progress | 7 | (7) | - |
| Long-term loans | 1 | (1) | - |
| Long-term provisions | 9 | (9) | - |
| Loss carry forward | - | 20 | 20 |
| **Total** | **30** | **(10)** | **20** |
| ***Deferred tax liabilities*** | | | |
| Financial lease liabilities | 39 | (8) | 31 |
| **Total** | **39** | **(8)** | **31** |
| **Net** | **(9)** | **(2)** | **(11)** |

*For the six-month period ended 30 June 2012*

| | Consolidated and separate financial statements | | |
|---|---|---|---|
| | | (Charged) / credited to | |
| | **At 1 January 2012** | Profit or loss | **At 30 June 2012** |
| | | *(in million Baht)* | |
| ***Deferred tax assets*** | | | |
| Trade accounts receivable | 11 | (1) | 10 |
| Other receivables | - | 2 | 2 |
| Retention receivable under construction contracts | 2 | (1) | 1 |
| Unbilled construction in progress | 7 | - | 7 |
| Long-term loans | - | 1 | 1 |
| Long-term provisions | 10 | (1) | 9 |
| **Total** | **30** | **-** | **30** |
| ***Deferred tax liabilities*** | | | |
| Financial lease liabilities | 34 | (3) | 31 |
| **Total** | **34** | **(3)** | **31** |
| **Net** | **(4)** | **3** | **(1)** |



SYNTEC
บริษัท ซินเต็ก คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

| | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in million Baht)* | | | |
| Deductible temporary differences | 245 | 287 | 245 | 287 |
| Tax losses | 79 | 96 | - | - |
| **Total** | **324** | **383** | **245** | **287** |

The tax losses expire in 2013 to 2028. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit against which the Group and the Company can utilize the benefits there from.

The interim income tax is calculated on profit before tax for the period multiply by the estimated average tax rate.

Income tax expenses for the three-month and six-month periods ended 30 June 2013 and 2012 were summary as follows:

| | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | Three-month periods | | Three-month periods | |
| | 2013 | 2012 (restated) | 2013 | 2012 (restated) |
| | *(in million Baht)* | | | |
| **Income tax expense for the period** | | | | |
| The interim income tax expenses | - | - | - | - |
| **Deferred tax expense** | | | | |
| Deferred tax expense concern deductible temporary difference with initial recognized and reversed | - | (13) | - | (13) |
| Deferred tax of decreasing income tax rate | 8 | 5 | 8 | 5 |
| **Income tax expense (revenues) represented in statements of comprehensive income** | **8** | **(8)** | **8** | **(8)** |

SYNTEC
บริษัท ซินเทค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | Six-month periods | | Six-month periods | |
| | 2013 | 2012 (restated) | 2013 | 2012 (restated) |
| | *(in million Baht)* | | | |
| **Income tax expense for the period** | | | | |
| The interim income tax expenses | - | - | - | - |
| **Deferred tax expense** | | | | |
| Deferred tax expense concern deductible temporary difference with initial recognized and reversed | 3 | (3) | 3 | (3) |
| Deferred tax of decreasing income tax rate | (1) | - | (1) | - |
| **Income tax expense (revenues) represented in statements of comprehensive income** | **2** | **(3)** | **2** | **(3)** |

## 21 Bank overdrafts and short-term loans from financial institutions

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Bank overdrafts | 6,310 | 14,575 | 5,209 | 14,575 |
| Short-term loans from financial Institutions | 440,000 | 540,000 | 440,000 | 540,000 |
| **Total** | **446,310** | **554,575** | **445,209** | **554,575** |

Movements of short-term loans from financial institutions during the six-month periods ended 30 June 2013 and 2012 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| At 1 January | 540,000 | 25,000 | 540,000 | 25,000 |
| Addition | 270,000 | 450,000 | 270,000 | 450,000 |
| Deduction | (370,000) | (25,000) | (370,000) | (25,000) |
| **At 30 June** | **440,000** | **450,000** | **440,000** | **450,000** |

As at 30 June 2013, short-term loans from financial institutions in the amount of Baht 440 million in the consolidated and separate financial statement, represented bills of exchange, due on 30 August 2013 to 17 March 2014 with interest rate charged at 4.5% per annum to at 5.4% per annum.

## 22 Trade accounts payable

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Related parties | 41,885 | 41,885 | - | - |
| Others parties | 455,619 | 381,308 | 450,604 | 376,569 |
| **Total** | **497,504** | **423,193** | **450,604** | **376,569** |

## 23 Other payables

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| *Other parties* | | | | |
| Other payables | 59,804 | 59,793 | 1,629 | 1,618 |
| Accrued value added tax | 7,780 | 4,486 | 7,780 | 4,486 |
| Accrued withholding tax | 6,629 | 7,217 | 6,479 | 7,194 |
| Other accrued expenses | 71,788 | 68,213 | 71,699 | 68,111 |
| **Total** | **146,001** | **139,709** | **87,587** | **81,409** |

## 24 Short-term loans

Movements of short-term loans for the six-month period ended 30 June 2012 was as follow:

| | Consolidated and separate financial statements |
|---|---|
| | *(in thousand Baht)* |
| At 1 January 2012 | 462,000 |
| Paid | (462,000) |
| **At 30 June 2012** | - |

## 25 Debentures

| | Consolidated and separate financial statements 30 June 2013 | |
|---|---|---|
| | Number | Value |
| | *(in unit)* | *(in thousand Baht)* |
| Unsubordinated and unsecured debentures No. 1/2013 | 350,000 | 350,000 |
| Total | 350,000 | 350,000 |

The Ordinary General Meeting of Shareholders held on 29 April 2013 resolved the issuance and offer of the Company's bond in the amount not exceeding Baht 2,000 millions. The Boards of Directors Meeting held on 14 May 2013 resolved to hire a securities company to be an underwriter for the first issuance of the Company's bonds in the amount of Baht 350 millions.

Details of debentures are as follows:

1. The unsubordinated and unsecured debentures of Syntec Construction Public Company Limited. No. 1/2013:

| | |
|---|---|
| Amount | Baht 350 million |
| Maturity | 3 years, starting from date of issuance |
| Issued date | 28 May 2013 |
| Interest rate | 5.75 % per annum |
| Interest payment schedule | Quarterly basis, on 28 February, 28 May, 28 August and 28 November of each year over the term of debenture |
| Principal repayment | On the redemption date : 30 May 2016 |
| Condition and covenants | Maintenance of debt to equity ratio, dividend payment and cause of default |
| Underwriting cost | Baht 1.21 million, which is not significant amount, therefore, the Company is recognized as an expense in full. |

Movements for the six-month period ended 30 June 2013 was as follows:

| | **Consolidated and separate financial statements** *(in thousand Baht)* |
|---|---|
| At 1 January 2013 | - |
| Additions | 350,000 |
| **At 30 June 2013** | **350,000** |

## 26 Employee benefit obligations

Movement in the present value of the defined benefit obligations:

| | **Consolidated and separate financial statements** | |
|---|---|---|
| | 2013 | 2012 |
| | *(in thousand Baht)* | |
| ***For the six-month period ended 30 June*** | | |
| Defined benefit obligations at 1 January | 71,266 | 57,453 |
| Current service costs and interest | 7,573 | 7,293 |
| Payment of employee benefits | (600) | (589) |
| **Defined benefit obligations at 30 June** | 78,239 | 64,157 |

Expense recognised in profit or loss

*For the three-month and six-month periods ended 30 June 2013 and 2012*

| | **Consolidated and separate financial statements** | | | |
|---|---|---|---|---|
| | Three-month periods | | Six-month periods | |
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| Current service costs | 3,133 | 3,125 | 6,268 | 6,250 |
| Interest on obligation | 653 | 522 | 1,305 | 1,043 |
| **Total** | **3,786** | **3,647** | **7,573** | **7,293** |

The above expense is recognised in profit or loss included in the following line items:

***For the three-month and six-month periods ended 30 June 2013 and 2012***

| | **Consolidated and separate financial statements** | | | |
|---|---|---|---|---|
| | Three-month periods | | Six-month periods | |
| | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | |
| Cost of construction | 2,775 | 2,470 | 5,550 | 4,939 |
| Administrative expense | 1,011 | 1,177 | 2,023 | 2,354 |
| **Total** | **3,786** | **3,647** | **7,573** | **7,293** |

Principal actuarial assumptions at the reporting date

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

## 27 Provisions

| | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | | | |
| Provision for losses on construction project | - | 5,144 | - | 5,144 |
| Estimated loss under joint venture agreement | - | - | 39,053 | 39,063 |
| **Total** | **-** | **5,144** | **39,053** | **44,207** |
| Current | - | 5,144 | - | 5,144 |
| Non-current | - | - | 39,053 | 39,063 |
| **Total** | **-** | **5,144** | **39,053** | **44,207** |

Movements for the six-month periods as at 30 June 2013 and 2012 were as follow:

| | Consolidated financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Provision losses on Construction project | | Estimated loss under joint venture agreement | | Total | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | | | |
| At 1 January | 5,144 | - | - | - | 5,144 | - |
| Provision made | (5,144) | - | | - | (5,144) | - |
| **At 30 June** | - | - | | - | - | - |

| | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Provision losses on Construction project | | Estimated loss under joint venture agreement | | Total | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | *(in thousand Baht)* | | | | | |
| At 1 January | 5,144 | - | 39,063 | 436,901 | 44,207 | 436,901 |
| Used in provision | (5,144) | - | - | - | (5,144) | - |
| Provision reversed | - | - | (10) | (4,045) | (10) | (4,045) |
| **At 30 June** | **-** | **-** | **39,053** | **432,856** | **39,053** | **432,856** |

**Estimated losses under joint venture agreement**

As at 30 June 2013 and 31 December 2012, the Company recognized the estimated losses under joint venture agreement to outsider, which was based on the proportionate share of the entities, were summarized as follows:

| | Separate financial statements | |
|---|---|---|
| | 30 June 2013 | 31 December 2012 |
| | *(in thousand Baht)* | |
| Syntec – Mivan Joint venture | 39,053 | 39,063 |
| **Total** | **39,053** | **39,063** |

## 28 Share capital

| | | 30 June 2013 | | 31 December 2012 | |
|---|---|---|---|---|---|
| | *Par value (Baht)* | Number | Value | Number | Value |
| | | *(in million shares / in million Baht)* | | | |
| ***Authorized share capital*** | | | | | |
| At the beginning of period | | | | | |
| - Ordinary shares | *1* | 1,600 | 1,600 | 1,600 | 1,600 |
| **At the end of period** | | | | | |
| **- Ordinary shares** | *1* | **1,600** | **1,600** | **1,600** | **1,600** |

SYNTEC
บริษัท ซินเต็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

| | | 30 June 2013 | | 31 December 2012 | |
|---|---|---|---|---|---|
| | *Par value* | Number | Value | Number | Value |
| | *(Baht)* | *(in million shares / in million Baht)* | | | |
| ***Issued and paid up share capital*** | | | | | |
| At the beginning of period | | | | | |
| - Ordinary shares | *1* | 1,600 | 1,600 | 1,600 | 1,600 |
| **At the end of period** | | | | | |
| **- Ordinary shares** | *1* | **1,600** | **1,600** | **1,600** | **1,600** |

## 29 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 six-month period ended 30 June 2013, the Company allocated as legal reserve at 5% of profit for the period in the amount of Baht 0.6 million.

## 30 Dividends

At the Annual General Meeting of the Shareholders of the Company held on 27 April 2012, the shareholders approved the appropriation of dividend of Baht 0.02 per share, amounting to Baht 32 million which will be paid to the shareholders on 25 May 2012.

## 31 Segment information

*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.

*Business segments*

The Group presented the important business segments were as follows:

- Segment 1 : Construction business
- Segment 2 : Real estate development for apartment service (not commercial operate yet)

Therefore, revenues, profit and total assets represented in the financial statement is relevant business segments and geographical segments as mentioned.

SYNTEC
บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

**Information about reportable segments:**

| | Segment 1 | | Segment 2 | | Total reportable segment | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | | | *(in million Baht)* | | | |
| **For the three-month period ended 30 June** | | | | | | |
| External revenue | 1,423 | 1,121 | - | - | 1,423 | 1,121 |
| Inter - segment revenue | - | - | - | - | - | - |
| **Total segment revenue** | **1,423** | **1,121** | - | - | **1,423** | **1,121** |
| **Segment loss before income tax** | **37** | **(70)** | - | - | **37** | **(70)** |
| **For the six-month Period ended 30 June** | | | | | | |
| External revenue | 2,732 | 2,246 | - | - | 2,732 | 2,246 |
| Inter-segment revenue | - | - | - | - | - | - |
| **Total segment revenue** | **2,732** | **2,246** | - | - | **2,732** | **2,246** |
| **Segment loss before income tax** | **21** | **(120)** | - | - | **21** | **(120)** |
| **Segment assets as at 30 June/ 31 December** | **4,656** | **4,275** | **100** | **100** | **4,765** | **4,375** |

Reconciliation of reportable segment profit or loss and assets

| | Three-month periods | | Six-month periods | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | *(in million Baht)* | | | |
| **Profit or loss** | | | | |
| Total profit (loss) for reportable segment | 37 | (70) | 21 | (120) |
| **Profit (loss) before income tax** | **37** | **(70)** | **21** | **(120)** |

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| | *(in million Baht)* | | | |
| **Assets** | | | | |
| Total assets for reportable segments asset as reported | 3,852 | 3,576 | 3,764 | 3,475 |
| Investment in subsidiary | - | - | 52 | 52 |
| Property, plant and equipment | 904 | 799 | 813 | 730 |
| **Total assets** | **4,756** | **4,375** | **4,629** | **4,257** |

SYNTEC
บริษัท ซินเทคคอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

## 32 Earnings (loss) per share

The calculation of basic earnings (loss) per share for the three-month and six-month periods ended 30 June 2013 and 2012 was based on the profit (loss) for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | Three-month periods | | Six-month periods | |
| | 2013 | 2012 | 2013 | 2012 |
| Profit (loss) for the period attributable to equityholders of the Company (statement of comprehensive income) (basic) (in thousand Baht) | 28,909 | (61,710) | 19,185 | (116,852) |
| Number of ordinary shares outstanding (in thousand shares) | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| **Basic earnings (loss) per share (in Baht)** | **0.02** | **(0.04)** | **0.01** | **(0.07)** |

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Three-month periods | | Six-month periods | |
| | 2013 | 2012 | 2013 | 2012 |
| Profit (loss) for the period attributable to equityholders of the Company (statement of comprehensive income) (basic) (in thousand Baht) | 20,833 | (62,707) | 11,699 | (126,734) |
| Number of ordinary shares outstanding (in thousand shares) | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| **Basic earnings (loss) per share (in Baht)** | **0.01** | **(0.04)** | **0.01** | **(0.08)** |

## 33 Commitments with non-related parties

As at 30 June 2013, the Group/Company's commitments were as follows:

| | Consolidated financial statements | Separate financial statements |
|---|---|---|
| | *(in million Baht)* | |
| ***Capital commitments*** | | |
| *Not provide for* | | |
| Condominium | 4 | 4 |
| Camp and other buildings | 10 | 10 |
| Cost of construction building for lease | 255 | - |
| ***Other commitments*** | | |
| Subcontractor agreements | 806 | 806 |
| Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers | 1,781 | 1,512 |
| **Total** | 2,856 | 2,332 |

As at 30 June 2013, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 1,761 million.



บริษัท ไซ้นเท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

## 34 Contingent liabilities and assets

As at 30 June 2013, 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 79 million. Such case has been in the process of consideration by the Court, which has not been finalized.

*Litigations*

- 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. The Court appointed to conciliate but did not agree, then the Court had an appointment to consideration on 14 June 2013 but did not still agree, the Court appointed to taking of evidence from the plaintiff on 21 to 23 January 2014 and from the defendant on 28 to 30 January 2014.

- 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. The Court made an appointment for agreement on 20 August 2012. Subsequently, the Court ordered dispose this case and on 7 September 2012, as black case no. 2206/2555, the Company sued National Housing Authority to the Ferderal Administrative Court. The sued amount was Baht 874 million. As of 7 August 2013, the case has been in the process of the Court's consideration, the result has not been finalized.

- SVK joint venture ("Joint venture"), sued to claim loss from other public company regarding false of agreement in the amount of Baht 12.13 million while Joint venture was sued by that public company to claim a compensation in the amount of Baht 31.80 million. Subsequently, on 13 February 2013, the Court of First Instance adjudged the Joint venture to settle to this public company. Subsequently, on 11 April 2013, the Company appealed to the Court and as of 7 August 2013, the result has not been finalized. However, the legal adviser of the Company believes that the Appeal Court will adjudge this public company pay debt to the Joint venture and the case will be dismissed. If the Company will pay such claim, the Company can recover from the sub-contractor in full amount.

## 35 Events after the reporting period

The Extraordinary General Meeting of Shareholders of SCR Asset Management Co., Ltd. ("the subsidiary") held on 6 July 2013 resolved unanimously the following matters:

- To increase the Company's authorized share capital by Baht 300 million to Baht 400 million by the creation of ordinary shares of 3,000,000 ordinary shares of Baht 100 par value to be used as working capital for business development for lease.

- To purchase of land (without construction) of 2 plots with 2 other persons, located at Sriracha district, Chonburi province, totaled area 1 Rai 2 Ngan 47.3 square wah, amounted to Baht 92.9 million.

SYNTEC
บริษัท ซินเท็ค คอนสตรักชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

- To mortgage the above 2 plots of lands with a local bank to finance the purchase of land for construction of serviced apartments in the amount of Baht 65 million.

The Board of Director of the subsidiary held on 8 July 2013 resolved to call-up the increased shares capital in the amount of Baht 50 million and the Company had registered the paid-up share capital with the Ministry of Commerce.

On 12 July 2013, the subsidiary had entered into a loan agreement with a domestic commercial bank in the amount of Baht 65 million to purchase of land, requiring repayable within 12 months from the first withdraw with interest rate charged at MLR – 1.5% per annum on monthly basis. The 2 plots of lands of the subsidiary were as mortgage. According to a loan agreement defines the subsidiary to increase the subsidiary's authorized share capital to Baht 165 million within June 2014.

On 12 July 2013, the subsidiary had paid the remaining cost of land of Baht 82.9 million.

## 36 Thai Financial Reporting Standards (TFRS) net yet adopted

The Group/Company has not adopted the new interpretations that have been issued as of the reporting date but are not yet effective. The new interpretations that are applicable to the Group / Company, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

| TFRS | Topic | Year effective |
|---|---|---|
| TFRIC 4 | Determining whether an Arrangement contains a Lease | 2014 |
| TFRIC 10 | Interim Financial Reporting and Impairment | 2014 |
| TFRIC 13 | Service Concession Arrangements - Disclosure | 2014 |

Management expects to adopt and apply this new interpretations in accordance with the FAP's announcement and has made a preliminary assessment of the potential impact on the Group/ Company's financial statements of these new interpretations.

SYNTEC
บริษัท ซินเท็ค คอนสตรัคชั่น จำกัด (มหาชน)
SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED