

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

Financial statements for the year ended
31 December 2012

and
Independent Auditor's Report

NPS Siam

NPS Siam Audit Limited

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Independent Auditor's Report

To the Shareholders of Syntec Construction Public Company Limited

I have audited the accompanying consolidated and separate statements of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.


Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. 

NPS Siam

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of Syntec Construction Public Company Limited and its subsidiaries, and of Syntec Construction Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.



(Maliwan Phahuwattanakorn)
Certified Public Accountant
Registration Number 4701

NPS Siam Audit Limited
Bangkok
1 March 2013

Syntec Construction Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2012

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	6	246,854,275	403,811,557	217,972,833	402,579,297
Current investments	7	60,172,701	50,123,485	60,172,701	50,123,485
Trade accounts receivable	8	545,599,822	688,455,175	522,599,602	665,454,955
Other receivables	9	54,237,350	85,872,317	50,628,343	477,589,007
Retention receivables under construction contracts	10	564,620,728	444,262,088	532,691,656	412,333,015
Unbilled construction work in progress	11	1,094,701,483	839,263,850	1,094,701,483	839,263,850
Inventories	12	140,249,403	255,796,043	140,249,403	255,796,043
Advance payments to subcontractors	13	35,755,976	81,979,628	35,755,976	81,979,628
Other current assets		391,323	391,323	-	-
Total current assets		2,742,583,061	2,849,955,466	2,654,771,997	3,185,119,280
<i>Non-current assets</i>					
Investment in subsidiary	5, 14	-	-	52,000,000	-
Investments in associates	5, 15	408,800	45,717	-	-
Other long-term investments	5, 16	292,481,601	220,698,515	292,481,601	220,698,515
Long-term loans	5, 17	-	-	-	-
Investment properties	18	102,299,946	103,039,820	102,299,946	103,039,820
Property, plant and equipment	19, 36, 48	798,794,460	611,347,119	729,741,568	616,894,591
Intangible assets	20, 36	5,171,482	8,140,730	5,171,482	8,140,730
Withholding tax		142,263,866	284,648,682	142,198,388	284,584,084
Pledged deposits at the banks	21, 48	155,342,796	203,066,539	155,342,795	203,066,539
Other non-current assets	22	105,753,139	92,802,383	92,844,542	79,893,786
Total non-current assets		1,602,516,090	1,523,789,505	1,572,080,322	1,516,318,065
Total Assets		4,345,099,151	4,373,744,971	4,226,852,319	4,701,437,345



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 31 December 2012

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	23	554,575,258	30,988,148	554,575,258	30,988,148
Trade accounts payable	5, 24	423,193,209	322,893,874	376,569,240	267,305,143
Other payables	25	139,708,589	246,306,489	81,409,503	187,984,752
Current portion of creditor under					
rehabilitation plan	26	28,521,146	29,073,870	28,521,146	29,073,870
Short-term loans	27	-	462,000,000	-	462,000,000
Current portion of finance lease liabilities	28	49,447,821	38,261,153	49,447,821	38,261,153
Advances received from customers					
under construction contracts	11	404,752,961	485,033,937	404,752,961	485,033,937
Retention payables from subcontractors		190,133,669	161,557,698	189,683,866	161,223,393
Undue value added tax		112,558,015	105,652,524	107,203,814	100,298,323
Short-term provisions	30	5,144,177	-	5,144,177	-
Other current liabilities		5,249,838	5,399,531	5,249,838	5,399,531
Total current liabilities		1,913,284,683	1,887,167,224	1,802,557,624	1,767,568,250
Non-current liabilities					
Finance lease liabilities	28	153,906,222	143,076,717	153,906,222	143,076,717
Employee benefit obligations	29	71,265,701	57,452,882	71,265,701	57,452,882
Long-term provisions	3, 30	-	-	39,063,093	436,901,815
Total non-current liabilities		225,171,923	200,529,599	264,235,016	637,431,414
Total liabilities		2,138,456,606	2,087,696,823	2,066,792,640	2,404,999,664
Equity					
Share capital	31				
Authorized share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Issued and paid-up share capital		1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Addition paid in capital					
Premium on ordinary shares	32	23,744	23,744	23,744	23,744
Retained earnings					
Appropriated					
Legal reserve	32	57,552,792	57,552,792	57,552,792	57,552,792
Unappropriated		804,351,872	968,398,071	805,626,516	978,787,604
Other components of equity	16, 32	(303,143,373)	(339,926,459)	(303,143,373)	(339,926,459)
Total equity attributable to owners of the Company		2,158,785,035	2,286,048,148	2,160,059,679	2,296,437,681
Non-controlling interests		47,857,510	-	-	-
Total equity		2,206,642,545	2,286,048,148	2,160,059,679	2,296,437,681
Total liabilities and equity		4,345,099,151	4,373,744,971	4,226,852,319	4,701,437,345



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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 year ended 31 December 2012

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2012	2011	2012	2011
		(in Baht)			
Revenues					
Revenue from construction	5	4,856,715,622	4,722,938,529	4,856,715,622	4,722,938,529
Interest income		6,705,326	6,134,909	6,617,049	6,130,088
Reversal of allowance for doubtful accounts	8, 9, 10	600,000	2,559,504	600,000	2,559,504
Reversal of creditors under rehabilitation plan	26	-	82,314,276	-	82,314,276
Gain on disposal and write-off of equipment		4,904,325	7,479,992	4,904,325	7,479,992
Reversal of estimated loss under joint venture agreements	30	747,942	-	747,942	52,404,575
Other income	34	10,325,838	40,122,546	3,213,356	2,395,084
Total revenues		4,879,999,053	4,861,549,756	4,872,798,294	4,876,222,048
Expenses					
Cost of construction	19	4,655,249,621	4,387,426,775	4,658,159,062	4,390,327,205
Selling expenses	35	1,469,050	2,234,764	1,469,050	2,234,764
Administrative expenses	5, 9, 20, 36, 37	268,120,978	199,976,604	261,867,730	194,261,498
Other expenses	39	52,233,583	138,077,222	56,985,947	131,843,768
Finance costs	40	35,477,593	31,864,763	35,477,593	31,864,763
Total expenses		5,012,550,825	4,759,580,128	5,013,959,382	4,750,531,998
Share of gain (loss) of investments in associates	5, 15	363,083	(45,708)	-	-
Profit (loss) before income tax expense		(132,188,689)	101,923,920	(141,161,088)	125,690,050
Income tax expense	41	-	4,668,440	-	4,668,440
Profit (loss) for the year		(132,188,689)	97,255,480	(141,161,088)	121,021,610
Other comprehensive income (loss)					
Profit (loss) in fair value of available-for-sale	16	36,783,086	(40,461,394)	36,783,086	(40,461,394)
Other comprehensive income (loss) for the year		36,783,086	(40,461,394)	36,783,086	(40,461,394)
Total comprehensive income (loss) for the year		(95,405,603)	56,794,086	(104,378,002)	80,560,216
Profit (loss) attributable to :-					
Owners of the parent		(132,046,199)	97,255,480	(141,161,088)	121,021,610
Non - controlling interests		(142,490)	-	-	-
		(132,188,689)	97,255,480	(141,161,088)	121,021,610
Total comprehensive income (loss) attributable to :-					
Owners of the parent		(95,263,113)	56,794,086	(104,378,002)	80,560,216
Non - controlling interests		(142,490)	-	-	-
		(95,405,603)	56,794,086	(104,378,002)	80,560,216
Earnings (loss) per share					
Basic	42	(0.08)	0.06	(0.09)	0.08

Earnings (loss) per share

Basic

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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

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

For the year ended 31 December 2012

บริษัท จีเอ็มเอ็ม กรีนสตรัคเจอร์ จำกัด (มหาชน)



SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

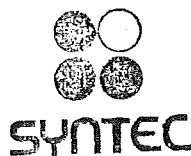
Consolidated financial statements

		Issued and paid-up share capital	Premium on ordinary shares	<i>Retained earnings</i>		Other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Note				Legal reserve	Unappropriated	Net change in fair value of available-for-sale investments			
						(in Baht)			
	Balance at 1 January 2011	1,600,000,000	23,744	51,501,712	925,193,671	(299,465,065)	2,277,254,062	-	2,277,254,062
43	Dividends	-	-	-	(48,000,000)	-	(48,000,000)	-	(48,000,000)
	Comprehensive income (loss) for the year	-	-	-	97,255,480	(40,461,394)	56,794,086	-	56,794,086
	Transfer unappropriated retained earnings to legal reserve	-	-	6,051,080	(6,051,080)	-	-	-	-
	Balance at 31 December 2011	1,600,000,000	23,744	57,552,792	968,398,071	(339,926,459)	2,286,048,148	-	2,286,048,148
	Balance at 1 January 2012	1,600,000,000	23,744	57,552,792	968,398,071	(339,926,459)	2,286,048,148	-	2,286,048,148
	Non-controlling interests	-	-	-	-	-	-	48,000,000	48,000,000
43	Dividends	-	-	-	(32,000,000)	-	(32,000,000)	-	(32,000,000)
	Comprehensive income (loss) for the year	-	-	-	(132,046,199)	36,783,086	(95,263,113)	(142,490)	(95,405,603)
	Balance at 31 December 2012	1,600,000,000	23,744	57,552,792	804,351,872	(303,143,373)	2,158,785,035	47,857,510	2,206,642,545

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 year ended 31 December 2012



บริษัท ซินเทค คอนสตรัคชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Separate financial statements						
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	Total equity
			Legal reserve	Unappropriated		
(in Baht)						
Balance at 1 January 2011	1,600,000,000	23,744	51,501,712	911,817,074	(299,465,065)	2,263,877,465
Dividends	-	-	-	(48,000,000)	-	(48,000,000)
Comprehensive income (loss) for the year	-	-	-	121,021,610	(40,461,394)	80,560,216
Transfer unappropriated retained earnings to legal reserve	-	-	6,051,080	(6,051,080)	-	-
Balance at 31 December 2011	1,600,000,000	23,744	57,552,792	978,787,604	(339,926,459)	2,296,437,681
Balance at 1 January 2012	1,600,000,000	23,744	57,552,792	978,787,604	(339,926,459)	2,296,437,681
Dividends	-	-	-	(32,000,000)	-	(32,000,000)
Comprehensive income (loss) for the year	-	-	-	(141,161,088)	36,783,086	(104,378,002)
Balance at 31 December 2012	1,600,000,000	23,744	57,552,792	805,626,516	(303,143,373)	2,160,059,679

Syntec Construction Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2012

	Consolidated		Separate	
	financial statements		financial statements	
Note	2012	2011	2012	2011
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(132,188,689)	97,255,480	(141,161,088)	121,021,610
<i>Adjustments for</i>				
Reversal of allowance for doubtful accounts	(600,000)	(2,559,504)	(600,000)	(2,559,504)
Doubtful debt expenses	52,233,583	138,077,222	56,985,947	131,843,768
Depreciation and amortization	93,624,481	87,089,691	96,533,920	89,784,005
Interest income	(6,705,326)	(6,134,909)	(6,617,049)	(6,130,088)
Finance costs	35,477,593	31,864,763	35,477,593	31,864,763
Gain on disposal and written off of equipment	(4,904,325)	(7,479,992)	(4,904,325)	(7,479,992)
Unrealized (gains) loss on exchange rate	(552,724)	804,973	(552,724)	804,973
Unrealized gain on change in fair value of current investments	-	(123,485)	-	(123,485)
Gain on sale of current investments	(398,438)	-	(398,438)	-
Share of gain (loss) of investments in associates	(363,083)	45,708	-	-
Provision for losses on constructions project	5,144,177	-	5,144,177	-
Withholding tax written off	5,777,259	149,800	5,777,259	-
Reversal of creditors under debt restructuring plan	-	(82,314,276)	-	(82,314,276)
Reversal of estimated loss under agreements	-	-	(747,942)	(52,404,575)
Expense of employee benefits	14,585,644	11,649,133	14,585,644	11,649,133
Income tax expense	-	4,668,440	-	4,668,440
	61,130,152	272,993,044	59,522,974	240,624,772
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivables	146,299,668	(212,645,732)	146,299,668	(212,645,732)
Other receivables	(133,563)	(6,208,928)	(6,651,007)	(87,798,698)
Retention receivables under construction contracts	(128,738,487)	42,850,728	(128,738,487)	42,850,729
Unbilled construction in progress	(255,437,633)	196,354,544	(255,437,633)	196,354,544
Inventories	115,546,640	(121,867,724)	115,546,640	(121,867,724)
Advance payments to subcontractors	46,223,652	(10,940,104)	46,223,652	(11,068,879)
Other current assets	-	2,413	-	2,413
Withholding income tax paid	(142,385,905)	(150,513,908)	(142,385,029)	(150,174,568)
Withholding income tax returned	278,993,464	166,955,375	278,993,464	165,740,302
Other non-current assets	(12,950,755)	(21,067,623)	(12,950,755)	(21,067,624)
Trade accounts payable	100,299,335	(199,914,592)	109,264,097	(90,753,501)



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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 years ended 31 December 2012

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		(in Baht)			
Other payables		(106,597,900)	(8,543,805)	(106,575,249)	(6,338,457)
Advances received from customers					
under construction contracts		(80,280,976)	269,076,325	(80,280,976)	269,076,325
Retention payable from subcontractors		28,575,970	(68,969,260)	28,460,473	(59,671,013)
Other current liabilities		6,942,939	3,105,253	6,942,939	2,238,929
Payment of employee benefits		(772,825)	(1,561,200)	(772,825)	(1,561,200)
Net cash provided by operating activities		56,713,776	149,104,806	57,461,946	153,940,618
Cash flows from investing activities					
Interest received		6,661,353	6,058,635	6,573,077	6,053,814
Purchase of current investments		(280,000,000)	(50,000,000)	(280,000,000)	(50,000,000)
Proceeds from current investments		270,349,222	-	270,349,222	-
Purchase of investment in subsidiary		-	-	(52,000,000)	-
Purchase of other long-term investments		(35,000,000)	-	(35,000,000)	-
Purchase of property, plant and equipment		(261,369,361)	(162,030,843)	(189,678,437)	(162,030,843)
Purchase of intangible assets		(1,253,417)	(10,876,500)	(1,253,417)	(10,876,500)
Sale of equipment		63,676,347	75,471,475	63,676,347	75,471,475
Pledged deposits at bank		47,723,743	(114,312,460)	47,723,743	(114,312,460)
Net cash used in investing activities		(189,212,113)	(255,689,693)	(169,609,465)	(255,694,514)
Cash flows from financing activities					
Interest paid		(50,363,144)	(32,024,933)	(50,363,144)	(32,024,933)
Dividends paid to shareholders of the Company		(31,960,263)	(47,948,878)	(31,960,263)	(47,948,878)
Bank overdrafts		8,587,111	(3,433,303)	8,587,111	(3,433,303)
Proceeds from short-term loan from financial institutions		555,000,000	25,000,000	555,000,000	25,000,000
Payment of short-term loans from financial institutions		(40,000,000)	-	(40,000,000)	-
Proceeds from short-term loans from other parties		-	60,000,000	-	60,000,000
Payment of short-term loans from other parties		(462,000,000)	(10,000,000)	(462,000,000)	(10,000,000)
Payment of creditors under the rehabilitation plan		-	(523,908)	-	(523,908)
Proceeds from non-controlling interests		48,000,000	-	-	-
Finance lease payment		(51,722,649)	(36,864,628)	(51,722,649)	(36,864,628)
Net cash used in financing activities		(24,458,945)	(45,795,650)	(72,458,945)	(45,795,650)
Net decrease in cash and cash equivalents		(156,957,282)	(152,380,537)	(184,606,464)	(147,549,546)
Cash and cash equivalents at					
beginning of year	6	403,811,557	556,192,094	402,579,297	550,128,843
Cash and cash equivalents at end of year	6	246,854,275	403,811,557	217,972,833	402,579,297



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 year ended 31 December 2012

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2012	2011	2012	2011
		(in Baht)			
Non-cash transactions					
1. Purchase of machinery and vehicle under finance lease agreements	28	73,738,821	80,622,984	73,738,821	80,622,984
2. Decrease in short-term loans to related parties and short-term loans from related parties due to the offset transaction and dissolution	5	-	13,461,480	-	-
3. Transfer of notes payable to non-related party	5	-	60,000,000	-	60,000,000

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

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SYNTEC

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

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43	Dividends
44	Financial instruments
45	Commitments with non-related parties
46	Contingent liabilities
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For the year ended 31 December 2012

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 1 March 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 31 December 2012 and 2011 were as follows:

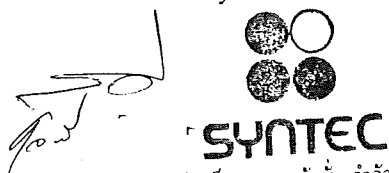
	2012	2011
	(%)	
Phahusuth Group and Taneechiranrat	13.68	13.68
Thai NVDR Company Limited	2.52	13.33
Subandit Group	6.64	6.64

The principal business of the Company is construction.

Details of the Company's subsidiary and joint ventures as at 31 December 2012 and 2011 were as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Direct subsidiary</i>				
1) SCR Asset Management Co., Ltd.	Real estate development for rental (not commercial operations yet)	Thailand	52	-
<i>Joint ventures</i>				
1) SVK Joint venture	Construction (ceased operations)	Thailand	51	51
2) SSU Joint venture	Construction (dissolution on 6 January 2012)	Thailand	-	95
3) Syntec - Mivan Joint venture	Construction (end of construction contract)	Thailand	65	65

The Revenue Department crossed off the name of Joint venture between Siam Syntech Construction Pcl. and Unique Engineering and Construction Pcl. from the VAT register since 6 January 2012 and the financial information of such joint venture was immaterial.



Syntec Construction Public Company Limited and its Subsidiaries
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2 Basis of preparation of financial statements

Statement of compliance

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

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulations of the Securities and Exchange Commission. Their presentation has been made in compliance with the stipulation of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

As at 31 December 2012, the FAP issued a number of new and revised TFRS which are effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 49 to the financial statements.

Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

Presentation currency

The financial statements are presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million.

Use of estimates and judgements

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

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

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

Note 28	Lease classification
Note 29	Measurement of defined benefit obligation
Notes 30 and 46	Provisions and contingencies
Note 44	Valuation of financial instruments
Notes 16 and 29	Key assumptions used in discounted cash flow projections



SYNTEC

Syntec Construction Public Company Limited and its Subsidiaries
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Significant accounting judgments and estimates are summarized as follows:

Impairment of investments in securities

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

Estimated construction project costs

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

Provision for losses on construction projects

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

Estimated loss under joint venture agreement

Management applies judgement in estimating the loss under joint venture agreements, based on the proportionate ventures.

Employee benefits obligation

The Company has obligations in respect of the severance to be paid to employees upon retirement under the labour law. The Company treats these severance payment obligations as the post-employment benefit plan.

The obligation under the post-employment benefits (defined benefit plan) is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates as described in note 29 to the financial statements.

Litigation

The Company and its joint ventures have contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation and believes that no loss will incur. Therefore, no contingent liabilities are recorded as at the end of reporting period.

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2012

The consolidated and separate financial statements for the years ended 31 December 2012 and 2011 included the investments and share of profit (loss) of investments in an associate, which had been accounted for by equity method of Baht 0.36 million and Baht (0.05) million, respectively, in the consolidated financial statements, based on the financial statements of such associate which had been audited by other auditors. In addition, the Company had no commitments due to any legally guarantee for the above associate. Allowance for impairment of investments in the abovementioned associate was provided as at 31 December 2012 and 2011 in the amount of Baht 10 million and Baht 10 million, respectively in the separate financial statements. Please also see note 15 to the financial statements. However, the values of the investments in the associate are not significant.

3 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 jointly the documents for bidding the Eua- Arthorn Housing Project of National Housing Authority. The proportionate ventures were as follows:-

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

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

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

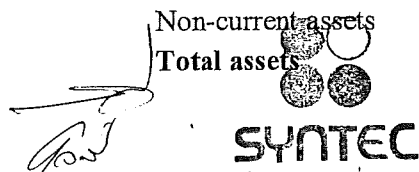
Syntec – Mivan Joint Venture had already finished its own construction and 3 projects amounted to 8,582 units were inspected by National Housing Authority. The retention for dilapidation of those projects was due in March 2012. As of 1 March 2013, the Company has been in the process of request the amount of retention from National Housing Authority and please see note 46 to the financial statements.

As of 1 March 2013, the above mentioned related company was insolvent and was sued by other creditors to be bankrupt.

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

Summary of statement of financial position information of Syntec – Mivan Joint Venture as at 31 December 2012 and 2011 were as follows:

	2012	2011
	(in million Baht)	
Information of statement of financial position		
Current assets	93	93
Non-current assets	20	20
Total assets	113	113



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	2012	2011
	<i>(in million Baht)</i>	
Current liabilities	783	785
Deficit in ventures' equity	(670)	(672)
Total liabilities net deficit in ventures' equity	113	113

Summary of statements of comprehensive income information of Syntec – Mivan Joint Venture for the years ended 31 December 2012 and 2011 were as follows:

	2012	2011
	<i>(in million Baht)</i>	
Information of statements of income		
Total revenues	11	33
Total expenses	(9)	(5)
Finance costs	-	(3)
Profit for the year	2	25

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 31 December 2012 and 2011, the Company recognized the estimated loss under joint venture agreement amounted to Baht 39 million and Baht 437 million, respectively in the separate financial statements as described in note 30 to the financial statements.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

4.1 Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiary and joint ventures (together referred to as the "Group") and the Group's interests in associate.

Subsidiary

Subsidiary is entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non- controlling interests even if doing so causes the non- controlling interests to have a deficit balance.

Syntec Construction Public Company Limited and its Subsidiaries
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Joint ventures

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

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and others comprehensive income of the company was invested after the update of the accounting policies of the group are the same from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount of investment is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions including unrealized income or expenses which arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains which arising from transactions with affiliates and jointly controlled entities are eliminated against the investment equal of the group's interest in the affairs of the investee. Unrealized losses are eliminated in the same way as unrealized gains also, but only when there is evidence of impairment arise.

4.2 Foreign currencies

Foreign currency transactions

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

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

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

Syntec Construction Public Company Limited and its Subsidiaries
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4.3 Derivative financial instruments

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

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

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

4.4 Cash and cash equivalents

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

4.5 Trade and other receivables

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments together with an analysis of the current financial position of the debtor and the legal opinion. Bad debts are written off when incurred.

For the conservative purpose, the Company reviews the basis of set up of allowance for doubtful accounts at the least 10 percent of the outstanding debt which is under litigation but it is a stable state.

4.6 Inventories

Inventories representing construction materials, which comprises steel bars and construction supplies, are stated at lower of cost or net realizable value. Spare parts and supplies are stated at average cost less impairment loss.

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

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



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4.7 Construction contracts work in progress

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

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

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

4.8 Investments

Investments in subsidiary and associates

Investments in subsidiary and associates in the separate financial statements are accounted for using the cost method less allowance for devaluation of investments. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group/Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less impairment losses on investment.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

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

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

Disposal of investments

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

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

4.9 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Condominium	20	years
Condominium improvement	5	years
No depreciation is provided on freehold land.		

4.10 Property, plant and equipment

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Syntec Construction Public Company Limited and its Subsidiaries
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For the year ended 31 December 2012

Leased assets

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

Office buildings and building improvement	5-32 years
Machinery and construction equipment	5-15 years
Aluminium lining boards (formwork)	5-15 years
Furniture, fixtures and equipment	5 years
Vehicles	5-10 years

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.11 Intangible assets

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

Amortisation

Amortisation is based on the cost of the asset, less its residual value.

Syntec Construction Public Company Limited and its Subsidiaries
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Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since the most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives of the assets expected the consumption of the future economic benefits are as follows:

Software licences	5 Years
-------------------	---------

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.12 Impairment

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

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

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

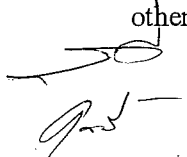
Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

Reversals of impairment

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



Syntec Construction Public Company Limited and its Subsidiaries
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Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.13 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

4.14 Trade and other payables

Trade and other payables are stated at cost.

4.15 Employee benefits

Short – term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Post – employment benefit plans

Defined contribution plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under the labor law. The Company treats these severance payment obligations as a post – employment benefit plan.

The obligation under the post-employment benefits is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and disability rates as described in note 29 to the financial statements.

Actuarial gains and losses arising from post – employment benefits are recognized immediately in profit or loss.

4.16 Provisions

A provision is recognised when the Group/Company has a present legal or constructive obligation as a result of a past event or obligations under the joint venture agreements which joins to pay off the debt, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

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Warranties and penalties

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

4.17 Share capital

Ordinary shares

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

4.18 Revenues

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

Revenue from construction

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

The stage of completion is measured based on reference to surveys of work performed by the construction manager and which is computed the proportion that construction cost incurred to date bear to the estimated total construction cost of the transaction. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Sales of construction materials

Sales of construction materials and materials be over demand are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sale of services rendered

Service income is recognised as services are provided.

Interest and dividend income

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

Gain from compromise is recognized when the installable payment is made to creditor pursuant to the compromise agreement prepared in front of the Court.

~~Other income is recognized on an accrual basis.~~

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4.19 Expenses

Operating leases

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Finance cost

Finance cost comprises interest expenses on borrowings and similar costs are charged to profit or loss which they are incurred. The interest component of finance lease payments is recognised in profit or loss using the effective interest rate method.

Other expenses are recognized on the accrual basis.

4.20 Income tax

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

4.21 Earnings (loss) per share

Basic earnings (loss) per share for ordinary share is calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year.

5 Related party transactions and balances

For the purposes of these financial statements, parties are considered to be related to the Group /Company if the Group/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/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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. SSU Joint venture	Thailand	Joint venture, 95% portion of joint and notified the dissolution on 6 January 2012

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Name of entities	Country of incorporation/ nationality	Nature of relationships
4. SVK Joint venture	Thailand	Joint venture, 51% portion of joint which ceased its operations
5. Syntec – Mivan Joint venture	Thailand	Joint venture, 65% portion of joint which ceased its operations
6. SCR Asset Management Co., Ltd.	Thailand	Subsidiary, 52% shareholding and some common directors
7. Bangkok Metro Plc.	Thailand	Related company, 3.08 % shareholding
8. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venturer in Syntec-Mivan joint venture
9. Siam Syntec Planner Co., Ltd.	Thailand	Related company, some common directors
10. Tate Enterprise Co., Ltd.	Thailand	Related company
11. N&J Assets Management Co., Ltd.	Thailand	Related company
12. 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).

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

	Pricing policies
Revenue from construction	Contract price (Cost plus margin of 22% in 2011) and bid price
Directors' remunerations represent meeting allowances and director bonuses	Approval from the Company's directors and shareholders
Directors' and key management personnel's remunerations represent salaries and bonuses	Approval from the Company's directors and shareholders
Interest expense	4.75% per annum in 2011

Syntec Construction Public Company Limited and its Subsidiaries
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Significant transactions for the years ended 31 December 2012 and 2011 with related parties were summarized as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Revenue				
Other related company				
Revenue from construction	-	166,520	-	166,520
Expenses				
Key management personnel				
Interest expense	-	702,740	-	702,740
Management benefit expenses				
Short-term benefits	29,135,799	28,297,200	29,135,799	28,297,200
Post-employment benefits	1,913,923	1,493,394	1,913,923	1,493,394
	<u>31,049,722</u>	<u>29,790,594</u>	<u>31,049,722</u>	<u>29,790,594</u>

Balance as at 31 December 2012 and 2011 with related parties were as follows:

Other receivables - related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Other receivables and advances				
Joint ventures				
SVK Joint Venture	5,449,451	5,439,104	11,121,329	11,100,212
Syntec – Mivan Joint Venture	213,423,341	209,349,558	609,780,973	598,141,593
Subsidiary				
SCR Asset Management Co.,Ltd.	10,000	-	-	-
Total	218,882,792	214,788,662	620,902,302	609,241,805
Less Allowance for doubtful accounts	(217,317,960)	(171,367,852)	(617,729,176)	(169,187,981)
Net	<u>1,564,832</u>	<u>43,420,810</u>	<u>3,173,126</u>	<u>440,053,824</u>
Doubtful debts expense for the year	<u>45,950,109</u>	<u>130,473,232</u>	<u>51,450,415</u>	<u>124,239,778</u>
Key management personnel				
Advance to project managers	<u>4,014,484</u>	<u>2,875,357</u>	<u>4,014,484</u>	<u>2,875,357</u>

As at 31 December 2012 and 2011, advance to project managers in the amount of Bath 4.01 million and Baht 2.88 million represented the petty cash to use in construction projects in the amount of Baht 50,000 to Baht 100,000 per a project.

Syntec Construction Public Company Limited and its Subsidiaries
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As described in note 3, the Board of Directors Meeting of the Company held on 29 October 2012 also resolved the approval to provide an allowance for doubtful account for advances to Syntec – Mivan Joint Venture in full and to reverse the provision for Syntec – Mivan Joint Venture to set up an allowance for doubtful account of Baht 397.09 million and to provide the additional allowance for doubtful account of Baht 51.45 million for the year ended 31 December 2012 in the separate financial statements.

In May 2011 and April 2011, short-term loans to related party and short-term loans from related party were decreased by Baht 13.46 million due to the offset transaction and dissolution.

Details of investments in subsidiary and associates were described in notes 14 and 15 to financial statements.

Other long-term investments

	Consolidated and separate financial statements			
	2012		2011	
	Cost	Fair value	Cost	Fair value
		(in Baht)		
Available – for sale securities				
Other related company				
Bangkok Metro Plc.	560,624,974	257,481,601	560,624,974	220,698,515
Less allowance for devaluation of investments	(303,143,373)	-	(339,926,459)	-
Net	257,481,601	257,481,601	220,698,515	220,698,515

Long-term loans - related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
		(in Baht)		
Joint ventures				
Siam Syntec – Wattana Engineering Co., Ltd.	12,180,598	12,180,598	12,180,598	12,180,598
Other related companies				
Gentech Engineering Co., Ltd.	4,956,268	4,956,268	4,956,268	4,956,268
Total	17,136,866	17,136,866	17,136,866	17,136,866
Less Allowance for doubtful accounts	(17,136,866)	(17,136,866)	(17,136,866)	(17,136,866)
Net	-	-	-	-

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

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Movements of long-term loans to related parties during the years ended 31 December 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
			<i>(in Baht)</i>	
At 1 January	17,136,866	17,136,866	17,136,866	45,792,301
Decrease	-	-	-	(28,655,435)
At 31 December	17,136,866	17,136,866	17,136,866	17,136,866

Trade accounts payable – related party

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
			<i>(in Baht)</i>	
Venturer				
Mivan (Thailand) Co., Ltd.	41,885,425	41,885,425	-	-

Movements of short-term loans from related parties for the year ended 31 December 2011 were as follows:

	Consolidated and Separate financial statements
At 1 January	-
Increase	60,000,000
Decrease	(60,000,000)
At 31 December	-

On 30 June 2011, short-term loans represented the promissory note from related person of Baht 60 million with interest charged at 4.75% per annum (due on 1 July 2011). Subsequently, on 30 June 2011, such related person and other person made a letter to request the Company changed the promissory note in full to non-related person since 1 July 2011.

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

The commitments with related parties

The Ordinary General Meetings of Shareholders held on 27 April 2012 resolved the approval of directors' remunerations for the year 2012 in the amount not exceeding Baht 2 million, dividing into the meeting allowance of Baht 10,000 per time per head and the annual audit committee directors' remunerations of Baht 200,000 per head.

The Ordinary General Meetings of Shareholders held on 29 April 2011 and 2010, resolved the approval of directors' remunerations for the years 2011 and 2010 in the amount not exceeding Baht 2 million, dividing into the meeting allowance of Baht 10,000 per time per head and the annual audit committee directors' remunerations of Baht 180,000 per head.

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Significant agreements with related parties

The information and other significant events contained in the memorandum among the Company and related parties as details mentioned in note 3 to the financial statements.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Cash on hand	12,028	12,028	12,000	12,000
Cash at banks – current accounts	29,773,877	75,484,375	26,034,734	75,296,360
Cash at banks – savings accounts	194,634,714	246,484,177	169,492,443	245,439,960
Highly liquid short-term investments	22,433,656	81,830,977	22,433,656	81,830,977
Total	246,854,275	403,811,557	217,972,833	402,579,297

Cash and cash equivalents of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

7 Current investments

	Consolidated and separate financial statements			
	2012		2011	
	Cost	Fair value	Cost	Fair value
	<i>(in Baht)</i>			
Current investments				
Bills of exchange	60,172,701	60,172,701	30,000,000	30,000,000
Open fund	-	-	20,000,000	20,123,485
Add allowance for valuation	-	-	123,485	-
Net	-	-	20,123,485	20,123,485
Total	60,172,701	60,172,701	50,123,485	50,123,485

Movements for the years ended 31 December 2012 and 2011 were as follows:

	Consolidated and separate financial statements	
	2012	2011
	<i>(in Baht)</i>	
Bills of exchange		
At 1 January	30,000,000	-
Purchases during the year	280,000,000	30,000,000
Sales during the year	(249,827,299)	-
At 31 December	60,172,701	30,000,000

Syntec Construction Public Company Limited and its Subsidiaries
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	Consolidated and separate financial statements	
	2012	2011
	<i>(in Baht)</i>	
Open fund		
Cost		
At 1 January	20,000,000	-
Purchases during the year	-	20,000,000
Sales during the year	(20,000,000)	-
At 31 December	-	20,000,000

Current investments of the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

8 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
<i>Comprising:</i>				
Trade accounts receivable -				
other parties	642,854,717	789,154,384	619,854,497	766,154,164
Less allowance for doubtful				
accounts	(97,254,895)	(100,699,209)	(97,254,895)	(100,699,209)
Net	545,599,822	688,455,175	522,599,602	665,454,955
Bad debts for the year	-	(9,746,846)	-	(9,746,846)
Reversal of allowance for				
doubtful accounts for				
the year	(3,444,314)	(180,000)	(3,444,314)	(180,000)
Total	(3,444,314)	(9,926,846)	(3,444,314)	(9,926,846)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Within credit terms	290,518,321	362,596,994	290,518,321	362,596,994
Still installment	35,160,603	35,400,604	35,160,603	35,400,604
Overdue:				
- Less than 3 months	135,415,612	248,081,392	135,415,612	248,081,392
- Over 3 months to 6 months	3,518,785	920,000	3,518,785	920,000
- Over 6 months to				
12 months	55,012,461	4,520,000	55,012,461	4,520,000
- Over 12 months	123,228,935	137,635,394	100,228,715	114,635,174
	317,175,793	391,156,786	294,175,573	368,156,566
Total	642,854,717	789,154,384	619,854,497	766,154,164

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

Trade accounts receivable of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

9 Other Receivables

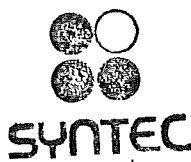
Other receivables as at 31 December 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Other receivables	16,224,467	19,169,727	16,224,467	19,169,727
Accrued income	1,368,063	1,638,063	1,368,063	1,638,063
Prepaid expenses	31,207,142	17,592,490	30,544,920	16,875,145
Advances	226,102,159	220,466,514	628,121,669	614,919,656
Prepaid value added tax	5,182,393	6,902,289	627,314	2,703,311
Total	280,084,224	265,769,083	676,886,433	655,305,902
Less allowance for doubtful accounts	(225,846,874)	(179,896,766)	(626,258,090)	(177,716,895)
Net	54,237,350	85,872,317	50,628,343	477,589,007
Related parties	218,882,792	214,788,662	620,902,302	609,241,805
Key management personnel	4,014,484	2,875,357	4,014,484	2,875,357
Other parties	57,186,948	48,105,064	51,969,647	43,188,740
	280,084,224	265,769,083	676,886,433	655,305,902
Less allowance for doubtful accounts	(225,846,874)	(179,896,766)	(626,258,090)	(177,716,895)
Net	54,237,350	85,872,317	50,628,343	477,589,007
Doubtful debts expense for the year	45,950,109	130,473,232	51,450,415	124,239,778
Reversal allowance for doubtful accounts for the year	-	(15,164,426)	-	(60,407,240)
Total	45,950,109	115,308,806	51,450,415	63,832,538

10 Retentions receivable under construction contracts

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Other parties	607,736,929	478,998,443	575,807,857	447,069,370
Less allowance for doubtful accounts	(43,116,201)	(34,736,355)	(43,116,201)	(34,736,355)
Net	564,620,728	444,262,088	532,691,656	412,333,015

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Syntec Construction Public Company Limited and its Subsidiaries
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	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Bad debts for the year	-	(9,510,685)	-	(9,510,685)
Doubtful debts expense for the year	8,739,846	7,508,952	8,739,846	7,508,952
Reversal of allowance for doubtful accounts for the year	(360,000)	(579,504)	(360,000)	(579,504)
Total	8,379,846	(2,581,237)	8,379,846	(2,581,237)

Aging analyses for retention receivables under construction contracts were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Within credit terms	417,030,052	358,093,003	417,030,052	335,795,110
Still installment	25,004,030	14,247,080	25,004,030	14,247,080
Overdue:				
- Less than 1 year	40,636,082	72,456,212	18,338,190	62,825,032
- Over 1 year to 2 year	90,864,617	3,851,861	81,233,437	3,851,861
- Over 2 year to 3 year	-	16,181,406	-	16,181,406
- Over 3 year	34,202,148	14,168,881	34,202,148	14,168,881
	165,702,847	106,658,360	133,773,775	97,027,180
Total	607,736,929	478,998,443	575,807,857	447,069,370


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 31 December 2012 amounted to Baht 32 million has been in the process of following up for collectible. Please also see note 3 to the financial statements.

Retentions receivable under construction contracts of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

11 Unbilled construction work in progress

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Other parties	1,123,701,483	868,263,850	1,123,701,483	868,263,850
Less allowance for doubtful accounts	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)
Net	1,094,701,483	839,263,850	1,094,701,483	839,263,850
Reversal of doubtful accounts	-	1,800,000	-	1,800,000


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Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2012

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in million Baht)			
Construction project contracts amount	<u>22,427</u>	<u>20,687</u>	<u>22,427</u>	<u>20,687</u>
Contract revenue recognized as revenue since commencing date to present	15,060	15,012	15,060	15,012
Less progress billings (as invoices)	<u>(13,965)</u>	<u>(14,173)</u>	<u>(13,965)</u>	<u>(14,173)</u>
Unbilled construction work in progress	1,095	839	1,095	839
Unbilled construction work in progress (before year 2000)	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>
Unbilled construction work in progress at the end of year	1,124	868	1,124	868
Less allowance for doubtful accounts	<u>(29)</u>	<u>(29)</u>	<u>(29)</u>	<u>(29)</u>
Net	1,095	839	1,095	839
Excess of progress billing over work in progress	<u>(405)</u>	<u>(485)</u>	<u>(405)</u>	<u>(485)</u>
Net	690	354	690	354

12 Inventories

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in Baht)			
Construction materials	131,912,702	247,242,621	131,912,702	247,242,621
Spare parts and supplies	9,180,785	9,397,506	9,180,785	9,397,506
Less allowance for decline in value of inventories	<u>(844,084)</u>	<u>(844,084)</u>	<u>(844,084)</u>	<u>(844,084)</u>
Net	8,336,701	8,553,422	8,336,701	8,553,422
Total	140,249,403	255,796,043	140,249,403	255,796,043

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in million Baht)			
Cost of inventories was recognized in expense and included in cost of construction	<u>1,319</u>	<u>1,255</u>	<u>1,319</u>	<u>1,255</u>

Syntec Construction Public Company Limited and its Subsidiaries
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Inventories as at 31 December 2012 and 2011 amounted to Baht 140 million and Baht 256 million, respectively, were expected to utilize as follows:

	2012	2011
	<i>(in million Baht)</i>	
Expected to utilize within 1 year	139	255
Expected to utilize over 1 year	1	1
Total	140	256

13 Advance payments to subcontractors

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Other non-related parties	35,755,976	81,979,628	35,755,976	81,979,628
Total	35,755,976	81,979,628	35,755,976	81,979,628

Advance payments to subcontractors of the Group/the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

14 Investments in subsidiary

Movements for the year ended 31 December 2012 were as follows:

	Separate financial statements (in Baht)
As at 1 January	-
Acquisition	52,000,000
At 31 December	52,000,000

Investments in subsidiary as at 31 December 2012 was as follows:

	Ownership interest %	Separate financial statements Paid-up capital (in million Baht)	At cost
Direct subsidiary			
SCR Asset Management Co., Ltd	52	100	52
Total			52

The Board of Directors Meeting of the Company held on 20 March 2012 approved the Company established a subsidiary named SCR Asset Management Co., Ltd. to operate the real estate development for rental. The subsidiary was incorporated on 2 April 2012 with registered share capital of Baht 100 million divided into 1,000,000 ordinary shares of Baht 100 par value. The Company held 52% of the paid-up capital. On 30 November 2012, the subsidiary entered into a hire agreement with an other company to manage the residence service for a period of 10 years. As of 1 March 2013, the subsidiary was in process of construction.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
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15 Investments in associates

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
At 1 January	29,347,717	29,393,425	38,677,000	38,677,000
Share of net profit (losses) of equity - accounted	363,083	(45,708)	-	-
	29,710,800	29,347,717	38,677,000	38,677,000
Less allowance for valuation	(29,302,000)	(29,302,000)	(38,677,000)	(38,677,000)
At 31 December	408,800	45,717	-	-

Syntec Construction Public Company Limited and its Subsidiaries

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For the year ended 31 December 2012

Investments in associates as at 31 December 2012 and 2011 were as follows:



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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Consolidated financial statements

	Percentage of shareholding		Paid-up share capital		Cost method		Equity method		Impairment		At equity - net	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(in million Baht)											
<i>Associates</i>												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	0.41	0.04	-	-	0.41	0.04
Beauconcept Development Co., Ltd	25	25	RM 12	RM 12	29	29	-	-	(29)	(29)	-	-
Total					39	39	0.41	0.04	(29)	(29)	0.41	0.04

Separate financial statements

	Percentage of shareholding		Paid-up share capital		Cost method		Impairment		At cost - net		Dividend received	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(in million Baht)											
<i>Associates</i>												
Natural Hotel Sukhumvit Co., Ltd.	25	25	41	41	10	10	(10)	(10)	-	-	-	-
Beauconcept Development Co., Ltd	25	25	RM 12	RM 12	29	29	(29)	(29)	-	-	-	-
Total					39	39	(39)	(39)	-	-	-	-

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

	Ownership interest	Total assets	Total liabilities	Total revenues	Profit (loss) for the year
	<i>(%)</i>	<i>(in million Baht)</i>			
2012					
Natural Hotel Sukhumvit Co., Ltd.	25	<u>1.66</u>	<u>0.03</u>	<u>1.56</u>	<u>1.45</u>
Total		<u>1.66</u>	<u>0.03</u>	<u>1.56</u>	<u>1.45</u>
2011					
Natural Hotel Sukhumvit Co., Ltd.	25	<u>0.44</u>	<u>0.40</u>	<u>-</u>	<u>(0.04)</u>
Total		<u>0.44</u>	<u>0.40</u>	<u>-</u>	<u>(0.04)</u>




Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

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The following summarized financial information on interests in jointly controlled entities which have been proportionately consolidated represents the Group's share :



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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Profit (loss) for the year
2012										
SVK Joint Venture	51	1	-	1	6	-	6	-	-	-
Syntec - Mivan Joint Ventures	65	61	13	74	509	-	509	8	7	1
Total		62	13	75	515	-	515	8	7	1
2011										
Joint Ventures between Siam Syntech Construction Pcl. and Underground Technology (Thailand) Co. Ltd	50	-	-	-	-	-	-	2	-	2
Joint Ventures between Siam Syntech Construction Pcl. and Federal Engineering Co. Ltd	75	-	-	-	-	-	-	80	-	80
SVK Joint Venture	51	1	-	1	6	-	6	-	(1)	(1)
Syntec - Mivan Joint Ventures	65	60	13	73	510	-	510	21	(5)	16
Total		61	13	74	516	-	516	103	(6)	97

Syntec Construction Public Company Limited and its Subsidiaries
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16 Other long-term investments

	Consolidated and separate financial statements			
	Cost		Fair value	
	2012	2011	2012	2011
	(in Baht)			
General investments	55,788,000	55,788,000	-	-
Equity securities available for sale	560,624,974	560,624,974	257,481,601	220,698,515
Debt securities held to maturity	35,000,000	-	35,000,000	-
Total	651,412,974	616,412,974	292,481,601	220,698,515
<i>General investments</i>				
S.S. Bangkok Development Co., Ltd.	34,038,000	34,038,000	34,038,000	34,038,000
Salintara Co., Ltd.	18,750,000	18,750,000	18,750,000	18,750,000
The Bangkok Club Co., Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Total	55,788,000	55,788,000	55,788,000	55,788,000
Less allowance for devaluation of investment	(55,788,000)	(55,788,000)	(55,788,000)	(55,788,000)
Net	-	-	-	-
<i>Available-for-sale securities</i>				
Bangkok Metro Public Co., Ltd	560,624,974	560,624,974	257,481,601	220,698,515
Less unrealized loss on valuation adjustment	(303,143,373)	(339,926,459)	-	-
Net	257,481,601	220,698,515	257,481,601	220,698,515
Total	257,481,601	220,698,515	257,481,601	220,698,515
Unrealized gain (loss) on valuation adjustment for the year recognized directly in equity	36,783,086	(40,461,394)	36,783,086	(40,461,394)
<i>Debt securities held to maturity</i>				
Debenture	35,000,000	-	35,000,000	-

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in Baht)			
<i>General investments</i>				
At 1 January	55,788,000	55,788,000	55,788,000	55,788,000
Valuation adjustment	(55,788,000)	(55,788,000)	(55,788,000)	(55,788,000)
At 31 December	-	-	-	-

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
<i>Available-for-sale securities</i>				
At 1 January	220,698,515	261,159,909	220,698,515	261,159,909
Valuation adjustment	36,783,086	(40,461,394)	36,783,086	(40,461,394)
At 31 December	<u>257,481,601</u>	<u>220,698,515</u>	<u>257,481,601</u>	<u>220,698,515</u>
<i>Debt securities held to maturity</i>				
At 1 January	-	-	-	-
Acquisition during the year	35,000,000	-	35,000,000	-
At 31 December	<u>35,000,000</u>	<u>-</u>	<u>35,000,000</u>	<u>-</u>

As at 31 December 2012 and 2011, investment in Bangkok Metro Pcl., of 204,564,858 shares with fair value of Baht 143 million and Baht 123 million, respectively, were used as collateral for bank overdrafts, loans and issuance of letters of guarantee from a domestic commercial in unlimited credit as the details described in note 48 to the financial statements.

As at 31 December 2012, debt securities held to maturity represented debenture of a domestic commercial bank amounted to Baht 35 million which were used as collateral for guarantee on the payment and obligations of the Company pursuant to the pledge contract dated on 22 May 2012.

17 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Related parties	17,136,866	17,136,866	17,136,866	17,136,866
Other parties	3,000,200	180,756,235	3,000,200	180,756,235
	<u>20,137,066</u>	<u>197,893,101</u>	<u>20,137,066</u>	<u>197,893,101</u>
Less allowance for doubtful accounts	(20,137,066)	(197,893,101)	(20,137,066)	(197,893,101)
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Long-term loans to other parties as at 31 December, 2012 and 2011 represented loans to one the company and two other companies, respectively, without loan agreements and interest bearing.

Movements of long-term loans for the years ended 31 December 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
At 1 January	180,756,235	180,756,235	180,756,235	180,756,235
Addition	-	-	-	-
Write-off	(177,756,035)	-	(177,756,035)	-
At 31 December	<u>3,000,200</u>	<u>180,756,235</u>	<u>3,000,200</u>	<u>180,756,235</u>

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

On 27 December 2012, the Board of Directors Meeting of the Company unanimously resolved to write - off a debtor on long term loan to bad debt of Baht 177.76 million because the Central Bankruptcy Court ordered such debtor to be bankrupt on 4 December 2012.

Long-term loans of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

18 Investment properties

	Consolidated and separate financial statements		
	Land	Condominium (in Baht)	Total
<i>Cost</i>			
At 1 January 2011	99,643,500	5,649,570	105,293,070
No changes during the year	-	-	-
At 31 December 2011 and 1 January 2012	99,643,500	5,649,570	105,293,070
No changes during the year	-	-	-
At 31 December 2012	99,643,500	5,649,570	105,293,070
<i>Accumulated depreciation</i>			
At 1 January 2011	-	1,513,376	1,513,376
Depreciation charge for the year	-	739,874	739,874
At 31 December 2011 and 1 January 2012	-	2,253,250	2,253,250
Depreciation charge for the year	-	739,874	739,874
At 31 December 2012	-	2,993,124	2,993,124
<i>Net book value</i>			
At 31 December 2011	99,643,500	3,396,320	103,039,820
At 31 December 2012	99,643,500	2,656,446	102,299,946

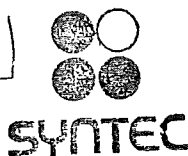
	Consolidated and separate financial statements	
	2012	2011
	<i>(in Baht)</i>	
Depreciation charge for the year		
was included in: -		
administrative expenses	739,874	739,874
Total	739,874	739,874

Investment properties as at 31 December 2012 in part of land, cost value amounted to Baht 99.64 million represented the latest appraisal value which was appraised by the professional valuer based on market price of Baht 155 million as the appraisal report on 27 February 2013 and condominium with book value of Baht 2.66 million which was appraised by the Company's management on survey method and comparing with similar market price of Baht 7.28 million.

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements
For the year ended 31 December 2012

19 Property, plant and equipment



บริษัท ซินเทค คอนสตรัคชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

Consolidated financial statements

Aluminium
lining
Boards
(formwork)
(in Baht)

Construction
in
progress

Total

Cost

At 1 January 2011	57,702,316	219,869,929	867,820,415	503,937,551	79,053,479	119,033,246	8,808,841	1,856,225,777
Additions	-	45,926	187,779,888	-	16,725,578	13,378,677	24,723,758	242,653,827
Transfers	-	33,532,599	-	-	-	-	(33,532,599)	-
Disposals	-	-	(90,206,832)	(4,642,931)	(5,085,242)	(377,500)	-	(100,312,505)
At 31 December 2011 and 1 January 2012	57,702,316	253,448,454	965,393,471	499,294,620	90,693,815	132,034,423	-	1,998,567,099
Additions	68,753,020	-	200,644,324	-	13,010,497	11,203,335	41,497,006	335,108,182
Transfers	-	6,547,280	2,597,398	-	-	-	(9,144,678)	-
Disposals	-	-	(67,854,986)	-	(3,937,541)	(6,367,808)	-	(78,160,335)
At 31 December 2012	126,455,336	259,995,734	1,100,780,207	499,294,620	99,766,771	136,869,950	32,352,328	2,255,514,946

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2012



Consolidated financial statements

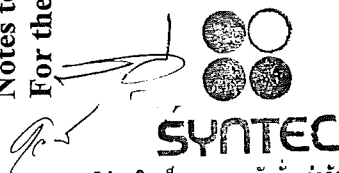
(in Baht)

	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
Accumulated depreciation								
At 1 January 2011	-	94,622,961	675,414,620	432,407,012	54,293,940	80,952,952	-	1,337,691,485
Depreciation charge for the year	-	14,457,828	41,396,548	4,984,822	12,995,260	8,977,986	-	82,812,444
Disposals	-	-	(23,515,093)	(4,642,917)	(4,817,282)	(308,657)	-	(33,283,949)
At 31 December 2011 and 1 January 2012	-	109,080,789	693,296,075	432,748,917	62,471,918	89,622,281	-	1,387,219,980
Depreciation charge for the year	-	17,980,651	44,167,487	3,396,553	13,334,418	9,782,833	-	88,661,942
Disposals	-	-	(9,844,306)	-	(3,807,140)	(5,509,990)	-	(19,161,436)
At 31 December 2012	-	127,061,440	727,619,256	436,145,470	71,999,196	93,895,124	-	1,456,720,486
Net book value								
Owned assets	57,702,316	144,367,665	133,679,235	66,545,703	28,221,897	8,094,300	-	438,611,116
Assets under finance leases	-	-	138,418,161	-	-	34,317,842	-	172,736,003
Total at 31 December 2011	57,702,316	144,367,665	272,097,396	66,545,703	28,221,897	42,412,142	-	611,347,119
Owned assets	126,455,336	132,934,294	204,795,816	63,149,150	27,767,575	12,345,395	32,352,328	599,799,894
Assets under finance leases	-	-	168,365,135	-	-	30,629,431	-	198,994,566
Total at 31 December 2012	126,455,336	132,934,294	373,160,951	63,149,150	27,767,575	42,974,826	32,352,328	798,794,460

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2012



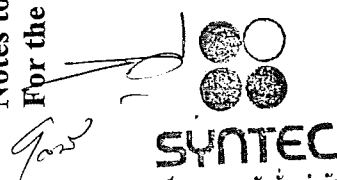
Separate financial statements

	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
<i>(in Baht)</i>								
Cost								
At 1 January 2011	57,702,316	219,869,929	864,977,835	513,370,805	79,019,354	119,033,246	8,808,841	1,862,782,326
Additions	-	45,926	187,779,888	-	16,725,578	13,378,677	24,723,758	242,653,827
Transfers	-	33,532,599	-	-	-	-	(33,532,599)	-
Disposals	-	-	(90,206,832)	(4,642,931)	(5,085,242)	(377,500)	-	(100,312,505)
At 31 December 2011 and								
1 January 2012	57,702,316	253,448,454	962,550,891	508,727,874	90,659,690	132,034,423	-	2,005,123,648
Additions	-	-	200,644,324	-	13,010,497	11,203,335	38,559,102	263,417,258
Transfers	-	6,547,280	2,597,398	-	-	-	(9,144,678)	-
Disposals	-	-	(67,854,987)	-	(3,937,541)	(6,367,808)	-	(78,160,336)
At 31 December 2012	57,702,316	259,995,734	1,097,937,626	508,727,874	99,732,646	136,869,950	29,414,424	2,190,380,570

Syntec Construction Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2012



	Land	Buildings and building improvement	Construction machinery and equipment	Separate financial statements Aluminium lining boards (formwork)	Furniture, fixtures and equipment (in Baht)	Vehicles	Construction in progress	Total
Accumulated depreciation								
At 1 January 2011	-	94,622,961	672,776,044	433,392,364	54,261,927	80,952,952	-	1,336,006,248
Depreciation charge for the year	-	14,457,828	41,192,544	7,885,252	12,993,148	8,977,986	-	85,506,758
Disposals	-	-	(23,515,093)	(4,642,917)	(4,817,282)	(308,657)	-	(33,283,949)
At 31 December 2011	-	109,080,789	690,453,495	436,634,699	62,437,793	89,622,281	-	1,388,229,057
Depreciation charge for the year	-	17,980,650	44,167,487	6,305,993	13,334,418	9,782,833	-	91,571,381
Disposals	-	-	(9,844,306)	-	(3,807,140)	(5,509,990)	-	(19,161,436)
At 31 December 2012	-	127,061,439	724,776,676	442,940,692	71,965,071	93,895,124	-	1,460,639,002
Net book value								
Owned assets	57,702,316	144,367,665	133,679,235	72,093,175	28,221,897	8,094,300	-	444,158,588
Assets under finance leases	-	-	138,418,161	-	-	34,317,842	-	172,736,003
Total at 31 December 2011	57,702,316	144,367,665	272,097,396	72,093,175	28,221,897	42,412,142	-	616,894,591
Owned assets	57,702,316	132,934,295	204,795,815	65,787,182	27,767,575	12,345,395	29,414,424	530,747,002
Assets under finance leases	-	-	168,365,135	-	-	30,629,431	-	198,994,566
Total at 31 December 2012	57,702,316	132,934,295	373,160,950	65,787,182	27,767,575	42,974,826	29,414,424	729,741,568

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

Depreciation was included in: -

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Cost of construction	74,360,674	67,757,789	77,270,113	70,658,219
Administrative expenses	14,301,268	15,054,655	14,301,268	14,848,539
Total	88,661,942	82,812,444	91,571,381	85,506,758

As at 31 December 2012 and 2011, the gross amount of the Group's fully depreciated buildings and equipment that was still in use amounted to Baht 1,192 million and Baht 1,089 million, respectively.

As at 31 December 2012 and 2011, land, buildings and building improvement in the amount of Baht 58 million and Baht 65 million, respectively, including indemnity from fire insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks as mentioned in note 48 to the financial statement.

On 5 April 2012, SCR Asset Management Co., Ltd. ('the subsidiary') had entered into an agreement to purchase land of 11 title deeds, located at Sriracha district, Chonburi province, with a public company amounted to Baht 69 million (including acquisition costs) in order to construct the apartment for anyone interested, both Thai and foreign customers, for use as accommodation. The Extraordinary General Meeting of Shareholders held on 3 April 2012 approved the capital received from shareholders to pay the cost of land.

20 Intangible assets

	Consolidated and separate	
	financial statements	
	Software license	Total
	<i>(in Baht)</i>	
Cost		
At 1 January 2011	11,903,371	11,903,371
Additions	10,876,500	10,876,500
At 31 December 2011 and 1 January 2012	22,779,871	22,779,871
Additions	1,253,417	1,253,417
At 31 December 2012	24,033,288	24,033,288
Accumulated amortization		
At 1 January 2011	11,101,768	11,101,768
Amortisation charge for the year	3,537,373	3,537,373
At 31 December 2011 and 1 January 2012	14,639,141	14,639,141
Amortisation charge for the year	4,222,665	4,222,665
At 31 December 2012	18,861,806	18,861,806
Net book value		
At 31 December 2011	8,140,730	8,140,730
At 31 December 2012	5,171,482	5,171,482

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Amortization for the year was included in administrative expenses	4,222,665	3,537,373	4,222,665	3,537,373
Total	4,222,665	3,537,373	4,222,665	3,537,373

21 Pledged deposits at banks

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Cash at banks – savings accounts	70,266,156	125,863,738	70,266,155	125,863,738
Cash at banks – fixed deposit accounts	85,076,640	77,202,801	85,076,640	77,202,801
Total	155,342,796	203,066,539	155,342,795	203,066,539

Pledged deposit at banks of the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

22 Other non-current assets

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Deposits	105,753,139	92,802,383	92,844,542	79,893,786

23 Bank overdrafts and short-term loans from financial institutions

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Bank overdrafts	14,575,258	5,988,148	14,575,258	5,988,148
Short-term loans from financial institutions	540,000,000	25,000,000	540,000,000	25,000,000
Total	554,575,258	30,988,148	554,575,258	30,988,148

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

Movements of short-term loans from financial institutions for the years ended 31 December 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
At 1 January	25,000,000	-	25,000,000	-
Additions	555,000,000	25,000,000	555,000,000	25,000,000
Deductions	<u>(40,000,000)</u>	<u>-</u>	<u>(40,000,000)</u>	<u>-</u>
At 31 December	<u>540,000,000</u>	<u>25,000,000</u>	<u>540,000,000</u>	<u>25,000,000</u>

As at 31 December 2012 and 2011, short term loans from financial institutions in the amount of Baht 540 million and 25 million, respectively, in the consolidated and separate financial statements represented the promissory notes, due on 18 June 2013 to 24 June 2013 and 17 February 2012, respectively. Interest rate was charged at 5% per annum and 5% per annum, respectively.

Bank overdrafts and short-term loans from financial institutions of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

As at 31 December 2012, the Group and the Company had unutilized credit facilities provided by a financial institutions totaling Baht 1,223 million.

24 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Related parties	41,885,425	41,885,425	-	-
Other parties	<u>381,307,784</u>	<u>281,008,449</u>	<u>376,569,240</u>	<u>267,305,143</u>
Total	<u>423,193,209</u>	<u>322,893,874</u>	<u>376,569,240</u>	<u>267,305,143</u>

Trade accounts payable of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

Joint venture had 3 trade accounts payables as at 31 December 2011 in the amount of Baht 13 million, which was still in the process of installment under the compromise agreement, however they already paid in full in January 2012.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

25 Other payables

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
<i>Other parties</i>				
Other payables	59,793,290	59,730,905	1,618,035	1,524,357
Accrued value added tax	4,485,703	11,023,164	4,485,703	11,022,286
Accrued withholding tax	7,216,703	6,638,567	7,194,320	6,638,567
Other accrued expenses	68,212,893	168,913,853	68,111,445	168,799,542
Total	139,708,589	246,306,489	81,409,503	187,984,752

Other payables of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

26 Current portion of creditors under the rehabilitation plan

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Creditors under the rehabilitation plan	28,521,146	29,073,870	28,521,146	29,073,870

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Thai Baht (THB)	12,528,688	12,462,769	12,528,688	12,462,769
United States Dollars (USD)	15,992,458	16,611,101	15,992,458	16,611,101
Total	28,521,146	29,073,870	28,521,146	29,073,870

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

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

Syntec Construction Public Company Limited and its Subsidiaries
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On the above payment, the Consortium agreed to a company in the group indemnified the Company against on payment in full amount and the Company had no commitment on such payment. The Board of Directors Meeting held on 30 September 2011, resolved the approval of the reversal of creditor under the rehabilitation plan of Baht 82.31 million is recognized in profit or loss in full.

27 Short-term loans

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Notes payable	<u>-</u>	<u>462,000,000</u>	<u>-</u>	<u>462,000,000</u>

Movements of short-term loans for the years ended 31 December 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
At 1 January	462,000,000	412,000,000	462,000,000	412,000,000
Increase	-	50,000,000	-	50,000,000
Paid	<u>(462,000,000)</u>	<u>-</u>	<u>(462,000,000)</u>	<u>-</u>
As at 31 December	<u>-</u>	<u>462,000,000</u>	<u>-</u>	<u>462,000,000</u>

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

Short-term loans of the Company as at 31 December 2011 were denominated entirely in Thai Baht.

28 Finance lease liabilities

	Consolidated and Separate financial statements					
	2012			2011		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in Baht)</i>					
Within one year	49,447,821	10,989,852	60,437,673	38,261,153	9,867,962	48,129,115
After one year but						
within five years	153,906,222	15,726,562	169,632,784	143,076,717	15,136,469	158,213,186
Total	<u>203,354,043</u>	<u>26,716,414</u>	<u>230,070,457</u>	<u>181,337,870</u>	<u>25,004,431</u>	<u>206,342,301</u>

As at 31 December 2012 and 2011, finance lease liabilities of Baht 203 million and Baht 181 million, respectively, represented the creditors under the hire purchase agreements on machinery, computers and vehicles with 7 and 9 other companies for 65 agreements and 71 agreements, respectively. The term of agreements covered for the period of 3-5 years, requiring monthly payable amounting to Baht 8,735 to Baht 412,255.

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

29 Employee benefit obligations

The Company operates post-employment benefits based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations

	Consolidated and separate financial statements	
	2012	2011
	<i>(in Baht)</i>	
<i>For the year ended 31 December</i>		
Defined benefit obligations at 1 January	57,452,882	47,364,949
Current service costs and interest	14,585,644	11,649,133
Payment of employee benefits	(772,825)	(1,561,200)
Defined benefit obligations at 31 December	71,265,701	57,452,882

Expense recognized in profit or loss

For the years ended 31 December 2012 and 2011

	Consolidated and separate financial statements	
	2012	2011
	<i>(in Baht)</i>	
Current service costs	12,499,336	9,872,947
Interest on obligation	2,086,308	1,776,186
Total	14,585,644	11,649,133

The above expense is recognised in the following line items:

For the years ended 31 December 2012 and 2011

	Consolidated and separate financial statements	
	2012	2011
	<i>(in Baht)</i>	
Cost of construction	9,878,040	9,107,974
Administrative expenses	4,707,604	2,541,159
Total	14,585,644	11,649,133

Principal actuarial assumptions at the reporting date

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

Syntec Construction Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2012

30 Provisions

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Provision for losses on construction project	5,144,177	-	5,144,177	-
Estimated loss under joint venture agreement	-	-	39,063,093	436,901,815
Total	5,144,177	-	44,207,270	436,901,815
As at 31 December				
Current	5,144,177	-	5,144,177	-
Non-current	-	-	39,063,093	436,901,815
Total	5,144,177	-	44,207,270	436,901,815

Movements for the years ended 31 December 2012 and 2011 were as follows:

	Consolidated financial statements		
	Estimated loss under joint venture agreement	Provision for losses on Construction project <i>(in Baht)</i>	Total
At 31 December 2011	-	-	-
Provision made	-	5,144,177	5,144,177
At 31 December 2012	-	5,144,177	5,144,177

	Separate financial statements		
	Estimated loss under joint venture agreement	Provision for losses on Construction project <i>(in Baht)</i>	Total
At 1 January 2011	489,306,390	-	489,306,390
Provision reversed	(52,404,575)	-	(52,404,575)
At 31 December 2011 and 1 January 2012	436,901,815	-	436,901,815
Provision made	-	5,144,177	5,144,177
Transfer to allowance for doubtful account (note 5)	(397,090,780)	-	(397,090,780)
Provision reversed	(747,942)	-	(747,942)
At 31 December 2012	39,063,093	5,144,177	44,207,270

Provision for losses on Construction project

As at 31 December 2012, the Company recognized loss on construction project for 1 project in the amount of Baht 5 million in the consolidated and separate financial statements.

Syntec Construction Public Company Limited and its Subsidiaries
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For the year ended 31 December 2012

Estimated losses under joint venture agreement

As at 31 December 2012 and 2011, the Company recognized the estimated losses under joint venture agreement to outsider, which was based on the proportionate share of the entities, was summarized as follows:

	Separate financial statements	
	2012	2011
	<i>(in Baht)</i>	
Syntec – Mivan Joint venture	39,063,093	436,901,815
Total	39,063,093	436,901,815

31 Share capital

Consolidated and separate financial statements					
		2012		2011	
	<i>Par value</i>	Number	Amount	Number	Amount
	<i>(Baht)</i>	<i>(in million shares / in million Baht)</i>			
<i>Authorized share capital</i>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At 31 December					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
<i>Issued and paid up</i>					
At 1 January					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>
At 31 December					
- Ordinary shares	<i>1</i>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>

32 Additional paid in capital and reserves

Share premium

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

Fair value changes of available-for-sale investments

Fair value changes of available-for-sale investments in the shareholders' equity comprises the cumulative net changes in the fair value of available-for-sale investments until the investments are derecognized or impaired.

Legal reserve

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

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The Company appropriated legal reserve at 5% of net profit for 2011 amounting to Baht 6 million.

The Ordinary General Meeting of the Shareholders of the Company held on 27 April 2012 resolved the allocation 5% of annual net profit for the year 2011 to legal reserve of Baht 6 million.

33 Segment reporting

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

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)

Business segment results

	Segment 1		Segment 2		Eliminations		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>							
Revenue from construction	4,857	4,723	-	-	-	-	4,857	4,723
Other income	23	139	-	-	-	-	23	139
Total revenues	4,880	4,862	-	-	-	-	4,880	4,862
Profit (loss) from business segment	(132)	102	-	-	-	-	(132)	102
Income tax expenses	-	(5)	-	-	-	-	-	(5)
Non-controlling interests	-	-	-	-	-	-	-	-
Profit (loss) attributable to owners of the parent	(132)	97	-	-	-	-	(132)	97

Business segment financial position

	Segment 1		Segment 2		Eliminations		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>							
Assets segment	3,518	3,763	28	-	-	-	3,546	3,763
Investment in subsidiary	52	-	-	-	(52)	-	-	-
Property, plant and equipment	727	611	72	-	-	-	799	611
Total assets	4,297	4,374	100	-	(52)	-	4,345	4,374

Syntec Construction Public Company Limited and its Subsidiaries
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	Segment 1		Segment 2		Eliminations		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>							
Liabilities segment	2,138	2,088	-	-	-	-	2,138	2,088
Total liabilities	2,138	2,088	-	-	-	-	2,138	2,088
Capital expenses								
Depreciation and amortization	94	87	-	-	-	-	94	87
Gain on disposal and written off of equipment	(5)	(7)	-	-	-	-	(5)	(7)

34 Other income


	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Gain from compromise of debts	7,092,083	21,346,346	-	-
Others	3,233,755	18,776,200	3,213,356	2,395,084
Total	10,325,838	40,122,546	3,213,356	2,395,084

35 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Tendering cost	1,469,050	2,234,764	1,469,050	2,234,764
Total	1,469,050	2,234,764	1,469,050	2,234,764

36 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Personnel	115,019,958	105,802,217	115,019,958	105,802,217
Consulting and professional	15,058,401	13,085,338	15,029,332	12,914,681
Entertainment	11,038,615	11,725,176	11,038,615	11,725,176
Depreciation and amortization	19,263,808	18,385,911	19,263,808	18,385,911
Travelling	661,439	3,114,713	661,439	3,114,713
Vehicle	2,233,990	2,571,583	2,233,990	2,571,583
Bank charge	2,474,229	6,883,896	2,422,885	4,138,585
Foreign exchange loss	-	804,973	-	804,973
Damage from severe flooding of Thailand	60,612,536	-	60,612,536	-
Others	41,758,002	37,602,797	35,585,167	34,803,659
Total	268,120,978	199,976,604	261,867,730	194,261,498


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Syntec Construction Public Company Limited and its Subsidiaries
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The Company operates construction mainly in Bangkok and perimeter of Thailand, which was affected by the severe flooding of Thailand. It resulted to construction projects delayed about 1-2 months or stopped temporarily as staff could not work fully from the end of 2011 to January 2012.

37 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Management				
Salaries and bonuses	27,745,799	27,057,200	27,745,799	27,057,200
Others	3,303,923	2,733,394	3,303,923	2,733,394
	<u>31,049,722</u>	<u>29,790,594</u>	<u>31,049,722</u>	<u>29,790,594</u>
Other employees				
Salaries wages and bonuses	349,984,684	320,336,992	349,984,684	320,336,992
Others	13,377,441	9,175,894	13,377,441	9,175,894
	<u>363,362,125</u>	<u>329,512,886</u>	<u>363,362,125</u>	<u>329,512,886</u>
Total	<u>394,411,847</u>	<u>359,303,480</u>	<u>394,411,847</u>	<u>359,303,480</u>

Partial employee benefit expenses were included in cost of construction.

Management and directors benefit expenses were included in statements of comprehensive income as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Cost of construction	12,292,000	11,809,000	12,292,000	11,809,000
Administrative expenses	18,757,722	17,981,594	18,757,722	17,981,594
Total	<u>31,049,722</u>	<u>29,790,594</u>	<u>31,049,722</u>	<u>29,790,594</u>

38 Expenses by nature

Certain accounts included in calculating profit (loss) from operations for the years ended 31 December 2012 and 2011 have been classified by nature as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Raw material and consumables used	1,319	1,255	1,319	1,255
Subcontractor cost	1,900	1,746	1,896	1,743
Employee and workers expenses	1,079	926	1,079	926
Depreciation and amortization expenses	94	87	96	90
Management benefit expenses	31	30	31	30
Bad and doubtful debts expenses	52	138	57	131
Other expenses	503	546	501	544
Finance cost	35	32	35	32
Total	<u>5,013</u>	<u>4,760</u>	<u>5,014</u>	<u>4,751</u>

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For the year ended 31 December 2012

39 Other expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Doubtful debts expense	52,233,583	138,077,222	56,985,947	131,843,768
Total	52,233,583	138,077,222	56,985,947	131,843,768

40 Finance costs

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in Baht)</i>			
Interest expense				
- Related parties	-	702,740	-	702,740
- Non-related parties	4,973,116	21,185,863	4,973,116	21,185,863
- Financial institutions	30,504,477	9,976,160	30,504,477	9,976,160
Total	35,477,593	31,864,763	35,477,593	31,864,763

41 Income tax expense

Income tax reduction

Royal Decree No. 530 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

The Company has no income tax liability for the year 2012 because the Company incurred tax loss.

The Company has the current tax expense for the year 2011 in the statement of comprehensive income which is less than the amount determined by applying the Thai Corporation tax rate to the accounting profit for the year principally because:

- a reversal of doubtful debts expense due to receiving the payment and writing off bad debts;
- recording the doubtful debts expense during the year;
- recording the estimated loss under joint venture agreement;
- a depreciation expense of cost of vehicle exceeding the amount of Baht 1 million.

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42 Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share for the years ended 31 December 2012 and 2011 were calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit (loss) attributable to equityholders of the Company (basic) (Baht)	(132,046,199)	97,255,480	(141,161,088)	121,021,610
Number of ordinary shares outstanding (shares)	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Basic earnings (loss) per share (Baht)	(0.08)	0.06	(0.09)	0.08

43 Dividends

The Annual Ordinary General Meeting of the Shareholders of the Company held on 27 April 2012 and 29 April 2011, approved the allocation of dividends of Baht 0.02 per share and Baht 0.03 per share, respectively, amounting to Baht 32 million and Baht 48 million, respectively. The dividends were already paid to shareholders during the year 2012 and 2011, respectively.

44 Financial instruments

Financial risk management policies

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

Capital management

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

Interest rate risk

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

Syntec Construction Public Company Limited and its Subsidiaries
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The effective interest rates of deposit at the banks, debt securities and interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
2012					
Current					
Cash and cash equivalents	0.63	247	-	-	247
Current investments	2.18	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	6.53	555	-	-	555
Creditors under rehabilitation plan	-	29	-	-	29
Finance lease liabilities	5.91	49	-	-	49
Non current					
Debt securities held to maturity	2.82	-	35	-	35
Pledged deposits at the banks	1.42	-	155	-	155
Finance lease liabilities	5.91	-	154	-	154
Total		940	344	-	1,284
2011					
Current					
Cash and cash equivalents	0.79	404	-	-	404
Current investments	0.25	50	-	-	50
Bank overdrafts and short-term loans from financial institutions	1.55	31	-	-	31
Creditors under rehabilitation plan	0.02	29	-	-	29
Short-term loans	5.01	462	-	-	462
Finance lease liabilities	5.64	38	-	-	38
Non current					
Pledged deposits at the banks	1.81	-	203	-	203
Finance lease liabilities	5.64	-	143	-	143
Total		1,014	346	-	1,360

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	Effective interest rate (% per annum)	Separate financial statements			Total
Within 1 year		After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years		
2012					
Current					
Cash and cash equivalent	0.63	218	-	-	218
Current investments	2.18	60	-	-	60
Bank overdrafts and short-term loans from financial institutions	6.53	555	-	-	555
Creditors under rehabilitation plan	-	29	-	-	29
Finance lease liabilities	5.91	49	-	-	49
Non current					
Debt securities held to maturity	2.82	-	35	-	35
Pledged deposits at the banks	1.42	-	155	-	155
Finance lease liabilities	5.91	-	154	-	154
Total		911	344	-	1,255
2011					
Current					
Cash and cash equivalents	0.79	403	-	-	403
Current investments	0.25	50	-	-	50
Bank overdrafts and short-term loans from financial institutions	1.55	31	-	-	31
Creditors under rehabilitation plan	0.02	29	-	-	29
Short- term loans	5.01	462	-	-	462
Finance lease liabilities	5.64	38	-	-	38
Non current					
Pledged deposits at the banks	1.81	-	203	-	203
Finance lease liabilities	5.64	-	143	-	143
Total		1,013	346	-	1,359

Foreign currency risk

The Company is exposed to foreign currency risk relating to creditors denominated in foreign currencies of which is immaterial, however, the Company does not utilize any forward exchange contracts. As at 31 December 2012 and 2011, the Company had creditors denominated in the following currencies: -



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	2012	2011
	<i>(in million Baht)</i>	
Foreign currencies		
United States Dollars	0.52	0.52

Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers, historical payment and legal opinion analysis, requiring credit over a certain amount. Collection in advance before starting projects and collection based on the completion of work are performed. The exposure to credit risk is represented by the carrying amount less an allowance for doubtful accounts in the reporting date as described in note 4 to the financial statement. However, due to the large number of parties comprising the Group's / Company's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

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

Determination of fair values

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

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

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

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

Fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position sheets at 31 December 2012 and 2011 were as follows:

Syntec Construction Public Company Limited and its Subsidiaries
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For the year ended 31 December 2012

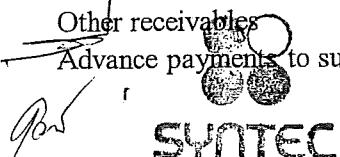
	Consolidated financial statements		Separate financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
2012				
Current				
Deposit at the financial institutions	247	247	218	218
Current investments	60	60	60	60
Trade accounts receivable	546	546	523	523
Other receivables	54	54	51	51
Retention receivables under construction contracts	565	565	533	533
Unbilled construction in progress	1,095	1,095	1,095	1,095
Advance payments to subcontractors	36	36	36	36
Bank overdrafts and short-term loans from financial institutions	(555)	(555)	(555)	(555)
Trade accounts payable	(423)	(423)	(377)	(377)
Other payables	(140)	(140)	(81)	(81)
Creditors under rehabilitation plan	(29)	(29)	(29)	(29)
Finance lease liabilities	(49)	(49)	(49)	(49)
Advances received from customers under construction contracts	(405)	(405)	(405)	(405)
Retentions payables from subcontractors	(190)	(190)	(190)	(190)
Undue value added tax	(113)	(113)	(107)	(107)
Non-current				
Other equity securities	292	292	292	292
Withholding tax	142	142	142	142
Pledged deposits at the banks	155	155	155	155
Finance lease liabilities	(154)	(154)	(154)	(154)
Employee benefit obligations	(71)	(71)	(71)	(71)
Total	1,063	1,063	1,087	1,087

	Consolidated financial statements		Separate financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			

2011

Current

Deposit at the financial institutions	404	404	403	403
Current investments	50	50	50	50
Trade accounts receivable	688	688	665	665
Retention receivables under construction contracts	444	444	412	412
Unbilled construction in progress	839	839	839	839
Other receivables	86	86	478	478
Advance payments to subcontractors	82	82	82	82



Syntec Construction Public Company Limited and its Subsidiaries
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	Consolidated financial statements		Separate financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
Bank overdrafts and short-term loans from financial institutions	(31)	(31)	(31)	(31)
Trade accounts payable	(323)	(323)	(267)	(267)
Other payables	(247)	(247)	(188)	(188)
Creditors under rehabilitation plan	(29)	(29)	(29)	(29)
Short-term loans	(462)	(462)	(462)	(462)
Finance lease liabilities	(38)	(38)	(38)	(38)
Advances received from customers under construction contracts	(485)	(485)	(485)	(485)
Retentions payables from subcontractors	(161)	(161)	(161)	(161)
Undue value added tax	(106)	(106)	(100)	(100)
Non-current				
Other equity securities	221	221	221	221
Withholding tax	285	285	285	285
Pledged deposits at the banks	203	203	203	203
Finance lease liabilities	(143)	(143)	(143)	(143)
Employee benefit obligations	(57)	(57)	(57)	(57)
Total	1,220	1,220	1,677	1,677

45 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Capital commitments				
<i>Not provide for</i>				
Condominium	4	5	4	5
Camp and other buildings	4	-	4	-
Cost of construction building for lease	259	-	-	-
Other commitments				
Pursuant to subcontractor agreement for the outstanding construction project	687	607	687	607
Letters of guarantee from banks for purchasing inventories, utilities usage, guarantee the work performance and advance received from customers	1,960	2,005	1,691	1,736
Pursuant to commission agreement	-	13	-	13
Total	2,914	2,630	2,386	2,361

As at 31 December 2012 and 2011, the Group had unutilized credit facilities obtaining from domestic financial institutions totaling Baht 1,223 million and Baht 1,483 million, respectively.

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As at 31 December 2012, the subsidiary had cost of construction building for apartment service which did not contract amounting to Baht 258 million.

46 Contingent liabilities

As at 31 December 2012, 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 97 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 postponed to reconcile on 5 March 2013.
- 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 Federal Administrative Court. The sued amount was Baht 874 million. As of 1 March 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. The case has been in the process of appeal. 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.

47 The rehabilitation plan of the Company

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

On 30 March 2001, the Central Bankruptcy Court ordered the appointment of Siam Syntec Planner Company Limited as the Company's Plan Administrator and the Company implemented under the rehabilitation. On 28 April 2003, the Central Bankruptcy Court ordered to cancel the Company's rehabilitation in accordance with the Bankruptcy Act. Therefore, the responsibility for managing the business operations and the debtors' assets were devolved to the debtors' management. The debtors' shareholders had legal rights from the announcement in the Government Gazette dated 1 July 2003 onwards. Pursuant to the rehabilitation plan requiring a period of 7 year, the Company had reached to the term of plan but the payment has not been complete. The outstanding creditors comprised Group 3 to certain Group 9 because the majority of creditors have not contacted for receiving claims.

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48 Pledged assets

As at 31 December 2012 and 2011, the Company's cash at banks of Baht 155 million and Baht 203 million, respectively, was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks and guarantee to the Court for the settle debt to a creditor as the Court's judgment.

As at 31 December 2012 and 2011, long-term investments in securities available for sale for 205 million shares, their fair value of Baht 143 million and Baht 123 million, respectively, were used as collateral for bank overdrafts, long-term loans and issuance of letters of guarantee from a domestic commercial bank.

As at 31 December 2012 and 2011, land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 58 million and Baht 65 million, respectively, including of indemnity from fire insurance of those assets were mortgaged as collateral for loans from banks issuance of the letter of guarantee from banks, other short-term loans and other long-term loans from others pursuant to the mortgage agreements dated 28 May 2003, 8 May 2008 and 28 July 2009 in the credit line amounting to Baht 556 million and Baht 520 million, respectively.

49 Financial Reporting Standards (TFRS) not yet adopted

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

TAS	Topic	Year effective
TAS		
TAS 12	Income Taxes	2013
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance	2013
TAS 21 (revised 2009)	The effects of Change in Foreign Exchange Rate	2013
TFRS		
TFRS 8	Operating Segments	2013
TSIC		
TSIC 10	Government Assistance - No Specific Relation to Operating Activities	2013
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	2013
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2013
TSIC 29	Service Concession Arrangements : Disclosures	2014
TFRIC		
TFRIC 4	Determining whether an Arrangement contains a lease	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Programmes	2014
	Accounting Treatment Guidance for Transfers of Financial Assets	2013

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Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement in the year which is effective and has made a preliminary assessment of the potential initial impact, there is no impact on the financial statements.