

Sino-Thai Engineering and Construction Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month period ended 31 March 2008

**Review report of independent auditor**

To the shareholders of Sino-Thai Engineering and Construction Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries as at 31 March 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2008 and the separate financial statements of Sino-Thai Engineering and Construction Public Company Limited for the same period. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

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

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

Without qualifying the review report on the aforementioned financial statements, I draw attention to Note 1.3 to the financial statements regarding the change in accounting policy for recording negative goodwill on business combination.

The consolidated financial statements of Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries, and the separate financial statements of Sino-Thai Engineering and Construction Public Company Limited for the year ended 31 December 2007 were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under his report dated 18 February 2008, expressed an unqualified opinion on those financial statements, drawing attention to the change in accounting policy for recording investments in subsidiaries, jointly controlled entities and associates in the separate financial statements from the equity method to the cost method. The consolidated and separate balance sheets as at 31 December 2007, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income, changes in shareholders' equity and cash flows of Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries and the separate financial statements of Sino-Thai Engineering and Construction Public Company Limited for the three-month period ended 31 March 2007, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 11 May 2007, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Narong Puntawong  
Certified Public Accountant (Thailand) No. 3315

Ernst & Young Office Limited  
Bangkok: 12 May 2008

**Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries**

**Balance sheets**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	2	1,520,721	1,070,319	1,435,052	969,861
Current investments - marketable securities		95	95	95	95
Trade accounts and notes receivable					
Unrelated parties - net	3	1,169,537	1,523,716	1,168,538	1,371,348
Related parties - net	3,4	128,721	36,954	151,223	455,909
Trade accounts and notes receivable - net		1,298,258	1,560,670	1,319,761	1,827,257
Unbilled receivables	4	4,635,114	4,039,251	4,594,985	4,000,299
Retention receivables - net	4	648,635	862,982	640,518	846,753
Construction in progress		472,173	635,844	472,173	635,844
Current portion of loans to related parties	4	2,777	79,524	-	-
Development cost of condominium units for sales	5	301,904	300,509	-	-
Other current assets					
Advances to subcontractors - net		1,284,517	947,559	1,214,788	877,831
Others - net		79,696	113,137	60,719	88,195
<b>Total current assets</b>		<b>10,243,890</b>	<b>9,609,890</b>	<b>9,738,091</b>	<b>9,246,135</b>
<b>Non-current assets</b>					
Restricted bank deposits		67,279	58,771	67,279	58,771
Investments in subsidiaries	6	-	-	440,090	440,090
Excess of net book value					
of subsidiary over cost of investment		-	(14,859)	-	-
Investments in associates	8	196,571	203,557	2,800	2,800
Other long-term investments - net		42,694	44,305	33,792	35,553
Loans to related parties - net of current portion	4	12,199	12,935	-	-
Property, plant and equipment - net	9	3,570,755	3,659,373	3,347,117	3,421,103
Other non-current assets					
Withholding tax		476,801	397,537	466,061	397,537
Land awaiting for development		38,000	38,000	-	-
Others - net		14,871	16,997	16,577	18,703
<b>Total non-current assets</b>		<b>4,419,170</b>	<b>4,416,616</b>	<b>4,373,716</b>	<b>4,374,557</b>
<b>Total assets</b>		<b>14,663,060</b>	<b>14,026,506</b>	<b>14,111,807</b>	<b>13,620,692</b>

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

**Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries**

**Balance sheets (continued)**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loans from financial institutions	557,833	467,953	557,833	467,953
Trade accounts and notes payable				
Unrelated parties	3,816,814	3,970,935	3,811,040	3,958,079
Related parties	4 2,040	2,720	2,040	2,720
Total trade accounts and notes payable	3,818,854	3,973,655	3,813,080	3,960,799
Unbilled payables	1,308,069	1,415,422	1,264,035	1,369,584
Current portion of hire purchase creditors and financial lease payable	10 125,986	140,413	125,986	140,413
Current portion of debentures	11 125,000	125,000	125,000	125,000
Current portion of long-term loans	12 500,000	500,000	500,000	500,000
Cash receipt under construction contract	454,320	454,320	454,320	454,320
Loans from related party	4 -	-	-	100,000
Other current liabilities				
Advances received from construction contracts	4 2,872,823	1,973,657	2,801,206	1,901,859
Undue output tax	81,231	109,094	81,650	118,451
Provision for loss on construction projects	13 299,675	375,228	299,675	375,228
Others	127,320	137,946	106,423	108,498
<b>Total current liabilities</b>	<b>10,271,111</b>	<b>9,672,688</b>	<b>10,129,208</b>	<b>9,622,105</b>
<b>Non-current liabilities</b>				
Hire purchase creditors and financial lease payable - net of current portion	10 159,423	178,267	159,423	178,267
Long-term loans - net of current portion	12 265,070	270,692	200,000	200,000
Provision for loss of jointly controlled entities	7 2,401	2,401	-	-
Other liabilities	9,464	9,543	-	-
<b>Total non-current liabilities</b>	<b>436,358</b>	<b>460,903</b>	<b>359,423</b>	<b>378,267</b>
<b>Total liabilities</b>	<b>10,707,469</b>	<b>10,133,591</b>	<b>10,488,631</b>	<b>10,000,372</b>

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

**Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries**

**Balance sheets (continued)**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>31 March 2008</b>	<b>31 December 2007</b>	<b>31 March 2008</b>	<b>31 December 2007</b>	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>Shareholders' equity</b>					
Share capital					
Registered					
1,350,250,000 ordinary shares of Baht 1 each	1,350,250	1,350,250	1,350,250	1,350,250	
Issued and fully paid-up					
1,186,208,619 ordinary shares of Baht 1 each	1,186,209	1,186,209	1,186,209	1,186,209	
Share premium	2,828,907	2,828,907	2,828,907	2,828,907	
Revaluation surplus					
The Company's revaluation surplus	445,632	445,632	445,632	445,632	
Share of revaluation surplus of subsidiary	74,909	84,050	-	-	
	14	520,541	529,682	445,632	445,632
Warrants	15	490,645	490,645	490,645	490,645
Unrealised gain on available-for-sale securities		14,470	13,714	15,400	14,766
Retained earnings					
Appropriated - statutory reserve		103,038	103,038	103,038	103,038
Unappropriated (deficit)		(1,299,217)	-1,359,874	(1,446,655)	-1,448,877
Equity attributable to the company's shareholders		3,844,593	3,792,321	3,623,176	3,620,320
Minority interest - equity attributable to minority shareholders of subsidiaries		110,998	100,594	-	-
<b>Total shareholders' equity</b>		<b>3,955,591</b>	<b>3,892,915</b>	<b>3,623,176</b>	<b>3,620,320</b>
<b>Total liabilities and shareholders' equity</b>		<b>14,663,060</b>	<b>14,026,506</b>	<b>14,111,807</b>	<b>13,620,692</b>
		-	-	-	-

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

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Directors  
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**Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries****Income statements****For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Revenues</b>					
Construction and service income		3,637,923	4,238,185	3,622,843	4,172,629
Other revenue					
Interest income		8,641	11,691	6,588	7,941
Gain on sales of investment in associate	8	50,683	-	-	-
Others		6,090	23,301	4,643	13,893
Share of income from investments in associate		-	2,804	-	-
<b>Total revenues</b>		<b>3,703,337</b>	<b>4,275,981</b>	<b>3,634,074</b>	<b>4,194,463</b>
<b>Expenses</b>					
Cost of construction and services		3,523,938	4,122,684	3,520,199	4,062,336
Selling and administrative expenses		86,301	74,850	83,779	73,739
Foreign exchange loss		356	14,427	356	14,427
Share of loss from investments in associate		6,986	-	-	-
<b>Total expenses</b>		<b>3,617,581</b>	<b>4,211,961</b>	<b>3,604,334</b>	<b>4,150,502</b>
<b>Income before interest expenses and corporate income tax</b>					
<b>corporate income tax</b>		85,756	64,020	29,740	43,961
Interest expenses		(27,327)	(25,516)	(27,518)	(25,680)
Corporate income tax	16	(97)	(5,251)	-	-
<b>Net income for the period</b>		<b>58,332</b>	<b>33,253</b>	<b>2,222</b>	<b>18,281</b>
<b>Net income attributable to:</b>					
Equity holders of the parent		45,798	31,037	2,222	18,281
Minority interests of the subsidiaries		12,534	2,216		
		<b>58,332</b>	<b>33,253</b>		
		-	-		
<b>Earnings per share</b>					
17					
Basic earnings per share (Baht)					
Net income attributable to equity holders of the parent		<b>0.039</b>	<b>0.026</b>	<b>0.002</b>	<b>0.015</b>
Diluted earnings per share (Baht)					
Net income attributable to equity holders of the parent		<b>0.039</b>	<b>0.026</b>	<b>0.002</b>	<b>0.015</b>

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

**Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries****Cash flow statements****For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>				
Net income before tax	58,429	38,504	2,222	18,281
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:				
Depreciation	136,522	130,292	132,736	126,631
Doubtful debts recovery	(600)	(360)	(600)	(360)
Share of income (loss) from investments in associate	6,986	(2,804)	-	-
Amortisation of excess of net book value of subsidiary over cost of investment	-	(874)	-	-
Unrealised loss on marketable securities	-	54	-	54
Gain on sale investment in associate	(50,683)	-	-	-
(Gain) loss from disposal and write off of property, plant and equipments	1,050	(6,414)	1,050	458
Unrealised (gain) loss on exchange rate	(4,593)	13,010	(4,593)	13,010
Loss on impairment of long-term investment	2,395	-	2,395	-
Decrease in provision for loss of projects	(75,553)	(113,952)	(75,553)	(113,952)
Adjusted cost of development cost of condominium units for sales	(1,395)	-	-	-
Interest expenses	27,327	25,516	27,518	25,680
Income from operating activities before changes in operating assets and liabilities	99,885	82,972	85,175	69,802
Operating assets (increase) decrease				
Trade accounts and notes receivable	354,645	(150,724)	203,276	(203,291)
Trade accounts receivable - related parties	(91,767)	79,335	304,686	109,143
Unbilled receivables	(595,863)	(340,718)	(594,686)	(286,740)
Construction in progress	163,671	302,160	163,670	302,160
Retention receivables	214,314	(191,975)	206,203	(187,796)
Other current assets	(303,517)	(104,963)	(309,481)	(80,208)
Other non-current assets	(8,034)	(51,710)	2,126	(51,878)
Operating liabilities increase (decrease)				
Trade accounts and notes payable	(149,361)	218,862	(142,280)	237,786
Trade accounts payable - related parties	(680)	2,184	(680)	2,183
Unbilled payables	(107,353)	176,841	(105,549)	123,074
Advances received from construction contracts	899,166	(522,546)	899,347	(522,468)
Other current liabilities	(36,814)	22,369	(36,751)	22,782
Other non-current liabilities	(79)	44,036	-	45,529
Cash flows from (used in) operating activities	438,213	(433,877)	675,056	(419,922)
Cash paid for interest expenses	(29,072)	(19,495)	(29,642)	(19,495)
Cash paid for corporate income tax	(69,131)	(71,193)	(68,524)	(70,557)
<b>Net cash flows from (used in) operating activities</b>	<b>340,010</b>	<b>(524,565)</b>	<b>576,890</b>	<b>(509,974)</b>

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

**Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries****Cash flow statements (continued)**

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(8,508)	-	(8,508)	-
Decrease in loans to related parties	77,483	1,045	-	-
Increase in loans to other company	-	(3,164)	-	-
Acquisition of property, plant and equipment	(53,684)	(94,559)	(53,231)	(94,127)
Proceeds from sales of property, plant and equipments	815	11,822	815	3,141
Proceeds from sales investment in associate	50,683	-	-	-
<b>Net cash flows from (used in) investing activities</b>	<u>66,789</u>	<u>(84,856)</u>	<u>(60,924)</u>	<u>(90,986)</u>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans				
from financial institutions	89,880	73,429	89,880	73,429
Decrease in hire purchase and financial lease payable	(40,655)	(30,573)	(40,655)	(30,573)
Repayment of long-term loans	(5,622)	-	-	-
Proceeds from the exercises of warrants	-	514	-	514
Increase (decrease) in loan from related party	-	-	(100,000)	100,000
<b>Net cash flows (used in) financing activities</b>	<u>43,603</u>	<u>43,370</u>	<u>(50,775)</u>	<u>143,370</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>450,402</u>	<u>(566,051)</u>	<u>465,191</u>	<u>(457,590)</u>
Cash and cash equivalents at beginning of period	<u>1,070,319</u>	<u>1,305,954</u>	<u>969,861</u>	<u>1,170,778</u>
<b>Cash and cash equivalents at end of period</b>	<u>1,520,721</u>	<u>739,903</u>	<u>1,435,052</u>	<u>713,188</u>
	-	-	-	-
Supplementary cash flows information				
Non-cash items				
Increase of equipments from hire purchase				
and financial lease agreements	7,384	-	7,384	-

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

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## Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2008 and 2007

(Unit:

<b>Consolidated financial statements</b>										
	Capital surplus						Unrealised	Retained earnings		Minority interest
	Issued and	Share	The Company's	Share of	Share	Unrealised			- equity attributable	
	fully paid-up	premium	revaluation	revaluation	subscription	gain (loss)			to minority	
	share capital		surplus	surplus of	received in	on available-for-sale	Appropriated-	Unappropriated	shareholders of	
Note				subsidiaries	Warrants	advance	statutory reserve	(deficit)	subsidiaries	
	share capital	premium	surplus	subsidiaries	Warrants	advance	statutory reserve	(deficit)	subsidiaries	
<b>Balance as at 31 December 2006</b>	1,184,645	2,828,907	445,632	123,947	490,645	-	1,338	103,038	(1,381,544)	113,392
Share of amortisation of revaluation surplus										
of subsidiary	-	-	-	(9,141)	-	-	-	-	-	(2,158)
Sale of revaluation assets	-	-	-	(2,825)	-	-	-	-	-	(667)
Decrease in fair value										
of available-for-sale securities	-	-	-	-	-	-	(2,922)	-	-	(20)
Receipt of share subscription in advance	-	-	-	-	-	514	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	31,037	2,216
<b>Balance as at 31 March 2007</b>	<u>1,184,645</u>	<u>2,828,907</u>	<u>445,632</u>	<u>111,981</u>	<u>490,645</u>	<u>514</u>	<u>(1,584)</u>	<u>103,038</u>	<u>(1,350,507)</u>	<u>112,763</u>
<b>Balance as at 31 December 2007 - as previously reported</b>	1,186,209	2,828,907	445,632	84,050	490,645	-	13,714	103,038	(1,359,874)	100,594
Realisation of negative goodwill	1.3	-	-	-	-	-	-	-	14,859	-
<b>Balance as at 31 December 2007 - as restated</b>	1,186,209	2,828,907	445,632	84,050	490,645	-	13,714	103,038	(1,345,015)	100,594
Share of amortisation of revaluation surplus										
of subsidiary	14	-	-	(9,141)	-	-	-	-	-	(2,158)
Increase in fair value										
of available-for-sale securities	-	-	-	-	-	-	756	-	-	28
Net income for the period	-	-	-	-	-	-	-	-	45,798	12,534
<b>Balance as at 31 March 2008</b>	<u>1,186,209</u>	<u>2,828,907</u>	<u>445,632</u>	<u>74,909</u>	<u>490,645</u>	<u>-</u>	<u>14,470</u>	<u>103,038</u>	<u>(1,299,217)</u>	<u>110,998</u>

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

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: Thousand Baht)

Total

3,910,000

(11,299)

(3,492)

(2,942)

514

33,253

3,926,034

3,892,915

14,859

3,907,774

(11,299)

784

58,332

3,955,591

(Unaudited but reviewed)

**Sino-Thai Engineering and Construction Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity (continued)**

**For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>								
	<u>Capital surplus</u>				Share subscription received in advance	Unrealised gain (loss) on available-for-sale securities	<u>Retained earnings</u>		Total
Issued and fully paid-up share capital	Share premium	The Company's revaluation surplus	Warrants	Appropriated- statutory reserve			Unappropriated (deficit)		
<b>Balance as at 31 December 2006</b>	1,184,645	2,828,907	445,632	490,645	-	2,309	103,038	(1,472,414)	3,582,762
Decrease in fair value of available-for-sale securities	-	-	-	-	-	(2,842)	-	-	(2,842)
Receipt of share subscription in advance	-	-	-	-	514	-	-	-	514
Net income for the period	-	-	-	-	-	-	-	18,281	18,281
<b>Balance as at 31 March 2007</b>	<u>1,184,645</u>	<u>2,828,907</u>	<u>445,632</u>	<u>490,645</u>	<u>514</u>	<u>(533)</u>	<u>103,038</u>	<u>(1,454,133)</u>	<u>3,598,715</u>
<b>Balance as at 31 December 2007</b>	1,186,209	2,828,907	445,632	490,645	-	14,766	103,038	(1,448,877)	3,620,320
Increase in fair value of available-for-sale securities	-	-	-	-	-	634	-	-	634
Net income for the period	-	-	-	-	-	-	-	2,222	2,222
<b>Balance as at 31 March 2008</b>	<u>1,186,209</u>	<u>2,828,907</u>	<u>445,632</u>	<u>490,645</u>	<u>-</u>	<u>15,400</u>	<u>103,038</u>	<u>(1,446,655)</u>	<u>3,623,176</u>

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

**Sino-Thai Engineering and Construction Public Company Limited  
and its subsidiaries**

**Notes to consolidated interim financial statements**

**For the three-month period ended 31 March 2008**

**1. General information**

**1.1 General information**

Sino-Thai Engineering and Construction Public Company Limited (“the Company”) was incorporated and domiciled in Thailand. The Company is principally engaged in the provision of construction services and its registered address is 32/59-32/60, 29<sup>th</sup>-30<sup>th</sup> Floor, Sino-Thai Tower, Sukhumvit 21 Road, Klongtoey-Nua, Wattana, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standards No. 41 (revised 2007) “Interim financial reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

**1.3 Accounting Standards which are effective for the current year**

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that they do not have any significant impact on the financial statements for the current period, except for TAS 43 (revised 2007) Business Combinations.

TAS 43 (revised 2007) requires the Company to eliminate negative goodwill arising from business combinations for which the agreement date is before 1 January 2008, by adjusting it against the beginning balance of retained earnings. The change has the effect of increasing the balance of retained earnings as at 31 December 2007 by Baht 14.9 million.

#### 1.4 Basis of interim consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2007, with no changes in the shareholding structure of the subsidiaries during the period.

#### 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2007, except for the change in accounting policy for recording negative goodwill on business combination, as described in Note 1.3 to the financial statements.

## 2. Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
		(Audited)		(Audited)
Cash on hand	4,797	4,813	4,781	4,797
Current and saving deposits	698,411	192,771	684,469	128,717
Unit trusts	817,513	822,735	745,802	786,347
Bills of exchange	-	50,000	-	50,000
<b>Total</b>	<b>1,520,721</b>	<b>1,070,319</b>	<b>1,435,052</b>	<b>969,861</b>

### 3. Trade accounts and notes receivable

The outstanding balances of trade accounts and notes receivable are aged, based on due date as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2008	31 December 2007 (Audited)	31 March 2008	31 December 2007 (Audited)
<u>Unrelated parties</u>				
Not yet due	642,334	907,677	641,981	757,756
Past due				
Less than 4 months	166,581	312,033	165,935	309,586
5 -12 months	106,234	148,818	106,234	148,818
Over 12 months	334,060	235,460	334,060	235,460
Total	1,249,209	1,603,988	1,248,210	1,451,620
Less: Allowance for doubtful accounts	(79,672)	(80,272)	(79,672)	(80,272)
	1,169,537	1,523,716	1,168,538	1,371,348
<u>Related parties</u>				
Not yet due	108,308	3,016	116,943	155,625
Past due				
Less than 4 months	590	1,275	1,906	45,514
5 -12 months	6,291	32,663	15,200	37,780
Over 12 months	42,735	29,203	46,377	246,193
Total	157,924	66,157	180,426	485,112
Less: Allowance for doubtful accounts	(29,203)	(29,203)	(29,203)	(29,203)
	128,721	36,954	151,223	455,909
<b>Total Trade accounts and notes receivable - net</b>	<b>1,298,258</b>	<b>1,560,670</b>	<b>1,319,761</b>	<b>1,827,257</b>

#### 4. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties which have been concluded at contract prices which can be comparable to the prices for unrelated parties. Below is a summary of those transactions.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<b>Transactions with related companies</b>				
Construction and service income	-	84	-	84
Cost of construction	4	7	4	7
<b>Transactions with jointly controlled entities</b>				
(eliminated from the consolidated financial statements)				
Construction and service income	-	25	1	58
<b>Transactions with subsidiaries</b>				
(eliminated from the consolidated financial statements)				
Construction and service income	-	-	291	91
Rental expenses	-	-	3	2

The balances of accounts as at 31 March 2008 and 31 December 2007 the Company and those related company are as below:

	Relationship	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
			(Audited)		(Audited)
<b>Assets</b>					
<b>Trade accounts and notes receivable - related parties</b>					
Kijpracha Tanee Co., Ltd.	Subsidiary	-	-	-	213,650
STP&I Plc.	Common director	107,000	-	107,000	-
S.L. Joint Venture	Subsidiary	-	-	16,838	186,957
S.A. Joint Venture	Subsidiary	-	-	4,864	16,736
Sino-Thai-A.S. Joint Venture	Joint venture	588	1,175	1,399	2,799
Taisei-Sino-Thai Joint Venture	Joint venture	1,169	1,700	1,169	1,700
Philipp Holzmann (Thai) /					
U.T.M. Engineering / Sino-Thai Joint Venture	Joint venture	10,225	10,225	10,225	10,225
TNNS Joint Venture	Joint venture	19,823	33,937	19,823	33,937
Others		19,119	19,120	19,108	19,108
Total		157,924	66,157	180,426	485,112
Less: Allowance for doubtful accounts		(29,203)	(29,203)	(29,203)	(29,203)
<b>Net</b>		128,721	36,954	151,223	455,909

## (Unaudited but reviewed)

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2008	2007	2008	2007
			(Audited)		(Audited)
<b><u>Unbilled receivables</u></b>					
S.L. Joint Venture	Subsidiary	-	-	89,733	54,493
S.A. Joint Venture	Subsidiary	-	-	177,020	95,627
Sino-Thai-A.S. Joint Venture	Joint venture	36,333	36,333	86,507	86,507
TNNS Joint Venture	Joint venture	22,721	22,823	22,721	22,823
Total		59,054	59,156	375,981	259,450
<b><u>Retention receivables</u></b>					
S.A. Joint Venture	Subsidiary	-	-	19,085	1,515
Sino-Thai-A.S. Joint Venture	Joint venture	8,143	10,613	19,389	25,270
Total		8,143	10,613	38,474	26,785
<b><u>Loans to related parties</u></b>					
P.P. Coral Resort Company Limited	Former associate	-	76,839	-	-
MMR Asia Company Limited	Former associate	11,612	11,612	11,612	11,612
Sino-Thai Tower Condominium Juristic Person	Related party	14,976	15,620	-	-
The Joint Venture of Tomen Enterprise (Bangkok) Limited / Sino-Thai Engineering and Construction Plc. / Totems Co., Ltd	Joint venture	278	278	278	278
Total		26,866	104,349	11,890	11,890
Less: Allowance for doubtful accounts		(11,890)	(11,890)	(11,890)	(11,890)
<b>Net</b>		14,976	92,459	-	-
<b><u>Liabilities</u></b>					
<b><u>Trade accounts and notes payable - related parties</u></b>					
STIT Co., Ltd.	Common director	1,473	2,720	1,473	2,720
Others		567	-	567	-
Total		2,040	2,720	2,040	2,720
<b><u>Loans from related party</u></b>					
HTR Corporation Limited	Subsidiary	-	-	-	100,000
<b><u>Advances received from construction contracts</u></b>					
STP&I Plc.	Common director	168,654	110,000	168,654	110,000
S.L. Joint Venture	Subsidiary	-	-	309,180	310,661
S.A. Joint Venture	Subsidiary	-	-	200,539	216,960
Sino-Thai-A.S. Joint Venture	Joint venture	5,571	5,571	13,263	13,263
TNNS Joint Venture	Joint venture	196	196	196	196
Total		174,421	115,767	691,832	651,080

During the period, movements of loans to and loans from related parties were as follow:

(Unit: Thousand Baht)

		Consolidated financial statements			
Relationship		Balance as at 1 January 2008	During the period		Balance as at 31 March 2008
			Increase	Decrease	
<b><u>Loans to related parties</u></b>					
P.P. Coral Resort Company Limited	Former associate	76,839	-	(76,839)	-
Sino-Thai Tower Condominium Juristic Person	Related party	15,620	-	(644)	14,976
<b>Total</b>		<b>92,459</b>	<b>-</b>	<b>(77,483)</b>	<b>14,976</b>

(Unit: Thousand Baht)

		Separate financial statements			
Relationship		Balance as at 1 January 2008	During the period		Balance as at 31 March 2008
			Increase	Decrease	
<b><u>Loan from related party</u></b>					
HTR Corporation Limited	Subsidiary	100,000	-	(100,000)	-

### **Loan to Sino-Thai Tower Condominium Juristic Person**

HTR Corporation Limited granted a loan of Baht 19 million to Sino-Thai Tower Condominium Juristic Person. The loan carries flat interest rate at 8 percent per annum for the whole contract period. The loan and relating interest are repayable in 72 installments of which Baht of 0.39 million is monthly due. The first installment started in July 2006.

### **Loan from HTR Corporation Limited**

Loan from HTR Corporation Limited are promissory notes repayable at call issued by the Company. These loan carried interest at 4 percent per annum. During the current quarter, the Company repaid all of loan.

(Unaudited but reviewed)

## 5. Development cost of condominium units for sales

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2008	31 December 2007
		(Audited)
Development cost of condominium units for sales	365,863	365,863
Less: Accumulated costs transferred to cost of sales	(63,959)	(65,354)
Total development cost of condominium units for sales	<u>301,904</u>	<u>300,509</u>

The land and relating development costs of subsidiary are mortgaged as collateral for other long-term loans, as discussed in Note 12 to the financial statements.

## 6. Investment in subsidiary

(Unit: Thousand Baht)

	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
	(Million Baht)	(Million Baht)	(%)	(%)		(Audited)
<b><u>Investment in subsidiary</u></b>						
HTR Corporation Limited	500	500	80.90	80.90	<u>440,090</u>	<u>440,090</u>

## 7. Investment in jointly controlled entities/Provision for loss of jointly controlled entities

As at 31 March 2008, the Company had investments in two jointly controlled entities, of which the total net book values were Baht 14.9 million. The Company had already recorded full allowance for impairment of investment of such investment and provision for losses of jointly controlled entity, amounting to Baht 2.4 million for another jointly control entity.

The jointly controlled entity ceased its operations and its financial information therefore has no significant impact to the Company's financial statements.

**8. Investments in associates**

(Unit: Thousand Baht)

Company's name	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
	(%)	(%)				(Audited)
DKK Sino-Thai Engineering Company Limited	35.00	35.00	2,800	2,800	196,571	203,557
P.P. Coral Resort Company Limited	-	37.22	-	68,001	-	-
S T F M Company Limited	50.00	50.00	5,000	5,000	8,986	8,986
Less: Provision for impairment of investment					(8,986)	(8,986)
<b>Total</b>			<b>7,800</b>	<b>75,801</b>	<b>196,571</b>	<b>203,557</b>

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007
	(%)	(%)	(Audited)		(Audited)		(Audited)	
DKK Sino-Thai Engineering Company Limited	35.00	35.00	2,800	2,800	-	-	2,800	2,800
S T F M Company Limited	50.00	50.00	5,000	5,000	(5,000)	(5,000)	-	-
<b>Total</b>			<b>7,800</b>	<b>7,800</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>2,800</b>	<b>2,800</b>

During the current quarter a subsidiary sold all investment in P.P. Coral Resort Company Limited to a company at its net value of Baht 50.7 million. However the Company had recorded full provision for diminution in the value of such investment in the past, and therefore a gain on sale of the investment of Baht 50.7 million was recorded in the income statement for the current period.

Share of income or loss of associates were determined based on the financial statements prepared by its managements and neither audited nor reviewed by its auditors. The Company believes that the value of the investments would not significantly differ if the financial statements had been audited or reviewed by auditors.

## 9. Property, plant and equipment

Movements of the property, plant and equipment accounts during the three-month period ended 31 March 2008 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2008	3,659,373	3,421,103
Acquisitions during period	61,068	60,615
Depreciation for period	(136,522)	(132,736)
Amortisation of revaluation surplus	(11,299)	-
Disposals during period - net book value	(1,865)	(1,865)
Net book value as at 31 March 2008	<u>3,570,755</u>	<u>3,347,117</u>

In October 2006, the Federation of Accounting Professions issued Notification No. 25/2006 allowing entities which carry their property, plant and equipment at revalued amounts to calculate depreciation to be charged to the income statements based on the historical costs of the assets instead of on the revalued amounts. A subsidiary has decided to follow the notification. However, had the depreciation charge been calculated based on the revalued amounts, net income and earnings per share of equity holders of the parent for the three-month periods ended 31 March would have been presented as following:

	<u>Consolidated financial statements</u>	
	<u>for the three-month periods 31 March</u>	
	<u>2008</u>	<u>2007</u>
Net income (Million Baht)	37	22
Basic earnings per share (Baht per share)	0.031	0.019
Diluted earnings per share (Baht per share)	0.031	0.019

(Unaudited but reviewed)

## 10. Hire purchase and financial lease payable

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	31 March 2008	31 December 2007
		(Audited)
Liabilities under hire purchase and financial lease agreements	321,583	360,818
Less: Deferred interest expenses	(36,174)	(42,138)
	285,409	318,680
Less: Portion due within one year	(125,986)	(140,413)
Liabilities under hire purchase and financial lease agreements - net of current portion	159,423	178,267

Movements in the hire purchase and financial lease payable accounts during the three-month period ended 31 March 2008 are summarised below:

	(Unit: Thousand Baht)
	Amount
Balance as at 1 January 2008	318,680
Add: Agreements occurred in the current period	7,384
Less: Payments of hire purchase and financial lease payable	(40,655)
Balance as at 31 March 2008	285,409

## 11. Debentures

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	31 March 2008	31 December 2007
		(Audited)
Debentures	125,000	125,000
Less: Current portion	(125,000)	(125,000)
Debentures- net of current portion	-	-

The debentures issued are made with normal covenants, pertaining to matters such as the maintenance of financial ratios and dividend payments.

(Unaudited but reviewed)

## 12. Long term loans

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2008	31 December 2007
		(Audited)
Long-term loans from bank	700,000	700,000
Other long-term loan	65,070	70,692
	<u>765,070</u>	<u>770,692</u>
Less: Current portion	(500,000)	(500,000)
Long-term loans - net of current portion	<u><u>265,070</u></u>	<u><u>270,692</u></u>

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2008	31 December 2007
		(Audited)
Long-term loans from bank	700,000	700,000
Less: Current portion	(500,000)	(500,000)
Long-term loans - net of current portion	<u><u>200,000</u></u>	<u><u>200,000</u></u>

During the period, movements of long term loan were as follow:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at	During the period		Balance as at
	1 January 2008	Increase	Decrease	31 March 2008
Long term loans from bank	700,000	-	-	700,000
Other long-term loan	70,692	-	(5,622)	65,070
	<u>770,692</u>	<u>-</u>	<u>(5,622)</u>	<u>765,070</u>

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2008	Increase	Decrease	31 March 2008
Long term loans from bank	700,000	-	-	700,000

**Long-term loans from bank**

Most loan agreements contain certain covenants and restrictions imposed by providing guarantees to loans or aval to promissory notes of any other persons or other companies, merger or consolidation with any other companies, and the maintenance of certain financial ratios.

**Other long-term loan**

Other long-term loan from other person of subsidiary, the subsidiary has mortgaged its ownership of condominium units for sales as collaterals for the loan from other person.

**13. Provision for loss on construction projects**

Movements of provision for loss on construction projects during the three-month period ended 31 March 2008 are summarised below:

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
	<hr/>
Balance as at 1 January 2008	375,228
Less: Decrease in provision as project cost actually occurred in the period	<hr/> (75,553)
Balance as at 31 March 2008	<hr/> <hr/> 299,675

**14. Revaluation surplus**

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<hr/>	<hr/>
Balance as at 1 January 2008	529,682	445,632
Share of amortisation of revaluation surplus of subsidiary	<hr/> (9,141)	<hr/> -
Balance as at 31 March 2008	<hr/> <hr/> 520,541	<hr/> <hr/> 445,632

The revaluation surplus can neither be offset against retained deficit nor used for dividend payment.

**15. Warrants**

The warrant is listed in the Stock Exchange of Thailand and is detailed as follows.

	Warrants' names in the Stock Exchange of Thailand
	<u>STEC-W2</u>
Extraordinary General Meeting of Shareholders resolution date	16 August 2004
Total number of warrants issued (units)	170,000,000
Ratio of existing ordinary shareholders' rights to purchase warrants (ordinary shares: warrants)	6:1
Proposed selling prices for 1 unit of warrants (Baht)	3.0
Exercised period as from the issued date (years)	3
Expired date	18 April 2008
Exercised ratio (warrant: ordinary share)	1:1
Exercised price (Baht per unit)	8.5
Remaining warrants as at 31 December 2007 (units)	163,548,461
Remaining warrants as at 31 March 2008 (units)	163,548,461

**16. Corporate income tax**

The Company has no corporate income tax payable in current period since the tax losses brought forward from the previous years exceed the net income for the period.

**17. Earnings per share**

Basic earnings per share is calculated by dividing the net income attributable to equity holders of the parent for the period by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing net income for the period by the sum of the weighted average number of ordinary shares in issue during the period and the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

(Unaudited but reviewed)

Consolidated financial statements						
For the three-month periods ended 31 March						
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u> Thousand Baht	<u>2007</u> Thousand Baht	<u>2008</u> Million Shares	<u>2007</u> Million Shares	<u>2008</u> Baht	<u>2007</u> Baht
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent	45,798	31,037	1,186	1,185	0.039	0.026
<b>Effect of dilutive securities</b>						
Warrants	-	-	-	1		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of dilutive securities	45,798	31,037	1,186	1,186	0.039	0.026
Warrants outstanding (units)						
31 March 2008	<u>163,548,461</u>					
31 March 2007	<u>164,841,071</u>					
Separate financial statements						
For the three-month periods ended 31 March						
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u> Thousand Baht	<u>2007</u> Thousand Baht	<u>2008</u> Million Shares	<u>2007</u> Million Shares	<u>2008</u> Baht	<u>2007</u> Baht
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent	2,222	18,281	1,186	1,185	0.002	0.015
<b>Effect of dilutive securities</b>						
Warrants	-	-	-	1		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of dilutive securities	2,222	18,281	1,186	1,186	0.002	0.015
Warrants outstanding (units)						
31 March 2008	<u>163,548,461</u>					
31 March 2007	<u>164,841,071</u>					

STEC-W2 warrants are excluded from the potential ordinary shares for calculation of earnings per share for the three-month period ended 31 March 2008, since their exercise price is in excess of the fair value of the ordinary shares.

## 18. Contracts in progress

As at 31 March 2008, the Company had aggregate amount of construction cost incurred and recognised profits or losses to date for contracts in progress was approximately Baht 40,455 million and had gross amounts due from customers for contracts in progress was approximately Baht 5,067 million.

## **19. Financial information by segment**

The operations of the Company and its subsidiaries principally involve construction contracting, office building rental and property development, and are mostly carried on in the single geographic area of Thailand. As a result, all of the revenues, operating results and assets as reflected in these financial statements pertain to the aforementioned industry segments and geographic area. During the three-month periods ended 31 March 2008 and 2007, there were no material activities pertaining to the office building rental and property development segments. For this reason, financial information has not been presented by industry segment.

## **20. Credit facilities**

The credit facilities of the Company and its subsidiaries, as at 31 March 2008, granted by financial institutions have been secured by the guarantees and mortgages/pledges of the assets listed below:

20.1 Fixed deposits, as at 31 March 2008, of Baht 67.3 million.

20.2 9.3 million shares of HTR Corporation Limited.

20.3 Most of the Company's land, with net book value as of 31 March 2008 of Baht 716.8 million.

20.4 The transfer of the right of the claim of collections from employers under some construction contracts to a bank. The Company is able to withdraw the related bank account with no restrictions. As at 31 March 2008, the balance of the accounts receivable under the right transfer agreement was Baht 85.6 million.

## **21. Commitments and contingent liabilities**

As at 31 March 2008, the Company and its subsidiaries had the following commitments and contingent liabilities:

21.1 There were letters of guarantee totaling Baht 11,084 million (31 December 2007: Baht 10,137 million), issued by financial institutions on behalf of the Company in respect of certain performance bonds as required in the normal course of the businesses of the Company, subsidiaries and jointly controlled entities.

21.2 The Company has been sued for compensation totaling approximately Baht 103 million. The cases are still being considered by the Court. The Company's management believes that the outcome of these cases will be favorable to the Company and therefore no provision for liability has been set aside in the accounts.

21.3 The Company entered into an agreement with the State Railway of Thailand (SRT) for the construction of the Suvarnabhumi Airport Rail Link. The company and other contractors are obliged to deliver work within 990 days after receiving the letter of commencement, with the period separated into 1) Part 1, which must be completed within 900 days after receiving the letter of commencement (February 2008) and 2) Part 2, which must be completed within 90 days from the completion of part 1 (May 2008). The Company has not been able to make delivery within the stipulated period and SRT is therefore entitled to penalise the Company in respect of Part 1 at a rate of 0.05 percent of price of the undelivered work per day, until the work per the agreement is completed, and to charge a penalty in respect of Part 2 at a rate of 0.05 percent of the contract value per day, until the work per the agreement is completed. However the Company and the other contractors are negotiating to amend the contract to extend the construction period and the issue is in process of being considered by SRT. The Company's management is confident that a contract extension will be granted because the delays were caused by a delay in the delivery of an area by SRT. The management expects that the Company will be able to complete the construction within the extension period to be granted by SRT and that no penalty will be imposed.

## 22. Financial instruments

A summary of foreign-currency liabilities as at 31 March 2008 is set out below.

<u>Currency</u>	<u>Liabilities</u>
JPY	78 Million
USD	12 Million

A summary of forward exchange contracts to hedge currency risk as at 31 March 2008 is set out below:

- a) During the year 2006, the Company entered into a forward exchange contract to hedge currency risk of 78 million JPY denominated machinery payable which is to be settle in 31 March 2009.

The exchange rates under this contract were agreed upon conditional on future JPY exchange rate. The contractual exchange rate is 0.3950 Baht/JPY, if the yen ever trades at or below 0.3145 Baht/JPY at anytime during the period before each settlement date, the exchange rate will be set at 0.3380 Baht/JPY, while if yen ever trades above 0.3145 Baht/JPY at anytime during the same period. If the yen trades in the same period above the knock out rates, specified in the contract, of 0.4100 and 0.4200 Baht/JPY for each of the above period respectively, no exchange will be made and the Company will use market exchange rate in paying the debts.

During the current quarter, average of the yen traded below 0.3145 Baht/JPY, so the Company recorded all amount using 0.3950 Baht/JPY according to the contract.

- b) During the year 2006, the Company entered into forward exchange contracts to hedge currency risk of USD of cash receipt under construction contract from an overseas company which is a consortium, as detailed below.

Contract no.	Amount (Million USD)	The contractual exchange rate (Baht/USD)	Settlement date
1	6	37.9000	24 December 2008
2	6	37.8200	24 December 2008

### **23. Approval of interim financial statements**

These interim financial statements were authorised for issued by the Audit Committee on 12 May 2008.