

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

Annual financial statements  
and  
Audit Report of Certified Public Accountant

For the years ended  
31 December 2011 and 2010

# NPS Siam

## NPS Siam Audit Limited

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## บริษัท เอ็นพีเอส สยาม สอบบัญชี จำกัด

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ชั้น 5 ซอยสุขุมวิท 63 (เอกมัย)  
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## Audit report of Certified Public Accountant

### To the Shareholders of Syntec Construction Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at 31 December 2011, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and separate financial statements of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively, for the year ended 31 December 2010 were audited by another auditor whose report dated 1 March 2011 expressed an unqualified opinion on those financial statements and drew the attention in relation to the information and other significant events pursuant to the memorandum among the Company, Syntec – Mivan Joint Venture and a related company, the above project had already finished and inspected but has been in the retention period within 2 years as from the date of project inspection.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2011 and the results of operations and cash flows for the year then ended of Syntec Construction Public Company Limited and its joint ventures, and of Syntec Construction Public Company Limited, respectively, in accordance with generally accepted accounting principles.

Without qualifying my opinion I draw your attention to note 3 to the financial statements in relation to the information and other significant events pursuant to the memorandum among the Company, Syntec – Mivan Joint Venture and a related company to construct, modify and repair a construction project which had been already finished and inspected but it has been in the retention period within 2 years as from the date of project inspection.

## NPS Siam

As explained in notes 2, 4 and 5 to the financial statements, with effect from 1 January 2011 the Company has adopted new and revised financial reporting standards. The consolidated and separate financial statements for the year ended 31 December 2010, which are included in the accompanying financial statements for comparative purposes, have been presented in accordance with the consolidated and separate financial statements for the year ended 31 December 2011 accordingly.



(Maliwan Phahuwattanakorn)  
Certified Public Accountant  
Registration Number 4701

NPS Siam Audit Limited  
Bangkok  
29 February 2012

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

**Statements of financial position**

**As at 31 December 2011 and 2010**

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	2011	2010	2011	2010
		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	7	403,811,557	556,192,094	402,579,297	550,128,843
Current investments	8	50,123,485	-	50,123,485	-
Trade accounts receivable, net	6, 9	688,455,175	475,629,443	665,454,955	452,629,223
Retention receivables under construction contracts, net	6, 10	444,262,088	494,042,264	412,333,015	462,113,192
Unbilled construction work in progress, net	6, 11	839,263,850	1,033,818,394	839,263,850	1,033,818,394
Other receivables-net	6, 12	85,872,317	223,456,480	477,589,007	513,888,466
Inventories	13	255,796,043	133,928,319	255,796,043	133,928,319
Advance payments to subcontractors	14	81,979,628	71,039,524	81,979,628	70,910,749
Other current assets		391,323	393,735	-	2,413
<b>Total current assets</b>		<b>2,849,955,466</b>	<b>2,988,500,253</b>	<b>3,185,119,280</b>	<b>3,217,419,599</b>
<b>Non-current assets</b>					
Investments in associates	6, 15	45,717	91,425	-	-
Other long-term investments, net	6, 16	220,698,515	261,159,909	220,698,515	261,159,909
Long-term loans, net	6, 17	-	-	-	-
Investment properties	18	103,039,820	103,779,694	103,039,820	103,779,694
Property, plant and equipment, net	19, 36, 48	611,347,119	518,534,292	616,894,591	526,776,078
Intangible assets	20, 36	8,140,730	801,603	8,140,730	801,603
Withholding tax		284,648,682	306,247,682	284,584,084	304,818,258
Pledged deposits at the banks	21, 48	203,066,539	88,754,079	203,066,539	88,754,079
Other non-current assets, net	22	92,802,383	71,734,760	79,893,786	58,826,162
<b>Total non-current assets</b>		<b>1,523,789,505</b>	<b>1,351,103,444</b>	<b>1,516,318,065</b>	<b>1,344,915,783</b>
<b>Total Assets</b>		<b>4,373,744,971</b>	<b>4,339,603,697</b>	<b>4,701,437,345</b>	<b>4,562,335,382</b>



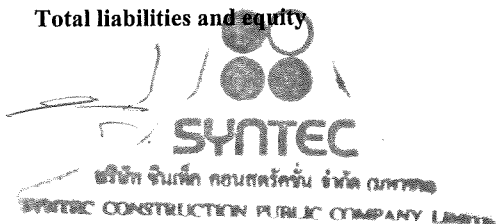
The accompanying notes are an integral part of these financial statements.

Syntec Construction Public Company Limited and its Joint Ventures

Statements of financial position

As at 31 December 2011 and 2010

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
		(in Baht)			
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	23	30,988,148	9,421,451	30,988,148	9,421,451
Trade accounts payable	6, 24	322,893,874	522,808,466	267,305,143	358,058,644
Other payables	6, 25	246,306,489	268,311,558	187,984,752	194,322,994
Current portion of creditor under rehabilitation plan	26	29,073,870	111,107,081	29,073,870	111,107,081
Short-term loans	6, 27	462,000,000	412,000,000	462,000,000	412,000,000
Current portion of finance lease liabilities	28	38,261,153	30,654,901	38,261,153	30,654,901
Advances received from customers					
under construction contracts	11	485,033,937	215,957,612	485,033,937	215,957,612
Retention payables from subcontractors		161,557,698	230,526,958	161,223,393	220,894,406
Undue value added tax		105,652,524	104,811,164	100,298,323	99,456,964
Accrued income tax		-	339,293	-	-
Other current liabilities		5,399,531	2,121,589	5,399,531	2,987,912
<b>Total current liabilities</b>		<b>1,887,167,224</b>	<b>1,908,060,073</b>	<b>1,767,568,250</b>	<b>1,654,861,965</b>
<b>Non-current liabilities</b>					
Finance lease liabilities	28	143,076,717	106,924,613	143,076,717	106,924,613
Employee benefit obligations	29	57,452,882	-	57,452,882	-
Long-term provisions	3, 30	-	-	436,901,815	489,306,390
<b>Total non-current liabilities</b>		<b>200,529,599</b>	<b>106,924,613</b>	<b>637,431,414</b>	<b>596,231,003</b>
<b>Total liabilities</b>		<b>2,087,696,823</b>	<b>2,014,984,686</b>	<b>2,404,999,664</b>	<b>2,251,092,968</b>
<b>Equity</b>					
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	51,501,712	57,552,792	51,501,712
Unappropriated		968,398,071	972,558,620	978,787,604	959,182,023
Other components of equity	16, 32	(339,926,459)	(299,465,065)	(339,926,459)	(299,465,065)
<b>Total equity</b>		<b>2,286,048,148</b>	<b>2,324,619,011</b>	<b>2,296,437,681</b>	<b>2,311,242,414</b>
<b>Total liabilities and equity</b>		<b>4,373,744,971</b>	<b>4,339,603,697</b>	<b>4,701,437,345</b>	<b>4,562,335,382</b>



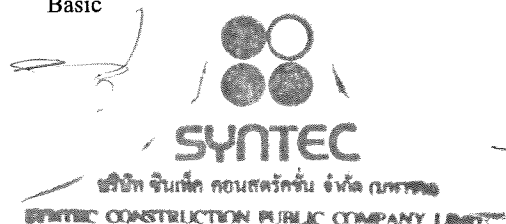
The accompanying notes are an integral part of these financial statements.

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

**Statements of comprehensive income**

**For the years ended 31 December 2011 and 2010**

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2011	2010	2011	2010
		(in Baht)			
<b>Revenues</b>					
Revenue from construction	6	4,722,938,529	5,003,082,593	4,722,938,529	5,003,082,593
Interest income		6,134,909	2,539,959	6,130,088	2,539,367
Reversal of allowance for doubtful accounts	9, 10, 11	2,559,504	44,434,303	2,559,504	44,434,303
Reversal of creditors under rehabilitation plan	26	82,314,276	-	82,314,276	-
Gain on disposal of equipment		7,479,992	11,826,597	7,479,992	11,826,597
Reversal of estimated loss under joint venture agreements	30	-	-	52,404,575	-
Other income	6, 34	40,122,546	24,214,749	2,395,084	2,979,392
<b>Total revenues</b>		<b>4,861,549,756</b>	<b>5,086,098,201</b>	<b>4,876,222,048</b>	<b>5,064,862,252</b>
<b>Expenses</b>					
Cost of construction	6, 19,	4,387,426,775	4,620,040,830	4,390,327,205	4,561,183,862
Selling expenses	6, 35	2,234,764	2,665,717	2,234,764	2,665,717
Administrative expenses	6, 19, 36, 37	199,976,604	170,970,319	194,261,498	173,039,245
Other expenses	39	138,077,222	59,079,551	131,843,768	92,773,052
Finance costs	40	31,864,763	29,035,471	31,864,763	28,388,142
<b>Total expenses</b>		<b>4,759,580,128</b>	<b>4,881,791,888</b>	<b>4,750,531,998</b>	<b>4,858,050,018</b>
Share of loss of investments in associates	6, 15	(45,708)	(143,233)	-	-
<b>Profit before income tax expense</b>		<b>101,923,920</b>	<b>204,163,080</b>	<b>125,690,050</b>	<b>206,812,234</b>
Income tax expense	41	4,668,440	678,589	4,668,440	-
<b>Profit for the year</b>		<b>97,255,480</b>	<b>203,484,491</b>	<b>121,021,610</b>	<b>206,812,234</b>
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale investments	16	(40,461,394)	(25,748,160)	(40,461,394)	(25,748,160)
Other comprehensive loss for the year		(40,461,394)	(25,748,160)	(40,461,394)	(25,748,160)
<b>Total comprehensive income for the year</b>		<b>56,794,086</b>	<b>177,736,331</b>	<b>80,560,216</b>	<b>181,064,074</b>
<b>Profit attributable to :-</b>					
Equity holders of the Company		<b>97,255,480</b>	<b>203,484,491</b>	<b>121,021,610</b>	<b>206,812,234</b>
<b>Total comprehensive income attributable to :-</b>					
Equity holders of the Company		<b>56,794,086</b>	<b>177,736,331</b>	<b>80,560,216</b>	<b>181,064,074</b>
<b>Earnings per share</b>					
Basic	42	<b>0.06</b>	<b>0.13</b>	<b>0.08</b>	<b>0.13</b>



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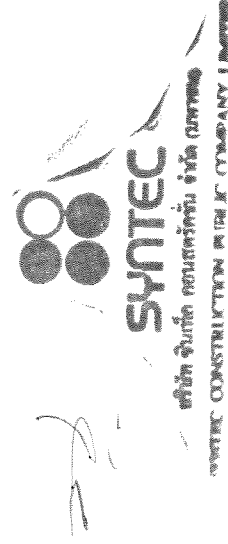
# Syntec Construction Public Company Limited and its Joint Ventures

## Statements of changes in equity

For the years ended 31 December 2011 and 2010

### Consolidated financial statements


	Note	Issued and paid-up share capital	Share subscription receivables	Premium on ordinary shares	Retained earnings			Other components of equity	Total equity
					Appropriated legal reserve (in Baht)	Unappropriated	Available for sale investments		
<b>Balance at 1 January 2010</b>		<b>1,600,000,000</b>	<b>(11,241,700)</b>	<b>23,744</b>	<b>41,161,100</b>	<b>827,414,741</b>	<b>(273,716,905)</b>		<b>2,183,640,980</b>
Dividends	43	-	-	-	-	(48,000,000)	-		(48,000,000)
Transfer to legal reserve	32	-	-	-	10,340,612	(10,340,612)	-		-
Decrease in subscription receivables		-	11,241,700	-	-	-	-		11,241,700
Comprehensive income (loss) for the year		-	-	-	-	203,484,491	(25,748,160)		177,736,331
<b>Balance at 31 December 2010</b>		<b>1,600,000,000</b>	<b>-</b>	<b>23,744</b>	<b>51,501,712</b>	<b>972,558,620</b>	<b>(299,465,065)</b>		<b>2,324,619,011</b>
<b>Balance at 1 January 2011 - as reported</b>		<b>1,600,000,000</b>	<b>-</b>	<b>23,744</b>	<b>51,501,712</b>	<b>972,558,620</b>	<b>(299,465,065)</b>		<b>2,324,619,011</b>
Cumulative effects of change in accounting policy	4	-	-	-	-	(47,364,949)	-		(47,364,949)
<b>Balance at 1 January 2011 - restated</b>		<b>1,600,000,000</b>	<b>-</b>	<b>23,744</b>	<b>51,501,712</b>	<b>925,193,671</b>	<b>(299,465,065)</b>		<b>2,277,254,062</b>
Dividends	43	-	-	-	-	(48,000,000)	-		(48,000,000)
Transfer to legal reserve	32	-	-	-	6,051,080	(6,051,080)	-		-
Comprehensive income (loss) for the year		-	-	-	-	97,255,480	(40,461,394)		56,794,086
<b>Balance at 31 December 2011</b>		<b>1,600,000,000</b>	<b>-</b>	<b>23,744</b>	<b>57,552,792</b>	<b>968,398,071</b>	<b>(339,926,459)</b>		<b>2,286,048,148</b>

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

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Statements of changes in equity**  
**For the years ended 31 December 2011 and 2010**

Separate financial statements							
Note	Issued and paid-up share capital	Share subscription receivables	Premium on ordinary shares	Retained earnings		Other components of equity	
				Appropriated legal reserve (in Baht)	Unappropriated		
						Available for sale investments	Total equity


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

*Signature*

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

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

**Statements of cash flows**

**For the years ended 31 December 2011 and 2010**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Note</i>	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	97,255,480	203,484,491	121,021,610	206,812,234
<b><i>Adjustments for</i></b>				
Reversal of allowance for doubtful accounts	(2,559,504)	(44,434,303)	(2,559,504)	(44,434,303)
Bad debt and doubtful debt expenses	138,077,222	46,075,588	131,843,768	46,075,588
Depreciation and amortization	87,089,691	110,656,849	89,784,005	108,576,757
Withholding tax written off	149,800	1,789,635	-	1,789,635
Interest income	(6,134,909)	(2,539,959)	(6,130,088)	(2,539,367)
Interest expense	31,864,763	29,035,471	31,864,763	28,388,142
Gain on disposal of assets	(7,479,992)	(11,826,597)	(7,479,992)	(11,826,597)
Unrealized (gains)loss on exchange rate	804,973	(1,688,209)	804,973	(1,688,209)
Unrealized gain on change in fair value of current investments	(123,485)	-	(123,485)	-
Share of loss of investments in associates	45,708	143,233	-	-
Impairment loss of assets	-	844,084	-	844,084
Reversal of estimated loss on construction contracts	-	(49,367,370)	-	-
Estimated penalties under construction contracts	-	13,003,963	-	-
Estimated loss under joint venture agreements (reversal)	-	-	(52,404,575)	46,697,464
Reversal of creditors under rehabilitation plan	(82,314,276)	-	(82,314,276)	-
Expense of employee benefits	11,649,133	-	11,649,133	-
Income tax expense	4,668,440	678,589	4,668,440	-
	<u>272,993,044</u>	<u>295,855,465</u>	<u>240,624,772</u>	<u>378,695,428</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivables	(212,645,732)	(180,756,711)	(212,645,732)	6,552,903
Retention receivables under construction contracts	42,850,728	(103,206,143)	42,850,729	(72,577,071)
Unbilled construction in progress	196,354,544	(10,963,175)	196,354,544	(191,751,594)
Inventories	(121,867,724)	207,225,964	(121,867,724)	207,225,964
Advance payments to subcontractors	(10,940,104)	(31,077,899)	(11,068,879)	(31,077,899)
Other receivables	(6,208,928)	(99,411,220)	(87,798,698)	(258,743,810)
Other current assets	2,413	(393,735)	2,413	(2,413)
Withholding income tax paid	(150,513,908)	(139,676,540)	(150,174,568)	(139,272,700)
Withholding income tax returned	166,955,375	236,953,194	165,740,302	236,953,194
Other non-current assets	(21,067,623)	(18,160,260)	(21,067,624)	(18,538,558)
Trade accounts payable	(199,914,592)	(53,108,894)	(90,753,501)	6,869,609



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

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

**Statements of cash flows**

**For the years ended 31 December 2011 and 2010**

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		<i>(in Baht)</i>			
Other payables		(8,543,805)	59,707,458	(6,338,457)	2,674,142
Advances received from customers					
under construction contracts		269,076,325	(108,263,215)	269,076,325	(108,263,215)
Retention payable from subcontractors		(68,969,260)	(24,628,463)	(59,671,013)	(22,477,074)
Other current liabilities		3,105,253	9,843,752	2,238,929	17,192,787
Payment of employee benefits		(1,561,200)	-	(1,561,200)	-
<b>Net cash provided by operating activities</b>		<b>149,104,806</b>	<b>39,939,578</b>	<b>153,940,618</b>	<b>13,459,693</b>
<b><i>Cash flows from investing activities</i></b>					
Interest received		6,058,635	2,539,959	6,053,814	2,539,367
Purchase of current investments		(50,000,000)	-	(50,000,000)	-
Purchase of investment property		-	(3,177,570)	-	(3,177,570)
Purchase of property, plant and equipment		(162,030,843)	(133,331,899)	(162,030,843)	(136,419,049)
Sale of equipment		75,471,475	65,746,059	75,471,475	65,746,059
Purchase of intangible assets		(10,876,500)	(278,835)	(10,876,500)	(278,835)
Pledged deposits at bank		(114,312,460)	139,984,753	(114,312,460)	139,984,753
<b>Net cash provided by (used in) investing activities</b>		<b>(255,689,693)</b>	<b>71,482,467</b>	<b>(255,694,514)</b>	<b>68,394,725</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(32,024,933)	(35,102,468)	(32,024,933)	(31,532,296)
Dividends paid to ordinary shareholders of the Company		(47,948,878)	(47,955,537)	(47,948,878)	(47,955,537)
Bank overdrafts		(3,433,303)	(26,780,690)	(3,433,303)	(719,163)
Proceeds from short-term loan from financial institutions		25,000,000	-	25,000,000	-
Proceeds from short-term loans from other parties		60,000,000	105,000,000	60,000,000	105,000,000
Payment of short-term loans from other parties		(10,000,000)	(107,350,000)	(10,000,000)	(107,350,000)
Payment of creditors under the rehabilitation plan		(523,908)	(8,915,216)	(523,908)	(8,915,216)
Finance lease payment		(36,864,628)	(24,765,274)	(36,864,628)	(24,765,274)
<b>Net cash used in financing activities</b>		<b>(45,795,650)</b>	<b>(145,869,185)</b>	<b>(45,795,650)</b>	<b>(116,237,486)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(152,380,537)</b>	<b>(34,447,140)</b>	<b>(147,549,546)</b>	<b>(34,383,068)</b>
Cash and cash equivalents at					
beginning of year	7	556,192,094	590,639,234	550,128,843	584,511,911
<b>Cash and cash equivalents at end of year</b>	7	<b>403,811,557</b>	<b>556,192,094</b>	<b>402,579,297</b>	<b>550,128,843</b>



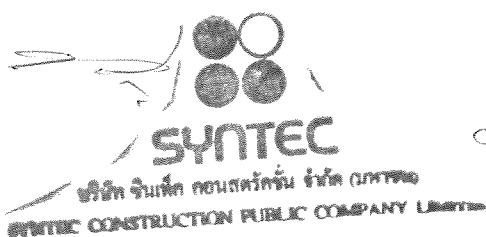
The accompanying notes are an integral part of these financial statements.

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

**Statements of cash flows**

**For the years ended 31 December 2011 and 2010**

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2011	2010	2011	2010
		(in Baht)			
Non-cash transactions					
1. Purchase of machinery and vehicle under finance lease agreements	28	80,622,984	67,039,870	80,622,984	67,039,870
2. Payment of creditors under the rehabilitation plan in form of new ordinary shares to Plan Administrator	6, 31	-	10,987,119	-	10,987,119
3. Receiving the payment from receivables and advance to related parties by offset the reimbursed expenses	6	-	6,702,116	-	6,702,116
4. A joint venture received the construction payment by offsetting with the penalties under construction contracts	9	-	164,309,394	-	-
5. Receiving aluminium lining boards (formwork) by offset the receivables and advance to related parties	6, 19	-	69,530,213	-	78,963,467
6. Decrease in short-term loans to related parties and short-term loans from related parties due to the offset transaction and dissolution	6	13,461,480	-	-	-
7. Transfer of notes payable to non-related party	6	60,000,000	-	60,000,000	-



*Signature*

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of financial statements
3	Syntec – Mivan Joint venture
4	Changes in accounting policies
5	Significant accounting policies
6	Related party transactions and balances
7	Cash and cash equivalents
8	Current investments
9	Trade accounts receivable
10	Retention receivables under construction contracts
11	Unbilled construction work in progress
12	Other receivables
13	Inventories
14	Advance payments to subcontractors
15	Investments in associates
16	Other long-term investments
17	Long-term loans
18	Investment properties
19	Property, plant and equipment
20	Intangible assets
21	Pledged deposits at banks
22	Other non-current assets
23	Bank overdrafts and short-terms loans from financial institutions
24	Trade accounts payable
25	Other payables
26	Current portion of creditors under the rehabilitation plan
27	Short-term loans
28	Finance lease liabilities
29	Employee benefit obligations
30	Provisions
31	Share capital
32	Additional paid in capital and reserves
33	Segment information
34	Other income
35	Selling expenses
36	Administrative expenses
37	Employee benefit expenses
38	Expense by nature
39	Other expenses
40	Finance costs
41	Income tax expense
42	Earnings per share

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

43	Dividends
44	Financial instruments
45	Commitments with non-related parties
46	Contingent liabilities and other events
47	The rehabilitation plan of the Company
48	Pledged assets
49	Thai Financial Reporting Standards (TFRS) not yet adopted
50	Reclassification of accounts

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 29 February 2012.

**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 2011 and 2010 were as follows:

	2011	2010
	(%)	
Phahusuth Group	13.68	13.68
Natural Ventures Company Limited	-	11.88
Subandit Group	6.64	6.64
Thai NVDR Company Limited	13.33	-

The principal activities of the Company are business of construction.

Details of the Company’s joint ventures as at 31 December 2011 and 2010 were as follows:

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

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

**SYNTEC**

บริษัท ซินเทค คอนสตรัคชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**2 Basis of preparation of financial statements**

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

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand. 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.

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

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

The adoption of these new and revised TFRS has resulted in changes in the Group/Company’s the accounting policies. The effects of these changes are disclosed in notes 4 and 5 to the financial statements.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 49 to the financial statements.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

***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 thousand/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, which the actual results may differ from estimates, is included in the following notes:-

Notes 28	Lease classification
Note 29	Measurement of defined benefit obligation
Notes 30 and 46	Provisions and contingencies
Note 44	Valuation of financial instruments

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

***Impairment of investments in securities***

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

***Estimated construction project costs***

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

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### *Provision for losses on construction projects*

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

### *Estimated loss under joint venture agreement*

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

### *Employee benefits obligation*

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### *Litigation*

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

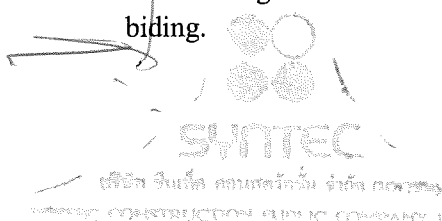
The consolidated and separate financial statements for the years ended 31 December 2011 and 2010 included the investments and share of loss of investments in an associated, which had been accounted for by equity method of Baht 0.05 million and Baht 0.14 million, respectively, in the consolidated financial statements, based on financial statements of those associates which had been audited by other auditors. In addition, the Company has no commitments due to any legally guarantee for those associates.

## **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 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.

  
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**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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

On 18 January 2006, Syntec - Mivan Joint Venture entered into an agreement on Eua – Arthorn Housing Project for 50,000 units with National Housing Authority, requiring revenue per unit in the amount of Baht 0.42 million totaling Baht 21,000 million. The above revenue comprised 1) the project land, which is procured by joint venture, proposed to National Housing Authority for authorizing to purchase, 2) the project construction cost undertaken by the Joint Venture. The project construction cost is calculated basing on the revenue under the agreement minus the cost of project land. Syntec – Mivan Joint Venture agreed to construct 13,674 units of houses under Eua-Arthorn Housing Project.

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

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

During the year 2010, Syntec – Mivan Joint Venture finished its own construction and 3 projects amounted to 8,582 units and were examined by National Housing Authority. As of 29 February 2012, the aforementioned projects are in the process of retention for dilapidation within 2 years as from the date of project acceptance.

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

- the above related company entered into the acknowledged debt agreement on cost of supplies and wages in the amount of Baht 159.26 million which will repay to Syntec – Mivan joint venture in full.
- the above related company entered into the acknowledged debt agreement on cost of supplies and wages in the amount of Baht 159.26 million, which has to repay to Syntec Construction Public Company Limited instead of Syntec – Mivan joint venture.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

- the above related company entered into the guarantee agreement to guarantee total unlimited payment of supplies purchased by itself, all wages and all debts incurred from construction project (The joint venture is liable for this amount to third parties and the Company is jointly liable) existing at the present and in future.
- the above related company entered into the memorandum to deliver the aluminium lining boards (formwork) to the Company for possession of those things as collateral for obligations existing at the present and to be occurred in future, which the above mentioned related company and / or the Joint Venture owed the Company, and to agree the Company checking and moving the aluminium lining boards (formwork). The expenses incurred due to the above conduct were charged to the above mentioned related company. The Company received the transferred aluminium lining boards on 30 August 2010.
- Syntec - Mivan Joint Venture entered into the memorandum to make the payment to the Company in form of transfer of ownership of aluminium lining boards valued at 30 April 2009 in the amount of Baht 12.4 million. The Company also received the transfer of ownership of aluminium lining boards on 30 August 2010.

As at 31 December 2011, Syntec – Mivan Joint Venture was sued by 3 creditors with regard to offence of sale and purchase, hire of work and hire of property with the sue amount of Baht 68.05 million but the Joint Venture agreed and accepted in the amount of Baht 52 million, which was recorded in the accounts and has been in the process of installment.

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 2011 and 2010 were as follows:

	2011	2010
	<i>(in million Baht)</i>	
<b>Information of statement of financial position</b>		
Current assets	93	154
Non-current assets	20	20
<b>Total assets</b>	<b>113</b>	<b>174</b>
Current liabilities	785	871
Deficit in ventures' equity	(672)	(697)
<b>Total liabilities net deficit in ventures' equity</b>	<b>113</b>	<b>174</b>

Summary of statements of comprehensive income information of Syntec – Mivan Joint Venture for the years ended 31 December 2011 and 2010 were as follows:

	2011	2010
	<i>(in million Baht)</i>	
<b>Information of statements of income</b>		
Total revenues	33	47
Total expenses	(5)	(114)
Finance costs	(3)	(5)
<b>Profit (loss) for the year</b>	<b>25</b>	<b>(72)</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

Syntec – Mivan Joint Venture had suffered recurring and had significant deficit in ventures' equity. In addition, Syntec – Mivan Joint Venture lacked of liquidity. These circumstances raise substantial doubt about the joint venture's on the ability to continue as a going concern. However, the Company, Syntec - Mivan Joint Venture and a related company mutually agreed to enter into the memorandum to construct, modify and repair a construction project until complete. In addition, the above related company entered into an acknowledged debt agreement on liable debts. As at 31 December 2011 and 2010, the Company recognized the estimated loss under joint-venture agreement amounted to Baht 437 million and Baht 453 million, respectively in the separate financial statements as described in note 30 to the financial statements.

#### **4 Changes in accounting policies**

Since 1 January 2011, the Group/Company has changed the significant accounting policies were summarized as follows:

##### **4.1 Presentation of financial statements**

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

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

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

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

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

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. However, the Board of Directors of the Company has determined that the costs of asset dismantlement is immaterial.

##### **4.3 Accounting for employee benefits**

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

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

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

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

Actuarial gain or loss arising from post-employment benefits is recognized immediately in profit and loss for the year.

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

#### 4.4 Accounting for investment properties

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

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

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

Adjustment of financial statements:-

Statement of financial position as at 31 December 2011

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

*Statement of comprehensive income for the year ended 31 December 2011*

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Accounting for property, plant and equipment:-</i></b>		
Decrease in depreciation resulting in:-		
Decrease in cost of construction	40,517	40,517
Decrease in administrative expense	1,480	1,480
Total	<u>41,997</u>	<u>41,997</u>
<b><i>Accounting for employee benefits:-</i></b>		
Increase in employee benefit expenses resulting in:-		
Increase in cost of construction	(9,108)	(9,108)
Increase in administrative expenses	(2,541)	(2,541)
Total	<u>(11,649)</u>	<u>(11,649)</u>
<b>Increase in profit for the year</b>	<u><b>30,348</b></u>	<u><b>30,348</b></u>
<b>Earnings per share:</b>		
Increase in basic earnings per share (in Baht)	<u>0.02</u>	<u>0.02</u>

## **5 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 4, which addresses changes in accounting policies.

### **5.1 Basis of consolidation**

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

Significant intra-group transactions between the Company and its joint ventures are eliminated on consolidation.

#### *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.

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### *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, income, expenses and the movement of the associates' owner, 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.

### **5.2 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.

### **5.3 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.



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**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**5.4 Cash and cash equivalents**

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

**5.5 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. Bad debts are written off when incurred.

**5.6 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.

**5.7 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.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**5.8 Investments**

*Investments in associates*

Investments in associates in the separate financial statements are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

*Investments in other debt and equity securities*

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

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

*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 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.

**5.9 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.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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.

**5.10 Property, plant and equipment**

*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.

*Leased assets*

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

*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:

	2011	2010
	(years)	
Office buildings and building improvement	5-32	5-20
Machinery and construction equipment	5-15	5-10
Aluminium lining boards (formwork)	5-15	5
Furniture, fixtures and equipment	5	5
Vehicles	5-10	5

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.

**5.11 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 calculated over the cost of the asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that intangible assets are available for use. The estimated useful lives are as follows:

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

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

**5.12 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.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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.

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

The Group reverses an impairment loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**5.13 Trade and other payables**

Trade and other payables are stated at cost.

**5.14 Employee benefits**

*Short – term employee benefits*

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

*Post – employment benefit 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 in immediately in profit or loss.

For the first – time adoption of TAS 19 Employee Benefits, the Company selected to recognize the transitional liability, which exceeds the liability that would have been recognized at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

**5.15 Provisions**

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

*Warranties and penalties*

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

**5.16 Share capital**

*Ordinary shares*

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

**5.17 Revenues**

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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

**5.18 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 the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

*Finance cost*

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.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

Other expenses are recognized on the accrual basis.

**5.19 Income tax**

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

**6 Related party transactions and balances**

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Group and the 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	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 notify to dissolution on 3 June 2011
4. Joint venture between Siam Syntec Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	Thailand	Joint venture, 50% portion of joint, until 7 April 2011 (Date of Dissolution)
5. Joint venture between Siam Syntec Construction Pcl. and Federal Engineering Co., Ltd.	Thailand	Joint venture, 75% portion of joint, until 7 April 2011 (Date of Dissolution)
6. SVK Joint venture	Thailand	Joint venture, 51% portion of joint which ceased its operations
7. Syntec – Mivan Joint venture	Thailand	Joint venture, 65% portion of joint
8. Natural Venture Co., Ltd.	Thailand	Major shareholder of the Company until April 2011
9. Natural Park Public company Limited	Thailand	Indirect related company and a shareholder of Natural Venture Co., Ltd. and Sansiri Public Company Limited until April 2011

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
10. Bangkok Metro Plc.	Thailand	Related company, 3.08 % shareholding.
11. Mivan (Thailand) Co., Ltd.	Thailand	Related company as a venturer in Syntec-Mivan joint venture
12. Tate Enterprise Co., Ltd.	Thailand	Related company
13. N&J Assets Management Co., Ltd.	Thailand	Related company
14. Siam Syntec Planner Co., Ltd.	Thailand	Related company, some common directors
15. A related person	Thailand	A related person of the key management personnel (since 1 April 2011 to 1 July 2011)
16. 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:

	<b>Pricing policies</b>
Revenue from construction	Contract price (Cost plus margin of 22% in 2011 and 5-16% in 2010) and bid price
Cost of construction	Invoice price pursuant to the joint ventures agreements (Market 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
Aluminium lining boards (formwork)	The condition of aluminium lining boards which is based on the initial purchasing price




บริษัท ซินเทค คอนสตรัคชั่น จำกัด (มหาชน)

SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED



# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were summarized as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Revenue</b>				
<b>Other related company</b>				
Revenue from construction	166,520	22,005,121	166,520	22,005,121
<b>Expenses</b>				
<b>Joint ventures</b>				
Cost of construction	-	1,448,550	-	1,448,550
<b>Key management personnel</b>				
Interest expense	702,740	-	702,740	-
Management benefit expenses				
Short-term benefits	28,297,200	26,216,900	28,297,200	26,216,900
Post-employment benefits	1,493,394	-	1,493,394	-
	<u>29,790,594</u>	<u>26,216,900</u>	<u>29,790,594</u>	<u>26,216,900</u>
<b>Equipment</b>				
<b>Joint ventures</b>				
Aluminium lining boards (formwork)	-	4,749,462	-	19,262,160
<b>Other related company</b>				
Aluminium lining boards (formwork)	-	59,701,307	-	59,701,307

On 15 March 2010, the Company made the payment to creditors under the rehabilitation plan to the Plan Administrator in form of increased ordinary shares of 10.99 million shares as the details described in note 26 to the financial statements.

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

### Trade accounts receivable - related parties

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Other related companies</b>				
Park Opera Co.,Ltd. (until April 2011)	5,772,694	5,952,694	5,772,694	5,952,694
Tate Enterprice Co., Ltd.	-	45,687,409	-	45,687,409
N & J Assets Management Co., Ltd.	-	20,714,598	-	20,714,598
<b>Total</b>	<u>5,772,694</u>	<u>72,354,701</u>	<u>5,772,694</u>	<u>72,354,701</u>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Other related companies</b>				
Natural Real Estate Co., Ltd.				
(until April 2011)	8,805,588	9,075,588	8,805,588	9,075,588
Park Opera Co., Ltd.				
(until April 2011)	401,071	401,071	401,071	401,071
<b>Total</b>	<b>9,206,659</b>	<b>9,476,659</b>	<b>9,206,659</b>	<b>9,476,659</b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Other related company</b>				
N & J Assets Management Co., Ltd.	-	6,605,499	-	6,605,499

***Other receivables - related parties***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Other receivables and advances</b>				
<b>Joint ventures</b>				
Joint Venture between Siam Syntech Construction Pcl. and Federal Engineering Co.,Ltd.	-	14,098,874	-	56,365,496
Joint Venture between Siam Syntech Construction Pcl. and Underground Technologies (Thailand) Co., Ltd.	-	2,068,392	-	4,136,782
SVK Joint Venture	5,439,104	5,170,649	11,100,212	10,552,344
SSU Joint Venture	-	5,000	-	100,000
Syntec – Mivan Joint Venture	209,349,558	176,910,613	598,141,593	505,458,895
<b>Other related company</b>				
Mivan (Thailand) Co.,Ltd.	-	35,392,500	-	-
<b>Total</b>	<b>214,788,662</b>	<b>233,646,028</b>	<b>609,241,805</b>	<b>576,613,517</b>
<b>Less Allowance for doubtful accounts</b>	<b>(171,367,852)</b>	<b>(56,059,046)</b>	<b>(169,187,981)</b>	<b>(105,355,443)</b>
<b>Net</b>	<b>43,420,810</b>	<b>177,586,982</b>	<b>440,053,824</b>	<b>471,258,074</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Doubtful debts expense for the year	<u>130,473,232</u>	<u>37,000,000</u>	<u>124,239,778</u>	<u>37,000,000</u>
<b>Key management personnel</b>				
Advance to project managers	<u>2,875,357</u>	<u>-</u>	<u>2,875,357</u>	<u>-</u>

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

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

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

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

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

Details of investments in associates were described in Note 15 to financial statements.

**Other long-term investments**

	<b>Consolidated and separate financial statements</b>			
	2011		2010	
	At cost	Fair value	At cost	Fair value
	<i>(in Baht)</i>			
<b>Available – for sale securities</b>				
<b>Other related company</b>				
Bangkok Metro Plc.	560,624,974	220,698,515	560,624,974	261,159,909
Less allowance for devaluation of investments	<u>(339,926,459)</u>	<u>-</u>	<u>(299,465,065)</u>	<u>-</u>
<b>Net</b>	<u><b>220,698,515</b></u>	<u><b>220,698,515</b></u>	<u><b>261,159,909</b></u>	<u><b>261,159,909</b></u>

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### Long-term loans - related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
<b>Joint ventures</b>				
Joint Ventures between Siam Syntech Construction Pcl. and Federal Engineering Co., Ltd.	-	-	-	28,655,435
Siam Syntech – Wattana Engineering Co., Ltd.	12,180,598	12,180,598	12,180,598	12,180,598
<b>Other related companies</b>				
Gentech Engineering Co., Ltd.	4,956,268	4,956,268	4,956,268	4,956,268
<b>Total</b>	<b>17,136,866</b>	<b>17,136,866</b>	<b>17,136,866</b>	<b>45,792,301</b>
Less Allowance for doubtful accounts	(17,136,866)	(17,136,866)	(17,136,866)	(45,792,301)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Movements of long-term loans to related parties during the years ended 31 December 2011 and 2010 were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
At 1 January	17,136,866	17,136,866	45,792,301	45,792,301
Increase	-	-	-	-
Decrease	-	-	(28,655,435)	-
<b>At 31 December</b>	<b>17,136,866</b>	<b>17,136,866</b>	<b>17,136,866</b>	<b>45,792,301</b>

### Trade accounts payable – related party

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
<b>Venturer</b>				
Mivan (Thailand) Co., Ltd.	41,885,425	64,425,712	-	-

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

***Other payables - related parties***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Consist of :-</b>				
Other payables	-	134,813	-	-
Retention payables	-	13,326,667	-	-
<b>Total</b>	<b>-</b>	<b>13,461,480</b>	<b>-</b>	<b>-</b>

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			

***Other and retention payables***

***Other payables***

**Venturer**

Federal Engineering Co., Ltd.	-	134,813	-	-
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***Retention payables***

**Venturer**

Mivan (Thailand) Co., Ltd.	-	13,326,667	-	-
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<b>Total</b>	<b>-</b>	<b>13,461,480</b>	<b>-</b>	<b>-</b>
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Movements of short-term loans from related parties for the years ended 31 December 2011 and 2010 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
At 1 January	-	-	-	-
Increase	60,000,000	-	60,000,000	-
Decrease	(60,000,000)	-	(60,000,000)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### Other payables - related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
<i>Consist of :-</i>				
Other payables	-	134,813	-	-
Retention payables	-	13,326,667	-	-
<b>Total</b>	<b>-</b>	<b>13,461,480</b>	<b>-</b>	<b>-</b>

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			

### Other and retention payables

#### Other payables

##### Venturer

Federal Engineering Co., Ltd.

- 134,813

- -

#### Retention payables

##### Venturer

Mivan (Thailand) Co., Ltd.

- 13,326,667

- -

##### Total

- 13,461,480

- -

Movements of short-term loans from related parties for the years ended 31 December 2011 and 2010 were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
At 1 January	-	-	-	-
Increase	60,000,000	-	60,000,000	-
Decrease	(60,000,000)	-	(60,000,000)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

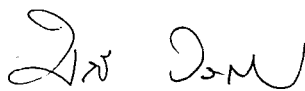
Details of provisions were described in note 30 to the financial statements.




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SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED



# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### The commitments with related parties

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

### Significant agreements with related parties

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

## 7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Cash on hand	12,028	13,125	12,000	12,000
Cash at banks – current accounts	75,484,375	16,061,274	75,296,360	10,077,338
Cash at banks – savings accounts	246,484,177	311,254,267	245,439,960	311,176,077
Highly liquid short-term investments	81,830,977	228,863,428	81,830,977	228,863,428
<b>Total</b>	<b>403,811,557</b>	<b>556,192,094</b>	<b>402,579,297</b>	<b>550,128,843</b>

Cash and cash equivalents of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

## 8 Current investments

	Consolidated and separate financial statements			
	2011		2010	
	Cost value	Fair value	Cost value	Fair value
	<i>(in Baht)</i>			
<b>Current investments</b>				
Bills of exchange	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	-	-
<b>Total</b>	<b>50,123,485</b>	<b>50,123,485</b>	<b>-</b>	<b>-</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

Movements of open fund for the year ended 31 December 2011 were as follows:

	<b>Consolidated and separate financial statements</b>	
	2011	2010
	<i>(in Baht)</i>	
At 1 January	-	-
Purchases during the year	20,000,000	-
Valuation adjustment	123,485	-
<b>At 31 December</b>	<b><u>20,123,485</u></b>	<b><u>-</u></b>

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

**9 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<i>Comprising:</i>				
Trade accounts receivable	789,154,384	736,270,904	766,154,164	713,270,684
Less undue advance received from customers under construction contracts	-	(150,015,406)	-	(150,015,406)
Total	789,154,384	586,255,498	766,154,164	563,255,278
Less allowance for doubtful accounts	(100,699,209)	(110,626,055)	(100,699,209)	(110,626,055)
<b>Net</b>	<b><u>688,455,175</u></b>	<b><u>475,629,443</u></b>	<b><u>665,454,955</u></b>	<b><u>452,629,223</u></b>
Related parties	5,772,694	72,354,701	5,772,694	72,354,701
Other parties	783,381,690	513,900,797	760,381,470	490,900,577
Total	789,154,384	586,255,498	766,154,164	563,255,278
Less allowance for doubtful accounts	(100,699,209)	(110,626,055)	(100,699,209)	(110,626,055)
<b>Net</b>	<b><u>688,455,175</u></b>	<b><u>475,629,443</u></b>	<b><u>665,454,955</u></b>	<b><u>452,629,223</u></b>
Bad debts for the year	(9,746,846)	(89,966,693)	(9,746,846)	(89,966,693)
Reversal of allowance for doubtful accounts for the year	(180,000)	(30,692,868)	(180,000)	(30,692,868)
<b>Total</b>	<b><u>(9,926,846)</u></b>	<b><u>(120,659,561)</u></b>	<b><u>(9,926,846)</u></b>	<b><u>(120,659,561)</u></b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements					
	Related parties		Other parties		Total	
	2011	2010	2011	2010	2011	2010
	<i>(in Baht)</i>					
Within credit terms	-	-	362,596,994	196,224,301	362,596,994	196,224,301
Still installment	5,772,694	-	29,627,910	29,627,910	35,400,604	29,627,910
Overdue:						
- Less than 3 months	-	-	248,081,392	160,231,904	248,081,392	160,231,904
- Over 3 months to 6 months	-	1,763,840	920,000	31,679,000	920,000	33,442,840
- Over 6 months to 12 months	-	24,667,347	4,520,000	17,473,599	4,520,000	42,140,946
- Over 12 months	-	45,923,514	137,635,394	78,664,083	137,635,394	124,587,597
	-	72,354,701	391,156,786	288,048,586	391,156,786	360,403,287
<b>Total</b>	<b>5,772,694</b>	<b>72,354,701</b>	<b>783,381,690</b>	<b>513,900,797</b>	<b>789,154,384</b>	<b>586,255,498</b>

	Separate financial statements					
	Related parties		Other parties		Total	
	2011	2010	2011	2010	2011	2010
	<i>(in Baht)</i>					
Within credit terms	-	-	362,596,994	196,224,301	362,596,994	196,224,301
Still installment	5,772,694	-	29,627,910	29,627,910	35,400,604	29,627,910
Overdue:						
- Less than 3 months	-	-	248,081,392	160,001,622	248,081,392	160,001,622
- Over 3 months to 6 months	-	1,763,840	920,000	9,300,000	920,000	11,063,840
- Over 6 months to 12 months	-	24,667,347	4,520,000	17,082,661	4,520,000	41,750,008
- Over 12 months	-	45,923,514	114,635,174	78,664,083	114,635,174	124,587,597
	-	72,354,701	368,156,566	265,048,366	368,156,566	337,403,067
<b>Total</b>	<b>5,772,694</b>	<b>72,354,701</b>	<b>760,381,470</b>	<b>490,900,577</b>	<b>766,154,164</b>	<b>563,255,278</b>

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

During the year 2010, Syntec - Mivan Joint venture received the construction payment by offsetting with penalties under construction contracts of the projects in the amount of Baht 164.31 million.

Trade accounts receivable of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

As at 31 December 2011 and 2010, the Company had overdue trade accounts receivable of Baht 391 million and Baht 360 million, respectively in the consolidated financial statements and Baht 368 million and Baht 337 million, respectively in the separate financial statement, less subsequent collection until 2 February 2012 and 10 February 2011 of Baht 189 million and Baht 33 million, respectively, in the year 2011 and 2010 in the consolidated and separate financial statements.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

The balanced were Baht 202 million and Baht 327 million, respectively in the consolidated financial statements, and Baht 179 million and Baht 304 million, respectively in the separate financial statement. The management believes that those debts are collectible. The Company has provided for an allowance for doubtful account of Baht 101 million and Baht 111 million, respectively in the consolidated and the separate financial statements.

Three overdue more than 12 months debtors with book value as at 31 December 2011 of Baht 48 million, the Company sued those debtors to claim a compensation with the litigation amount of Baht 395 million. The Company's lawyer provided his opinion that it has been in the process of Court. However, the management believes that it will win the case and the debts are collectible.

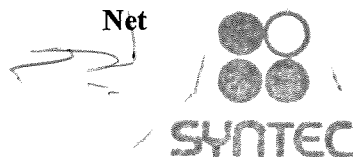
**10 Retentions receivable under construction contracts**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Related parties	9,206,659	9,476,659	9,206,659	9,476,659
Other parties	469,791,784	521,883,197	437,862,711	489,954,125
Total	478,998,443	531,359,856	447,069,370	499,430,784
Less allowance for doubtful accounts	(34,736,355)	(37,317,592)	(34,736,355)	(37,317,592)
<b>Net</b>	<b>444,262,088</b>	<b>494,042,264</b>	<b>412,333,015</b>	<b>462,113,192</b>
Bad debts for the year	(9,510,685)	-	(9,510,685)	-
Doubtful debts expense for the year	7,508,952	9,075,588	7,508,952	9,075,588
Reversal of allowance for doubtful accounts for the year	(579,504)	(13,741,435)	(579,504)	(13,741,435)
<b>Total</b>	<b>(2,581,237)</b>	<b>(4,665,847)</b>	<b>(2,581,237)</b>	<b>(4,665,847)</b>

Retentions receivable under construction contracts of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

**11 Unbilled construction work in progress**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Related parties	-	6,605,499	-	6,605,499
Other parties	868,263,850	1,058,012,895	868,263,850	1,058,012,895
Total	868,263,850	1,064,618,394	868,263,850	1,064,618,394
Less allowance for doubtful accounts	(29,000,000)	(30,800,000)	(29,000,000)	(30,800,000)
<b>Net</b>	<b>839,263,850</b>	<b>1,033,818,394</b>	<b>839,263,850</b>	<b>1,033,818,394</b>



# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
Reversal doubtful debts expense	1,800,000	-	1,800,000	-
Bad debts for the year	-	(90,084,008)	-	(90,084,008)
<b>Total</b>	<b>1,800,000</b>	<b>(90,084,008)</b>	<b>1,800,000</b>	<b>(90,084,008)</b>

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Construction project contracts amount	20,687	25,893	20,687	22,965
Less expected losses recognized	-	(64)	-	-
Construction project contracts amount, net	20,687	25,829	20,687	22,965
Contract revenue recognized as revenue since commencing date to present	15,012	19,829	15,012	17,244
Less progress billings (as invoices)	(14,173)	(18,793)	(14,173)	(16,208)
Unbilled construction work in progress	839	1,036	839	1,036
Unbilled construction work in progress (before 2000)	29	29	29	29
Unbilled construction work in progress at the end of year	868	1,065	868	1,065
Less allowance for doubtful accounts	(29)	(31)	(29)	(31)
<b>Net</b>	<b>839</b>	<b>1,034</b>	<b>839</b>	<b>1,034</b>

### Comprising Unbilled construction work in progress

Related parties	-	7	-	7
Other parties	868	1,058	868	1,058
	868	1,065	868	1,065
Less allowance for doubtful accounts	(29)	(31)	(29)	(31)
<b>Net</b>	<b>839</b>	<b>1,034</b>	<b>839</b>	<b>1,034</b>
Excess of progress billing over work in progress	(485)	(216)	(485)	(216)
<b>Total</b>	<b>354</b>	<b>818</b>	<b>354</b>	<b>818</b>

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### 12 Other receivables

Other receivables as at 31 December 2011 and 2010 were as follow:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Other receivables	19,169,727	26,765,908	19,169,727	26,765,908
Accrued income	1,638,063	3,553,883	1,638,063	3,553,883
Prepaid expenses	17,592,490	14,251,441	16,875,145	13,513,882
Advance	220,466,514	239,732,573	614,919,656	582,300,349
Prepaid value added tax	6,902,289	3,740,635	2,703,311	1,638,801
<b>Total</b>	<b>265,769,083</b>	<b>288,044,440</b>	<b>655,305,902</b>	<b>627,772,823</b>
Less allowance for doubtful accounts	(179,896,766)	(64,587,960)	(177,716,895)	(113,884,357)
<b>Net</b>	<b>85,872,317</b>	<b>223,456,480</b>	<b>477,589,007</b>	<b>513,888,466</b>
Related parties	214,788,662	223,646,028	609,241,805	576,613,517
Other parties	50,980,421	64,398,412	46,064,097	51,159,306
	265,769,083	288,044,440	655,305,902	627,772,823
Less allowance for doubtful accounts	(179,896,766)	(64,587,960)	(177,716,895)	(113,884,357)
<b>Net</b>	<b>85,872,317</b>	<b>223,456,480</b>	<b>477,589,007</b>	<b>513,888,466</b>
Doubtful debts expense for the year	130,473,232	-	124,239,778	-
Bad debts for the year	-	1,102,688	-	1,102,688
Reversal allowance for doubtful accounts for the year	(15,164,426)	-	(60,407,240)	-
<b>Total</b>	<b>115,308,806</b>	<b>1,102,688</b>	<b>63,832,538</b>	<b>1,102,688</b>

### 13 Inventories

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Construction materials	247,242,621	126,308,494	247,242,621	126,308,494
Spare parts and supplies	9,397,506	8,463,909	9,397,506	8,463,909
Less allowance for decline in value of inventories	(844,084)	(844,084)	(844,084)	(844,084)
<b>Net</b>	<b>8,553,422</b>	<b>7,619,825</b>	<b>8,553,422</b>	<b>7,619,825</b>
<b>Total</b>	<b>255,796,043</b>	<b>133,928,319</b>	<b>255,796,043</b>	<b>133,928,319</b>
<b>Impairment loss for the year</b>	<b>-</b>	<b>844,084</b>	<b>-</b>	<b>844,084</b>

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

Inventories as at 31 December 2011 amounted to Baht 256 million have been expected to utilize as follows:

	<i>(in million Baht)</i>
Expected to utilize within 1 year	255
Expected to utilize over 1 year	1
	<u>256</u>

### 14 Advance payments to subcontractors

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Other non-related parties	81,979,628	71,039,524	81,979,628	70,910,749
<b>Net</b>	<u>81,979,628</u>	<u>71,039,524</u>	<u>81,979,628</u>	<u>70,910,749</u>

Advance payments to subcontractors of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

### 15 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
At 1 January	29,393,425	29,536,658	38,677,000	38,677,000
Share of net losses of investments by equity method	(45,708)	(143,233)	-	-
	29,347,717	29,393,425	38,677,000	38,677,000
Less allowance for valuation	(29,302,000)	(29,302,000)	(38,677,000)	(38,677,000)
<b>At 31 December</b>	<u>45,717</u>	<u>91,425</u>	<u>-</u>	<u>-</u>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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

Consolidated financial statements											
Percentage of shareholding		Paid-up share capital		Cost method		Equity method		Impairment		At equity - net	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
(in million Baht)											
<i>Associates</i>											
25	25	41	41	10	10	0.04	0.09	-	-	0.04	0.09
25	25	RM 12	RM 12	29	29	-	-	(29)	(29)	-	-
<b>Total</b>				<b>39</b>	<b>39</b>	<b>0.04</b>	<b>0.09</b>	<b>(29)</b>	<b>(29)</b>	<b>0.04</b>	<b>0.09</b>

**Separate financial statements**

	Percentage of shareholding		Paid-up share capital		Cost method		Impairment		At cost - net		Dividend received	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(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)	-	-	-	-
<b>Total</b>					<b>39</b>	<b>39</b>	<b>(39)</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

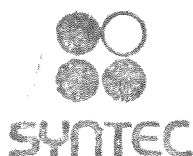
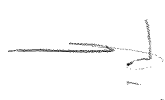
# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

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 (in million Baht)	Total revenues	Loss for the year
<b>2011</b>					
Natural Hotel Sukhumvit Co., Ltd.	25	0.44	0.40	-	(0.04)
<b>Total</b>		<b>0.44</b>	<b>0.40</b>	<b>-</b>	<b>(0.04)</b>
<b>2010</b>					
Natural Hotel Sukhumvit Co., Ltd.	25	0.47	0.38	-	(0.14)
<b>Total</b>		<b>0.47</b>	<b>0.38</b>	<b>-</b>	<b>(0.14)</b>



215 200

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities (in million Baht)	Total liabilities	Total revenues	Total expenses	Profit (loss) for the year
<b>2011</b>										
SSU Joint Ventures	95	-	-	-	-	-	-	-	-	-
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
<b>Total</b>		<b>61</b>	<b>13</b>	<b>74</b>	<b>516</b>	<b>-</b>	<b>516</b>	<b>103</b>	<b>(6)</b>	<b>97</b>
<b>2010</b>										
SSU Joint Ventures	95	-	-	-	-	-	-	7	-	7
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	-	-	-	16	64	80	-	-	-
SVK Joint Venture	51	-	1	1	5	-	5	-	1	(1)
Syntec – Mivan Joint Ventures	65	100	13	113	566	-	566	30	77	(47)
<b>Total</b>		<b>100</b>	<b>14</b>	<b>114</b>	<b>589</b>	<b>64</b>	<b>653</b>	<b>37</b>	<b>78</b>	<b>(41)</b>

*Signature*



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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**16 Other long-term investments**

	Consolidated and separate financial statements			
	Cost		Fair value	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
General investments, net	55,788,000	55,788,000	-	-
Equity securities available for sale, net	560,624,974	560,624,974	220,698,515	261,159,909
<b>Total</b>	<b>616,412,974</b>	<b>616,412,974</b>	<b>220,698,515</b>	<b>261,159,909</b>
<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)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Available-for-sale securities</i>				
Bangkok Metro Public Co., Ltd	560,624,974	560,624,974	220,698,515	261,159,909
Less unrealized loss on valuation adjustment	(339,926,459)	(299,465,065)	-	-
<b>Net</b>	<b>220,698,515</b>	<b>261,159,909</b>	<b>220,698,515</b>	<b>261,159,909</b>
<b>Total</b>	<b>220,698,515</b>	<b>261,159,909</b>	<b>220,698,515</b>	<b>261,159,909</b>
<b>Unrealized loss on valuation adjustment for the year recognized directly in equity</b>	<b>40,461,394</b>	<b>25,748,160</b>	<b>40,461,394</b>	<b>25,748,160</b>

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

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<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)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Available-for-sale securities</i>				
At 1 January	261,159,909	286,908,069	261,159,909	286,908,069
Valuation adjustment	(40,461,394)	(25,748,160)	(40,461,394)	(25,748,160)
<b>At 31 December</b>	<b>220,698,515</b>	<b>261,159,909</b>	<b>220,698,515</b>	<b>261,159,909</b>

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

As at 31 December 2011 and 2010, investment in Bangkok Metro Pcl., with fair value of Baht million 123 and 145 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.

### 17 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Related parties	17,136,866	17,136,866	17,136,866	45,792,301
Other parties	180,756,235	180,756,235	180,756,235	180,756,235
	197,893,101	197,893,101	197,893,101	226,548,536
Less allowance for doubtful accounts	(197,893,101)	(197,893,101)	(197,893,101)	(226,548,536)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Long-term loans of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

### 18 Investment properties

	Consolidated and separate financial statements		
	Land	Condominium	Total
	<i>(in Baht)</i>		
<b>Cost</b>			
At 1 January 2010	99,643,500	2,472,000	102,115,500
Additions	-	3,177,570	3,177,570
<b>At 31 December 2010 and 1 January 2011</b>	<b>99,643,500</b>	<b>5,649,570</b>	<b>105,293,070</b>
No changes during the year	-	-	-
<b>At 31 December 2011</b>	<b>99,643,500</b>	<b>5,649,570</b>	<b>105,293,070</b>
<b>Accumulated amortization</b>			
At 1 January 2010	-	960,036	960,036
Depreciation charge for the year	-	553,340	553,340
<b>At 31 December 2010 and 1 January 2011</b>	<b>-</b>	<b>1,513,376</b>	<b>1,513,376</b>
Depreciation charge for the year	-	739,874	739,874
<b>At 31 December 2011</b>	<b>-</b>	<b>2,253,250</b>	<b>2,253,250</b>
<b>Net book value</b>			
<b>At 31 December 2010</b>	<b>99,643,500</b>	<b>4,136,194</b>	<b>103,779,694</b>
<b>At 31 December 2011</b>	<b>99,643,500</b>	<b>3,396,320</b>	<b>103,039,820</b>



# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

	Consolidated and separate financial statements	
	2011	2010
	(in Baht)	
Depreciation was included in: -		
Administrative expenses	739,874	553,340
<b>Total</b>	<b>739,874</b>	<b>553,340</b>

Investment properties in part of land, cost value amounted to Baht 99.64 million had the latest appraisal value which was appraised by the professional valuer based on market price of Baht 143.90 million as the appraisal report on 24 January 2012 and 17 January 2011.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**19 Property, plant and equipment**

**Consolidated financial statements**

<i>Cost</i>	<i>(in Baht)</i>						
	Aluminium						
	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining Boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress
							Total
At 1 January 2010	57,702,316	206,173,309	787,923,522	453,129,265	68,885,510	109,102,987	1,688,573,690
Additions	-	-	164,360,261	66,512,462	11,130,079	11,050,500	269,901,982
Transfers	-	13,696,620	-	-	-	-	-
Disposals	-	-	(84,463,368)	(15,704,176)	(962,110)	(1,120,241)	(102,249,895)
<b>At 31 December 2010</b>							
and 1 January 2011	57,702,316	219,869,929	867,820,415	503,937,551	79,053,479	119,033,246	1,856,225,777
Additions	-	45,926	187,779,888	-	16,725,578	13,378,677	242,653,827
Transfers	-	33,532,599	-	-	-	-	-
Disposals	-	-	(90,206,832)	(4,642,931)	(5,085,242)	(377,500)	(100,312,505)
<b>At 31 December 2011</b>	<b>57,702,316</b>	<b>253,448,454</b>	<b>965,393,471</b>	<b>499,294,620</b>	<b>90,693,815</b>	<b>132,034,423</b>	<b>1,998,567,099</b>

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### Consolidated financial statements

	Land	Buildings and building improvement	Construction machinery and equipment	Aluminium lining boards (formwork)	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
				(in Baht)				
<b>Accumulated depreciation</b>								
At 1 January 2010	-	80,084,273	647,151,838	436,705,892	44,417,485	67,937,533	-	1,276,297,021
Depreciation charge for the year	-	14,538,688	59,067,639	11,405,296	10,765,792	13,947,482	-	109,724,897
Disposals	-	-	(30,804,857)	(15,704,176)	(889,337)	(932,063)	-	(48,330,433)
<b>At 31 December 2010</b>	-	<b>94,622,961</b>	<b>675,414,620</b>	<b>432,407,012</b>	<b>54,293,940</b>	<b>80,952,952</b>	-	<b>1,337,691,485</b>
At 1 January 2011	-	14,457,828	41,396,548	4,984,822	12,995,260	8,977,986	-	82,812,444
Depreciation charge for the year	-	-	(23,515,093)	(4,642,917)	(4,817,282)	(308,657)	-	(33,283,949)
Disposals	-	<b>109,080,789</b>	<b>693,296,075</b>	<b>432,748,917</b>	<b>62,471,918</b>	<b>89,622,281</b>	-	<b>1,387,219,980</b>
<b>Net book value</b>								
Owned assets	57,702,316	125,246,968	92,774,431	71,530,539	24,759,539	3,947,057	8,808,841	384,769,691
Assets under finance leases	-	-	99,631,364	-	-	34,133,237	-	133,764,601
<b>Total at 31 December 2010</b>	<b>57,702,316</b>	<b>125,246,968</b>	<b>192,405,795</b>	<b>71,530,539</b>	<b>24,759,539</b>	<b>38,080,294</b>	<b>8,808,841</b>	<b>518,534,292</b>
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
<b>Total at 31 December 2011</b>	<b>57,702,316</b>	<b>144,367,665</b>	<b>272,097,396</b>	<b>66,545,703</b>	<b>28,221,897</b>	<b>42,412,142</b>	-	<b>611,347,119</b>

2128 Dm

**For the years ended 31 December 2011 and 2010**

บริษัท ชูเมท คอนสตรัคชั่น จำกัด (มหาชน)  
SHUMET CONSTRUCTION PUBLIC COMPANY LIMITED

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

## Notes to the financial statements

**For the years ended 31 December 2011 and 2010**

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>								
<b>Accumulated depreciation</b>								
At 1 January 2010	-	80,084,273	645,081,467	423,492,134	44,392,293	67,937,533	-	1,260,987,700
Depreciation charge for the year	-	14,538,688	58,499,434	9,900,230	10,758,971	13,947,482	-	107,644,805
Disposals	-	-	(30,804,857)	-	(889,337)	(932,063)	-	(32,626,257)
<b>At 31 December 2010</b>								
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)
<b>At 31 December 2011</b>								
	-	109,080,789	690,453,495	436,634,699	62,437,793	89,622,281	-	1,388,229,057
<b>Net book value</b>								
Owned assets	57,702,316	125,246,968	92,570,427	79,978,441	24,757,427	3,947,057	8,808,841	393,011,477
Assets under finance leases	-	-	99,631,364	-	-	34,133,237	-	133,764,601
<b>Total at 31 December 2010</b>								
	57,702,316	125,246,968	192,201,791	79,978,441	24,757,427	38,080,294	8,808,841	526,776,078
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
<b>Total at 31 December 2011</b>								
	57,702,316	144,367,665	272,097,396	72,093,175	28,221,897	42,412,142	-	616,894,591

2

227

THE J. I. TRUMP COMPANY LIMITED

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

Depreciation was included in: -

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
Cost of construction	67,757,789	92,947,556	70,658,219	90,867,464
Administrative expenses	15,054,655	16,777,341	14,848,539	16,777,341
<b>Total</b>	<b>82,812,444</b>	<b>109,724,897</b>	<b>85,506,758</b>	<b>107,644,805</b>

As at 31 December 2011 and 2010, the gross amount of the Group's fully depreciated buildings and equipment that was still in use amounted to Baht 1,089 million and Baht 1,043 million, respectively.

As at 31 December 2011 and 2010, land, buildings and building improvement in the amount of Baht 65 million and Baht 99 million including indemnity from fire insurance of those assets were mortgaged as collateral for contingent liabilities due to the letter of guarantee issued by the domestic commercial banks, as mentioned in note 47 to the financial statement.

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

## 20 Intangible assets

	Consolidated and separate financial statements	
	Software license	Total
	(in Baht)	
<b>Cost</b>		
At 1 January 2010	11,624,536	11,624,536
Additions	278,835	278,835
<b>At 31 December 2010 and 1 January 2011</b>	<b>11,903,371</b>	<b>11,903,371</b>
Additions	10,876,500	10,876,500
<b>At 31 December 2011</b>	<b>22,779,871</b>	<b>22,779,871</b>
<b>Accumulated amortization</b>		
At 1 January 2010	10,723,156	10,723,156
Amortisation charge for the year	378,612	378,612
<b>At 31 December 2010 and 1 January 2011</b>	<b>11,101,768</b>	<b>11,101,768</b>
Amortisation charge for the year	3,537,373	3,537,373
<b>At 31 December 2011</b>	<b>14,639,141</b>	<b>14,639,141</b>
<b>Net book value</b>		
At 31 December 2010	801,603	801,603
At 31 December 2011	8,140,730	8,140,730

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Amortization for the year was included in administrative expenses	3,537,373	378,612	3,537,373	378,612
<b>Total</b>	<b>3,537,373</b>	<b>378,612</b>	<b>3,537,373</b>	<b>378,612</b>

**21 Pledged deposits at banks**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Cash at banks – savings accounts	125,863,738	39,000,000	125,863,738	39,000,000
Cash at banks – fixed deposit accounts	77,202,801	49,754,079	77,202,801	49,754,079
<b>Total</b>	<b>203,066,539</b>	<b>88,754,079</b>	<b>203,066,539</b>	<b>88,754,079</b>

Pledged deposit at banks of the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

**22 Other non-current assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
<b>Deposits, net</b>	<b>92,802,383</b>	<b>71,734,760</b>	<b>79,893,786</b>	<b>58,826,162</b>
<b>Impairment loss for the year</b>	<b>-</b>	<b>249,950</b>	<b>-</b>	<b>-</b>

**23 Bank overdrafts and short-term loans from financial institutions**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Bank overdrafts	5,988,148	9,421,451	5,988,148	9,421,451
Short-term loans	25,000,000	-	25,000,000	-
<b>Total</b>	<b>30,988,148</b>	<b>9,421,451</b>	<b>30,988,148</b>	<b>9,421,451</b>

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

As at 31 December 2011, short term loans from financial institutions in the amount of Baht 25 million in the consolidated and separate financial statement represented the promissory notes, due on 17 February 2012 with interest rate charged at 5% per annum.

Bank overdrafts and short-term loans from financial institutions of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

As at 31 December 2011 and 2010, the Group and the Company had unutilized credit facilities provided by a financial institutions, totaling Baht 1,483 million and Baht 1,867 million, respectively.

### 24 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht )			
Related parties	41,885,425	64,425,712	-	-
Other parties	281,008,449	458,382,754	267,305,143	358,058,644
<b>Total</b>	<b>322,893,874</b>	<b>522,808,466</b>	<b>267,305,143</b>	<b>358,058,644</b>

Trade accounts payable of the Group and the Company as at 31 December 2011 and 2010 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 has been still in the process of installment under the compromise agreement.

### 25 Other payables

Other payables as at 31 December 2011 and 2010 were as follows:-

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht )			
Other payables	59,730,905	75,123,515	1,524,357	1,470,811
Accrued value added tax	11,023,164	8,685,214	11,022,286	8,654,623
Accrued withholding tax	6,638,567	6,944,206	6,638,567	6,840,534
Other accrued expenses	168,913,853	177,558,623	168,799,542	177,357,026
<b>Total</b>	<b>246,306,489</b>	<b>268,311,558</b>	<b>187,984,752</b>	<b>194,322,994</b>
Related party	-	13,461,480	-	-
Other parties	246,306,489	254,850,078	187,984,752	194,322,994
<b>Total</b>	<b>246,306,489</b>	<b>268,311,558</b>	<b>187,984,752</b>	<b>194,322,994</b>

Other payables of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**26 Current portion of creditors under the rehabilitation plan**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Creditors under the rehabilitation plan	<u>29,073,870</u>	<u>111,107,081</u>	<u>29,073,870</u>	<u>111,107,081</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Thai Baht (THB)	12,462,769	95,366,872	12,462,769	95,366,872
United States Dollars (USD)	<u>16,611,101</u>	<u>15,740,209</u>	<u>16,611,101</u>	<u>15,740,209</u>
<b>Total</b>	<u><b>29,073,870</b></u>	<u><b>111,107,081</b></u>	<u><b>29,073,870</b></u>	<u><b>111,107,081</b></u>

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

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

On the above payment, the Consortium agreed to a company in the group indemnified the Company against on payment in full amount 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**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Notes payable	<u>462,000,000</u>	<u>412,000,000</u>	<u>462,000,000</u>	<u>412,000,000</u>

As at 31 December 2011 and 2010, short-term loans of Baht 462 million and Baht 412 million, respectively represented the promissory notes from non-related parties due within January 2012 and January 2011, respectively with interest charged at 5.25% per annum and 4.75% per annum, respectively without guarantee.

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

Short-term loans of the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

**28 Finance lease liabilities**

	Consolidated and Separate financial statements					
	2011			2010		
	Principal	Interest	Payments	Principal	Interest	Payments
			(in Baht)			
Within one year	38,261,153	9,867,962	48,129,115	30,654,901	7,640,751	38,295,652
After one year but						
within five years	143,076,717	15,136,469	158,213,186	106,924,613	12,192,222	119,116,835
<b>Total</b>	<b>181,337,870</b>	<b>25,004,431</b>	<b>206,342,301</b>	<b>137,579,514</b>	<b>19,832,973</b>	<b>157,412,487</b>

As at 31 December 2011 and 2010, finance lease liabilities of Baht 181 million and Baht 138 million, respectively, represented the creditors under the hire purchase agreements on machinery, computers and vehicles with 9 and 6 other companies of 71 agreements and 55 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.

**29 Employee benefit obligations**

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

The Company operates post-employment benefits 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 (in thousand Baht)
<i>For the year ended 31 December 2011</i>	
Defined benefit obligations at 1 January 2011	47,364,949
Current service costs and interest	11,649,133
Payment of employee benefits	(1,561,200)
<b>Defined benefit obligations at 31 December 2011</b>	<b>57,452,882</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

Expense recognised in profit or loss

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

*For the year ended 31 December 2011*

Current service costs

9,872,947

Interest on obligation

1,776,186

**Total**

**11,649,133**

The above expense is recognised in the following line items:

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

*For the year ended 31 December 2011*

Cost of construction

9,107,974

Administrative expenses

2,541,159

**Total**

**11,649,133**

Principal actuarial assumptions at the reporting date

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

### 30 Provisions

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Non-current</b>				
Estimated loss under joint venture agreement	-	-	436,901,815	489,306,390
<b>Total</b>	<b>-</b>	<b>-</b>	<b>436,901,815</b>	<b>489,306,390</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

Movements for the years ended 31 December 2011 and 2010 were as follows:

	<b>Consolidated financial statements</b>			<b>Total</b>
	Estimated loss under joint venture agreement	Estimated loss for construction contracts	Estimated penalties under construction contracts	
	<i>(in Baht)</i>			
<b>At 1 January 2010</b>	-	<b>49,367,370</b>	<b>151,305,431</b>	<b>200,672,801</b>
Provision made	-	-	13,003,963	13,003,963
Provision reversed	-	(49,367,370)	(164,309,394)	(213,676,764)
<b>At 31 December 2010</b>	-	-	-	-

	<b>Separate financial statements</b>	
	Estimated loss under joint venture agreement	<b>Total</b>
	<i>(in Baht)</i>	
<b>At 1 January 2010</b>	<b>442,608,926</b>	<b>442,608,926</b>
Provision made	46,697,464	46,697,464
<b>At 31 December 2010 and 1 January 2011</b>	<b>489,306,390</b>	<b>489,306,390</b>
Provision reversed	(52,404,575)	(52,404,575)
<b>At 31 December 2011</b>	<b>436,901,815</b>	<b>436,901,815</b>

**Estimated loss under joint venture agreement**

As at 31 December 2011 and 2010, the Company recognized the estimated loss under joint venture agreement to outsider, which was based on the proportionate share of the entities, was summarized as follows:

	<b>Separate financial statements</b>	
	2011	2010
	<i>(in Baht)</i>	
Joint Venture between Siam Syntec Construction Plc. and Federal Engineering Co., Ltd.	-	36,497,042
Syntec – Mivan Joint Venture	436,901,815	452,809,348
<b>Total</b>	<b>436,901,815</b>	<b>489,306,390</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**31 Share capital**

	<i>Par value (Baht)</i>	<i>Number</i>	<b>Consolidated and Separate financial statements</b>		<i>Amount (in million shares / in million Baht)</i>
			2011	2010	
<b><i>Authorized share capital</i></b>					
At 1 January					
- Ordinary shares	1	1,600	1,600	1,600	1,600
<b>At 31 December</b>					
- Ordinary shares	1	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b><i>Issued and paid up</i></b>					
At 1 January					
- Ordinary shares	1	1,600	1,600	1,600	1,600
<b>At 31 December</b>					
- Ordinary shares	1	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>

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

**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 authorised capital. The legal reserve is not available for dividend distribution.

At the Ordinary General Meeting of the Shareholders of the Company held on 29 April 2011, resolved the allocation 5% of annual net profit for the year 2010 to legal reserve of Baht 10 million.

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



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 SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED



# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

### 33 Segment information

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

#### *Business segments*

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

#### *Geographical segments*

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

### 34 Other income

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Gain from compromise of debts	21,346,346	21,235,357	-	-
Others	18,776,200	2,979,392	2,395,084	2,979,392
<b>Total</b>	<b>40,122,546</b>	<b>24,214,749</b>	<b>2,395,084</b>	<b>2,979,392</b>

### 35 Selling expenses

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Tendering cost	2,234,764	2,665,717	2,234,764	2,665,717
<b>Total</b>	<b>2,234,764</b>	<b>2,665,717</b>	<b>2,234,764</b>	<b>2,665,717</b>

### 36 Administrative expenses

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Personnel	105,802,217	85,682,155	105,802,217	85,682,155
Consulting and professional	13,085,338	12,741,380	12,914,681	12,359,140
Entertainment	11,725,176	19,132,337	11,725,176	19,132,337
Depreciation and Amortization	18,385,911	17,709,293	18,385,911	17,709,293
Travelling	3,114,713	4,417,040	3,114,713	4,417,040
Vehicle	2,571,583	2,391,795	2,571,583	2,391,795

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Bank charge	6,883,896	8,757,662	4,138,585	5,503,323
Foreign exchange loss	804,973	69,018	804,973	69,018
Others	37,602,797	20,069,639	34,803,659	25,775,144
<b>Total</b>	<b>199,976,604</b>	<b>170,970,319</b>	<b>194,261,498</b>	<b>173,039,245</b>

**37 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<b>Management</b>				
Salaries and bonuses	27,057,200	25,061,900	27,057,200	25,061,900
Others	2,733,394	1,155,000	2,733,394	1,155,000
	<u>29,790,594</u>	<u>26,216,900</u>	<u>29,790,594</u>	<u>26,216,900</u>
<b>Other employees</b>				
Salaries wages and bonuses	320,336,992	277,417,096	320,336,992	277,417,096
Others	9,175,894	8,198,259	9,175,894	8,198,259
	<u>329,512,886</u>	<u>285,615,355</u>	<u>329,512,886</u>	<u>285,615,355</u>
<b>Total</b>	<b>359,303,480</b>	<b>311,832,255</b>	<b>359,303,480</b>	<b>311,832,255</b>

Partial employee benefit expenses were included in cost of construction.

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Cost of construction	11,809,000	10,812,600	11,809,000	10,812,600
Administrative expenses	17,981,594	15,404,300	17,981,594	15,404,300
<b>Total</b>	<b>29,790,594</b>	<b>26,216,900</b>	<b>29,790,594</b>	<b>26,216,900</b>



*Signature*

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**38 Expenses by nature**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Raw material and consumables used	1,255	1,223	1,255	1,223
Subcontractor cost	1,746	2,132	1,743	2,072
Employee and workers benefits expenses	926	825	926	825
Depreciation and amortization expenses	87	111	90	108
Management benefit expenses	30	26	30	26
Bad doubtful debt expenses	138	46	131	46
Other expenses	546	490	544	530
Finance costs	32	29	32	28
<b>Total</b>	<b>4,760</b>	<b>4,882</b>	<b>4,751</b>	<b>4,858</b>

**39 Other expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Doubtful debts expense	138,077,222	46,075,588	131,843,768	46,075,588
Estimated penalties under the construction contracts	-	13,003,963	-	-
Estimated loss under joint ventures agreement	-	-	-	46,697,464
<b>Total</b>	<b>138,077,222</b>	<b>59,079,551</b>	<b>131,843,768</b>	<b>92,773,052</b>

**40 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in Baht )</i>			
Interest expense				
- Related parties	702,740	-	702,740	-
- Non-related parties	21,185,863	21,390,397	21,185,863	21,390,397
- Financial institutions	9,976,160	7,643,146	9,976,160	6,995,817
- Creditors under the rehabilitation plan	-	1,928	-	1,928
<b>Total</b>	<b>31,864,763</b>	<b>29,035,471</b>	<b>31,864,763</b>	<b>28,388,142</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**41 Income tax expense**

Royal Decree No. 475 B.E. 2551 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

**The Company**

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

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

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

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

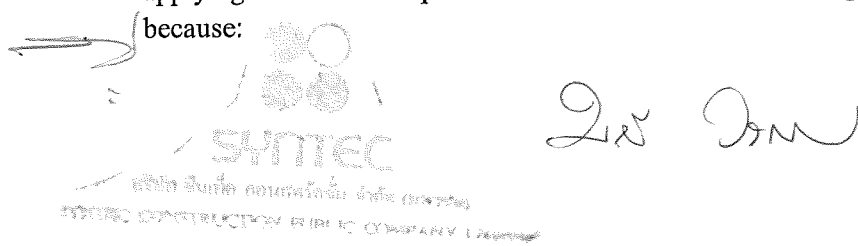
- a) a reversal of reserve for doubtful debts expense due to receiving the payment and writing off bad debts;
- b) a reserve for doubtful debts expense during the year;
- c) a reserve for the estimated loss under joint venture agreement;
- d) a depreciation expense from cost of vehicle exceeding the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

**Joint Ventures**

Five joint ventures and four joint ventures in 2011 and 2010, respectively, have no income tax liability mainly due to:

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

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

  
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**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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

## **42 Earnings per share**

### ***Basic earnings per share***

Basic earnings per share for the years ended 31 December 2011 and 2010 were calculated by dividing the net profit for the years attributable to equityholders of the Company and the number of ordinary shares outstanding during the years as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
Net profit attributable to equityholders of the Company (basic) (Baht)	97,255,480	203,484,491	121,021,610	206,812,234
Number of ordinary shares outstanding (shares)	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
<b>Basic earnings per share (Baht)</b>	<b>0.06</b>	<b>0.13</b>	<b>0.08</b>	<b>0.13</b>

## **43 Dividends**

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

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

**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.

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

		Consolidated financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	Total	
<b>2011</b>						
<b>Current</b>						
Bank overdrafts and short-term loans from financial institutions	1.55	31	-	-	31	
Creditor under rehabilitation plan	0.02	29	-	-	29	
Short- term loans	5.01	462	-	-	462	
Finance lease liabilities	5.64	38	-	-	38	
<b>Non current</b>						
Finance lease liabilities	5.64	-	143	-	143	
<b>Total</b>		<b>560</b>	<b>143</b>	<b>-</b>	<b>703</b>	
<b>2010</b>						
<b>Current</b>						
Bank overdrafts and short-term loans from financial institutions	1.12	9	-	-	9	
Creditor under rehabilitation plan	0.01	111	-	-	111	
Short- term loans	5.18	412	-	-	412	
Finance lease liabilities	6.01	31	-	-	31	
<b>Non current</b>						
Finance lease liabilities	6.01	-	107	-	107	
<b>Total</b>		<b>563</b>	<b>107</b>	<b>-</b>	<b>670</b>	

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

		Separate financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in million Baht)			
2011					
Current					
Bank overdrafts and short-term loans from financial institutions	1.55	31	-	-	31
Creditor under rehabilitation plan	0.02	29	-	-	29
Short- term loans	5.01	462	-	-	462
Finance lease liabilities	5.64	38	-	-	38
Non current					
Finance lease liabilities	5.64	-	143	-	143
Total		560	143	-	703
2010					
Current					
Bank overdrafts and short-term loans from financial institutions	-	9	-	-	9
Creditor under rehabilitation plan	0.01	111	-	-	111
Short- term loans	5.18	412	-	-	412
Finance lease liabilities	6.01	31	-	-	31
Non current					
Finance lease liabilities	6.01	-	107	-	107
Total		563	107	-	670

**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 2011 and 2010, the Company had creditors denominated in the following currencies: -

	2011	2010
	<i>(in million)</i>	
<b>Foreign currencies</b>		
United States Dollars	0.52	0.52



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**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

***Credit risk***

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Collection in advance before starting projects and collection based on the completion of work are performed. The exposure to credit risk is represented by the carrying amount less an allowance for doubtful accounts in the reporting date (as described in note 9 to the financial statement). However, due to the large number of parties comprising the Group's / Company's customer base, management does not anticipate material losses from its debt collection.

***Liquidity risk***

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

***Determination of fair values***

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

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

The fair value of investments in equity, which are held for 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 2011 and 2010 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Fair value	Book value	Fair value	Book value
	<i>(in Million Baht)</i>			
<b>2011</b>				
<b><i>Current</i></b>				
Deposit at the financial institutions	404	404	403	403
Current investments	50	50	50	50

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in Million Baht)</i>			
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
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)
Creditor 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)
<b>Non-current</b>				
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)
<b>Total</b>	<b>1,220</b>	<b>1,220</b>	<b>1,677</b>	<b>1,677</b>

### 2010

#### Current

Deposit at the financial institutions	556	556	550	550
Trade accounts receivable	476	476	453	453
Retention receivables under construction contracts	494	494	462	462
Unbilled construction in progress	1,034	1,034	1,034	1,034
Other receivables	223	223	514	514
Advance payments to subcontractors	71	71	71	71
Bank overdrafts and short-term loans from financial institutions	(9)	(9)	(9)	(9)
Trade accounts payable	(523)	(523)	(358)	(358)
Other payables	(268)	(268)	(194)	(194)
Creditor under rehabilitation plan	(111)	(111)	(111)	(111)
Short-term loans	(412)	(412)	(412)	(412)
Finance lease liabilities	(31)	(31)	(31)	(31)

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	Fair value	Book value	Fair value	Book value
<i>(in Million Baht)</i>				
Advances received from customers				
under construction contracts	(216)	(216)	(216)	(216)
Retention payables from subcontractors	(231)	(231)	(221)	(221)
Undue value added tax	(104)	(104)	(99)	(99)
<b>Non-current</b>				
Other equity securities	261	261	261	261
Withholding tax	306	306	305	305
Pledged deposits at the banks	89	89	89	89
Finance lease liabilities	(107)	(107)	(107)	(107)
<b>Total</b>	<b>1,498</b>	<b>1,498</b>	<b>1,981</b>	<b>1,981</b>

### 45 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in Million Baht)</i>				
<b>Capital commitments</b>				
Worker lodgings and other structures	-	1	-	1
<b>Other commitments</b>				
Pursuant to subcontractor agreement				
for the outstanding construction project	607	480	607	480
Letters of guarantee from banks for				
purchasing inventories, utilities usage,				
guarantee the work performance and				
advance received from customers	2,005	1,404	1,736	1,128
Pursuant to commission agreement	13	172	13	172
<b>Total</b>	<b>2,625</b>	<b>2,057</b>	<b>2,356</b>	<b>1,781</b>

### 46 Contingent liabilities and other events

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

- The Company had contingent liabilities due to be sued by other person regarding the tort and claiming a compensation of construction with the sued amount of Baht 89 million. Such case has been in the process of consideration by the Court, which has not been finalized.
- On 26 September 2011, the Company received the notice from a domestic commercial bank to pay the bank charge from 1997 to 2011 for guarantee on 2 projects in the amount of Baht 30 million based on two bank guarantee amount of Baht 174 million. Subsequently, on 21 October 2011, the Company informed the bank to cancel the above bank charge of Baht 30 million because the Company used the right to terminate the contract with 2 owners already which the bank, as guarantor, was not jointly liable on the guarantee amount including bank charge debt incurred before the Central Bankruptcy Court approved the rehabilitation plan of

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

the Company (on 21 June 2000), and the bank did not submit claim under the rehabilitation plan on that time. In addition, the rehabilitation plan required all creditors agreed to haircut fees. Therefore, the bank had no right to charge such fees from the Company.

***Other events***

On 11 February 2011, the black case no. 270/2554, the Company, as the plaintiff, sued Kempin Siam Company Limited (“the Employer”) regarding false of construction agreement in the amount of Baht 301 million. Subsequently, on 30 June 2011, the Employer sued the Company as the black case no. 1146/2554 regarding false of construction agreement and claim compensation in the amount of Baht 2,864 million. As of 29 February 2012, two cases as the above mentioned has been in the process of the Court’s consideration, the result has not been finalized.

On 28 June 2011, the black case no. 2398/2554, the Company and Mivan (Thailand) Co., Ltd., as the plaintiff, sued National Housing Authority regarding false of construction agreement and claimed a compensation in the amount of Baht 850 million. As of 29 February 2012, the case has been in the process of the Court’s consideration, the result has not been finalized.

**47 The rehabilitation plan of the Company**

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

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

**48 Pledged assets**

As at 31 December 2011 and 2010, the Company’s cash at bank of Baht 203 million and Baht 89 million, respectively was used as collateral for loans, issuance of the letters of guarantee from three domestic commercial banks and guarantee to the Court for the settle debt to a creditor as the Primary Court’s judgment.

As at 31 December 2011 and 2010, long-term investments in securities available for sale for 205 million shares, their fair value of Baht 123 million and Baht 145 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 2011 and 2010, land, office buildings and structures existing at present, and to be constructed in the future of which the book value amounted to Baht 65 million and Baht 99 million, respectively, including of indemnity from fire insurance of those assets were mortgaged as

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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 520 million and Baht 817.50 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 12	Income Taxes	2013
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	2013
TAS 21 (revised 2009)	The effects of Change in Foreign Exchange Rate	2013

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

**50 Reclassification of accounts**

Certain accounts in the 2010 financial statements have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new or revised TFRS as disclosed in note 4 were as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify	Before reclassify	Reclassify	After reclassify
	(in million Baht)					
<b>Statement of financial position</b>						
Other receivables	18	205	223	18	496	514
Short-term loans to related parties	178	(178)	-	471	(471)	-
Other current assets	28	(27)	1	25	(25)	-
Property, plant and equipment	523	(4)	519	531	(4)	527
Land under development	100	(100)	-	100	(100)	-
Investment properties	-	104	104	-	104	104
Other payables	-	268	268	-	194	194
Short-term loans from related parties	13	(13)	-	-	-	-
Accrued expenses	178	(178)	-	177	(177)	-
Other current liabilities	79	(77)	2	20	(17)	3
	<b>1,117</b>	<b>-</b>	<b>1,117</b>	<b>1,342</b>	<b>-</b>	<b>1,342</b>

**Syntec Construction Public Company Limited and its Joint Ventures**  
**Notes to the financial statements**  
**For the years ended 31 December 2011 and 2010**

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify (in million Baht)	Before reclassify	Reclassify	After reclassify
<b>Statement of comprehensive income</b>						
Other income	132	(108)	24	111	(108)	3
Cost of construction	(4,700)	80	(4,620)	(4,641)	80	(4,561)
Selling expenses	(28)	25	(3)	(28)	25	(3)
Administrative expenses	(150)	(21)	(171)	(155)	(18)	(173)
Management benefit expenses	(15)	15	-	(15)	15	-
Other expenses	-	(59)	(59)	-	(93)	(93)
Doubtful debts expenses	(46)	46	-	(46)	46	-
Estimated loss under joint venture agreement	-	-	-	(47)	47	-
Estimated penalties under the construction contracts	(13)	13	-	-	-	-
Finance costs	(38)	9	(29)	(34)	6	(28)
	<u>(4,858)</u>	<u>-</u>	<u>(4,858)</u>	<u>(4,855)</u>	<u>-</u>	<u>(4,855)</u>
<b>Statement of cash flows</b>						
<b>Cash flows from operating activities</b>						
<b>Adjustments for</b>						
Finance costs	38	(38)	-	34	(34)	-
Interest expenses	-	29	29	-	29	29
Reversal of estimated penalties under the construction contracts	(164)	164	-	-	-	-
<b>Changes in operating assets and liabilities</b>						
Other receivables	(10)	(89)	(99)	(10)	(249)	(259)
Other current assets	(7)	6	(1)	(6)	6	-
Other receivables from related parties	(91)	91	-	(248)	248	-
Other payables	-	60	60	-	3	3
Accrued expenses	6	(6)	-	7	(7)	-
Other current liabilities	63	(53)	10	13	4	17
Trade accounts receivable	(17)	(164)	(181)	-	-	-
	<u>(182)</u>	<u>-</u>	<u>(182)</u>	<u>(210)</u>	<u>-</u>	<u>(210)</u>

# Syntec Construction Public Company Limited and its Joint Ventures

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclassify	Reclassify	After reclassify (in million Baht)	Before reclassify	Reclassify	After reclassify
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(137)	3	(134)	(140)	3	(137)
Purchase of investment properties	-	(3)	(3)	-	(3)	(3)
	<u>(137)</u>	<u>-</u>	<u>(137)</u>	<u>(140)</u>	<u>-</u>	<u>(140)</u>
<b>Non-cash transactions</b>						
A joint venture received the construction payment by offsetting with construction cost of a project	154	(154)	-	-	-	-
A joint venture received the construction payment by offsetting with penalties under construction contracts	-	164	164	-	-	-