

**Christiani & Nielsen (Thai) Public Company Limited,  
its subsidiaries and jointly controlled entities  
Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2008 and 2007**

**1. General information**

**1.1 Corporate information**

Christiani & Nielsen (Thai) Public Company Limited (“the Company”) is a public limited company incorporated under Thai laws and domiciled in Thailand. Its parent company is CPB Equity Company Limited, a company also incorporated in Thailand. The Company operates in Thailand and is principally engaged in the construction business. Its registered address is at No. 451, La Salle Road (Sukhumvit 105), Kwaeng Bangna, Khet Bangna, Bangkok.

**1.2 Economic crisis**

The financial crisis experienced by the United States over the past year has had far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide, tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The crisis has affected substantially business and financial plans of Thailand enterprises and asset value. Despite efforts made by governments of many countries to contain the crisis, it remains uncertain as to when the global economy will return to its normalcy. These financial statements have been prepared on the bases of facts currently known to the Company, and on estimates and assumptions currently considered appropriate. However, they could be adversely affected by an array of future events.

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

These interim financial statements are prepared in accordance with Accounting Standard Pronouncement 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.

These 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.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the official statutory financial statements.

#### **1.4 Basis of consolidation**

These interim consolidated financial statements include the financial statements of Christiani & Nielsen (Thai) Public Company Limited, its subsidiaries and jointly controlled entities (collectively called “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2007, with no changes in the structure of the Group during the current period.

The financial statements of the overseas subsidiaries for the three-month and nine-month periods ended 30 September 2008 as included in the consolidated financial statements were prepared by the management of those subsidiaries, and have not been reviewed by their auditors. Their aggregate assets were approximately Baht 381 million or 11% of the consolidated assets as at 30 September 2008 and their aggregate revenues were approximately Baht 0.3 million and Baht 0.8 million, respectively, or 0.02% and 0.02% of the consolidated revenues for the three-month and nine-month periods then ended.

The consolidated financial statements as at 30 September 2008 and for the three-month and nine-month periods then ended included the proportion of the assets of the jointly controlled entity of Baht 20 million or 0.6% of the consolidated assets and its revenues were Baht 12 million and Baht 28 million, respectively, or 0.8% and 0.7% of the consolidated revenues for the respective periods.

## **1.5 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 became 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 TAS 33 and TAS 43 are not relevant to the business of the Company, whereas the other accounting standards described above do not have any significant impact on the financial statements for the current period.

## **1.6 Significant accounting policies**

These interim financial statements are prepared using the same accounting policies and method of computation as were used for the financial statements for the year ended 31 December 2007.

(Unaudited but reviewed)

## 2. Cash and cash equivalents/restricted deposits

Cash and cash equivalents as at 30 September 2008 and 2007 as reflected in the statements of cash flows consist of the following:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash and deposits at banks	318,507	259,250	262,135	213,753
Fixed deposits at banks	125,837	85,475	125,837	85,475
Deposits at finance companies	<u>5,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	449,944	344,725	387,972	299,228
Less: Restricted deposits	<u>(205,223)</u>	<u>(178,553)</u>	<u>(205,223)</u>	<u>(178,553)</u>
Cash and cash equivalents	<u><u>244,721</u></u>	<u><u>166,172</u></u>	<u><u>182,749</u></u>	<u><u>120,675</u></u>

As at 30 September 2008, the Company had pledged its bank deposits of approximately Baht 205.2 million (31 December 2007: Baht 162.5 million) with banks to secure the bank overdrafts and the letters of guarantees issued by the banks on behalf of the Company.

## 3. Construction contract debtors

As at 30 September 2008 and 31 December 2007, the balance of construction contract debtors classified by aging from the due date was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Related party</b>				
Retention under construction contracts	<u>-</u>	<u>-</u>	<u>1,341</u>	<u>197</u>
Construction contract debtors - related party	<u>-</u>	<u>-</u>	<u>1,341</u>	<u>197</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2008	2007	2008	2007
<b>Unrelated parties</b>				
<i>Overdue</i>				
Not over 3 months	298,662	478,248	298,662	469,085
3 - 6 months	32,923	18,057	32,923	18,057
6 - 12 months	2,362	24,184	2,362	24,185
Over 12 months	95,208	82,726	95,208	82,726
Total	429,155	603,215	429,155	594,053
Retention under construction contracts	425,881	386,547	422,047	385,701
Total construction contract debtors	855,036	989,762	851,202	979,754
Less: Allowance for doubtful accounts	(107,923)	(107,923)	(107,923)	(107,923)
Construction contract debtors - unrelated parties - net	747,113	881,839	743,279	871,831
Total construction contract debtors - net	747,113	881,839	744,620	872,028

The Company has transferred the calling right for the collections from the construction contract debtors of certain projects to a bank to secure the credit facilities of the Company granted by that bank.

#### 4. Investments in the subsidiaries

(Unit: Thousand Baht)

	Shareholding		Separate financial statements					
	percentage		Investment value under		Allowance for impairment of		Carrying amounts based on	
			cost method		investments		cost method - net	
	30	31	30	31	30	31	30	31
September	December	September	December	September	December	September	December	
2008	2007	2008	2007	2008	2007	2008	2007	
Percent	Percent							
<b>Construction business</b>								
Christiani & Nielsen Construction								
(Thai) Company Limited								
100.0	100.0	1,000	1,000	(1,000)	(1,000)	-	-	
<b>Holding company</b>								
CNT Holdings Limited								
100.0	100.0	2,600,000	2,600,000	(2,265,000)	(2,265,000)	335,000	335,000	
<b>Plan administrator</b>								
CN Advisory Company Limited								
100.0	100.0	1,000	1,000	-	-	1,000	1,000	
<b>Total investments in the subsidiaries</b>								
		2,602,000	2,602,000	(2,266,000)	(2,266,000)	336,000	336,000	

The Company has pledged the shares of Christiani & Nielsen Construction (Thai) Company Limited and CNT Holdings Limited with a bank to secure the credit facilities of the Company granted by that bank.

## 5. Investments in the jointly controlled entities

(Unit: Thousand Baht)

	Separate financial statements					
	Shareholding		Investment value under		Dividend received	
	percentage		cost method		for the period ended	
	30	31	30	31	30	30
September	December	September	December	September	September	
2008	2007	2008	2007	2008	2007	
Percent	Percent					
<b>Construction business</b>						
NWR, ITD, CNT & AS Joint Venture	25.0	25.0	-	-	-	2,000
PAN ASIA - CNT Joint Venture	45.0	45.0	1,800	1,800	-	-
<b>Total investments in jointly controlled entities</b>			<b>1,800</b>	<b>1,800</b>	<b>-</b>	<b>2,000</b>

Since 2002, the Company had invested Baht 2 million, representing 25% interest of NWR, ITD, CNT & AS Joint Venture, and had received its return from investment during the year 2006. The jointly controlled entity is in the liquidation process.

## 6. Investments in the associate and other companies

(Unit: Thousand Baht)

	Shareholding		Consolidated		Separate	
	percentage		financial statements		financial statements	
	30	31	30	31	30	31
	September	December	September	December	September	December
2008	2007	2008	2007	2008	2007	
Percent	Percent					
<b>Investment in the associate</b>						
International Machinery Supplies Co., Ltd.	31.94	31.94	7,500	7,500	-	-
Total			7,500	7,500	-	-
Less: Allowance for impairment of investment			(7,500)	(7,500)	-	-
Investment in the associate - net			-	-	-	-
<b>Investments in other companies</b>						
Saturn Inc.	13.11	13.11	2,218	2,218	-	-
Phuket Land Development Co., Ltd.	15.00	15.00	3,000	3,000	-	-
Thai Worldwide Contractors Co., Ltd.	2.94	2.94	100	100	100	100
Thai Contractors Asset Co., Ltd.	0.20	0.20	750	500	750	500
Total			6,068	5,818	850	600
Less: Allowance for impairment of investments			(3,000)	(3,000)	-	-
Investments in other companies - net			3,068	2,818	850	600
<b>Total investments in the associate and other companies - net</b>			<b>3,068</b>	<b>2,818</b>	<b>850</b>	<b>600</b>

According to the latest audited financial statements of Saturn Inc., the net worth attributable to the subsidiary's investment as at 31 December 2007 was approximately Baht 5 million.

## 7. Related party transactions

During the periods ended 30 September 2008 and 2007, the Company, its subsidiaries and jointly controlled entities had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial statements				Transfer pricing and lending policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
<b>Transactions with the jointly controlled entities</b>					
Service income	-	3,237	-	6,533	Cost plus margin
Operating cost reimbursement	-	-	928	-	Cost plus margin

(Unit: Thousand Baht)

	Separate financial statements				Transfer pricing and lending policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
<b>Transactions with the subsidiaries</b>					
Rental and service income	15	30	45	90	Based on the prices agreed between the parties, which approximate the market prices
Interest income	201	192	583	594	Interest rate at MOR plus 0.25% per annum
<b>Transactions with the jointly controlled entities</b>					
Service income	13,457	3,237	20,030	6,533	Cost plus margin
Operating cost reimbursement	-	-	2,370	-	Cost plus margin
Interest income	26	-	76	-	Fixed interest rate of 3.75% per annum
Dividend income	-	-	-	2,000	At the declared rate

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2008 and 31 December 2007 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2008	2007	2008	2007
<b>Construction contract debtors</b>				
<i>Jointly controlled entity</i>				
PAN ASIA - CNT Joint Venture	-	-	1,341	197
<b>Total construction contract debtors - jointly controlled entity</b>	<u>-</u>	<u>-</u>	<u>1,341</u>	<u>197</u>
<b>Amounts due from and loans to the subsidiaries and jointly controlled entity</b>				
<i>Amounts due from the subsidiaries and jointly controlled entity</i>				
Christiani & Nielsen Construction (Thai) Company Limited	-	-	20,736	20,153
CN Advisory Company Limited	-	-	16	32
PAN ASIA - CNT Joint Venture	1,298	1,049	2,592	3,807
Total	1,298	1,049	23,344	23,992
Less: Allowance for doubtful accounts	-	-	(20,150)	(20,150)
Total amounts due from the subsidiaries and jointly controlled entity - net	<u>1,298</u>	<u>1,049</u>	<u>3,194</u>	<u>3,842</u>
<i>Loans to the subsidiary and jointly controlled entity</i>				
Christiani & Nielsen Construction (Thai) Company Limited	-	-	10,300	10,300
PAN ASIA - CNT Joint Venture	-	-	2,700	2,700
Total	-	-	13,000	13,000
Less: Allowance for doubtful accounts	-	-	(10,300)	(10,300)
Total loans to the subsidiary and jointly controlled entity - net	<u>-</u>	<u>-</u>	<u>2,700</u>	<u>2,700</u>
<b>Total amounts due from and loans to the subsidiaries and the jointly controlled entity - net</b>	<u>1,298</u>	<u>1,049</u>	<u>5,894</u>	<u>6,542</u>
<b>Advances from customers</b>				
<i>Jointly controlled entity</i>				
PAN ASIA - CNT Joint Venture	-	-	7,974	10,263
Total advances from customers - jointly controlled entity	<u>-</u>	<u>-</u>	<u>7,974</u>	<u>10,263</u>

During the nine-month period ended 30 September 2008, there was no movement of loans to the subsidiary and jointly controlled entity.

### Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2008, the Company paid salaries, meeting allowances and gratuities to their directors and management of totaling approximately Baht 9.1 million and Baht 27.2 million, respectively (2007: Baht 8.8 million and Baht 26.6 million, respectively).

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19.

## 8. Plant and equipment

Movements of the plant and equipment account during the nine-month period ended 30 September 2008 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2007</b>	196,395	196,395
Acquisitions during the period - at cost	24,626	24,626
Disposals during the period - net book value at disposal date	(2,640)	(2,640)
Depreciation for the period	(32,888)	(32,888)
Amortisation of surplus on revaluation of assets for the period	(588)	(588)
Allowance for impairment for the period	(5,200)	(5,200)
<b>Net book value as at 30 September 2008</b>	<u>179,705</u>	<u>179,705</u>

## 9. Net assets of discontinued operation units

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2008	31 December 2007
Total assets	333,684	330,265
Total liabilities	(47)	(48)
Net assets before provision	333,637	330,217
Less: Allowance for diminution in value of assets	(2,855)	(2,855)
Net assets	<u>330,782</u>	<u>327,362</u>

The net assets of discontinued operation units represent the net assets of Harmony Property Group Limited and CN Place Silom Development Limited.

As at 30 September 2008, Harmony Property Group Limited had pledged its bank deposit of approximately EUR 5.3 million (or equivalent to Baht 257 million) with the bank to secure the credit facilities of the Company (31 December 2007: EUR 2.8 million or equivalent to Baht 136 million).

**10. Investments in real estate**

The Company has mortgaged its 3 plots of land with a bank to secure the bank overdrafts granted by that bank as discussed in Note 11.

**11. Bank overdrafts**

The Company's bank overdrafts are secured by the pledge of bank deposits, the transfer of the calling right for the collections from the construction contract debtors of certain projects, the pledge of the subsidiaries' shares, and the mortgage of the Company's land.

**12. Estimated liabilities for guarantee obligations and other payables**

During the year 2003, the Company had recorded reserve for potential loss of Baht 112 million from guarantee obligations and other payables which were claimed by the creditors under the Company's rehabilitation plan. The reserve was estimated at the rate of 3% of guarantee obligations and payables claimed, which included guarantee payables of the Group's loans, the Group's and the Company's bank guarantees, the specified and non-specified value of letter of guarantees in respect of performance bonds for the construction projects of the Group and the Company, the Revenue Department creditors, and other payables. The management believes that such reserve will cover losses and besides such obligations there will be no significant liabilities to be incurred.

During the year 2004 until 2006, as ordered by the Comptroller of Bankruptcy, the Company was forgiven certain liabilities of approximately Baht 24 million and repaid the debts of totaling approximately Baht 19 million, and there were outstanding estimated liabilities of Baht 69 million as at 30 September 2008 and 31 December 2007.

The Court had on 1 September 2005 ordered the release from the rehabilitation plan, whereby, the Company had reserved cash of approximately Baht 4 million with the Central Office of Deposit of Property, the Legal Execution Department, for settlement of debts that the final order has not been made.

**13. Share capital**

	(Unit: Thousand Baht)	
	30 September	31 December
	2008	2007
	<u>          </u>	<u>          </u>
Authorised and registered		
401,162,888 ordinary shares of Baht 1 each	<u>401,163</u>	<u>401,163</u>
Issued and fully paid up		
401,161,682 ordinary shares of Baht 1 each	<u>401,162</u>	<u>401,162</u>

**14. Own shares held by the subsidiary**

Own shares held by the subsidiary represented the cost of 13.55 million ordinary shares of Baht 1 each, totaling Baht 13.55 million, issued by the Company following its capital restructuring plan and held by the subsidiary. This holding has been treated in the balance sheets as a deduction in the shareholders' equity to determine the net equity attributable to the Company's shareholders.

**15. Dividend paid**

On 26 February 2008, the meeting of the Board of Directors of the Company No. 375 passed a resolution approving the payment of dividend from the 2007 income to the Company's shareholders at Baht 0.10 per share or a total dividend of approximately Baht 40 million. This proposed dividend was approved by the resolution of the Annual General Meeting of the Company's shareholders No. 75 on 10 April 2008 and was paid to the shareholders on 9 May 2008.

On 23 February 2007, the meeting of the Board of Directors of the Company No. 371 passed a resolution approving the payment of dividend from the 2006 income to the Company's shareholders at Baht 0.05 per share or a total dividend of approximately Baht 20 million. This proposed dividend was approved by the resolution of the Annual General Meeting of the Company's shareholders No. 74 on 23 April 2007 and was paid to the shareholders on 21 May 2007.

**16. Supplementary information of the construction contracts**

The total construction costs after being adjusted realized gains or losses of the construction contracts up to 30 September 2008 were approximately Baht 13,532 million (the Company only: Baht 13,519 million). The Company and its jointly controlled entity had already billed for the contract in progress to project owners of approximately Baht 12,457 million (the Company only: Baht 12,419 million).

**17. Financial information by segment**

The Company's, its subsidiaries' and jointly controlled entities' operations involve virtually a single industry segment, i.e. construction business, which is carried on both in Thailand and foreign countries.

Geographical segment information of the Company, its subsidiaries and jointly controlled entities for the three-month and nine-month periods ended 30 September 2008 and 2007 was as follows:

(Unit: Million Baht)

Consolidated financial statements for the  
three-month periods ended 30 September

	Other countries in			Total	
	Thailand	Asia	Eliminated	2008	2007
Revenue from external customers	1,454	-	-	1,454	2,129
Inter-segment revenue	13	-	(13)	-	-
Total revenues	<u>1,467</u>	<u>-</u>	<u>(13)</u>	<u>1,454</u>	<u>2,129</u>
Segment operating profit	91	-	(3)	88	62
Results of discontinued operation units	-	(27)	-	(27)	4
Other income				33	1
Administrative expenses				(65)	(50)
Interest expenses				(3)	(1)
Net income				<u>26</u>	<u>16</u>

(Unit: Million Baht)

Consolidated financial statements for the  
nine-month periods ended 30 September

	Other countries in			Total	
	Thailand	Asia	Eliminated	2008	2007
Revenue from external customers	3,741	-	-	3,741	4,938
Inter-segment revenue	20	-	(20)	-	-
Total revenues	<u>3,761</u>	<u>-</u>	<u>(20)</u>	<u>3,741</u>	<u>4,938</u>
Segment operating profit	190	-	1	191	159
Results of discontinued operation units	-	-	-	-	16
Other income				37	7
Administrative expenses				(173)	(146)
Interest expenses				(5)	(2)
Net income				<u>50</u>	<u>34</u>

Transfer prices between business segments are set out in Note 7.

## **18. Commitments**

As at 30 September 2008, the Group and the Company had commitments other than those disclosed in other notes as follows:

- (a) Commitment in respect of long-term lease of land on which the Group's and Company's office and warehouse are located, for 20 years ending 14 June 2009.

On 30 August 2007, the Company renewed the lease agreement for another 10 years from 15 June 2009 to 14 June 2019. The future rental payable under this lease agreement is approximately Baht 156.2 million, and the Company is committed to pay leasehold right of Baht 6 million (31 December 2007: Baht 12 million).

- (b) The Company had other commitments mainly in respect of operating leases of approximately Baht 6.2 million (31 December 2007: Baht 8.8 million).

## **19. Contingent liabilities**

As at 30 September 2008, the Group and the Company had contingent liabilities other than those disclosed in other notes as follows:

- (a) The Company had issued letters of guarantees, mainly in respect of contractual payments, performance bonds and finance facilities of approximately Baht 60 million (31 December 2007: Baht 134 million). Furthermore, the Company had issued both specified and non-specified value of letters of guarantees in respect of performance bonds for the construction projects of the overseas subsidiary companies. Since 2003, the Company recorded liabilities in respect of these guarantee obligations, which were estimated based on the maximum guarantees claimed by the creditors under the Company's rehabilitation plan.

(Unaudited but reviewed)

- (b) The Company had outstanding bank guarantees of approximately Baht 2,248 million (31 December 2007: Baht 1,782 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company. These included letters of guarantee as follows:

<u>Type of guarantee</u>	(Unit: Million Baht)	
	30 September 2008	31 December 2007
Contractual performance	882	598
Advances	693	554
Project tender	261	305
Payment due to creditors	213	186
Retention	199	139
	<u>2,248</u>	<u>1,782</u>

Furthermore, the Group had bank guarantees of approximately Baht 1,121 million issued by the banks on behalf of the Group in which the Company recorded liabilities in respect of these guarantee obligations, which were estimated based on the maximum guarantees claimed by the creditors under the Company's rehabilitation plan.

On 16 August 2006, the Company received notification from an agency, with which the Company had expressed its intention to join the bidding for a construction project, advising that it had to retain the Company's bid guarantee of Baht 168 million since the Company had not complied with certain bidding conditions. Subsequently on 21 August 2006, the Company wrote a letter to the chairman of the Bidding Authorities to explain the reasons and request for a review of certain construction project bidding procedures. On 5 February 2007, the Company made a countercharge to the Central Administration Court to repeal an order to retain the bid guarantee. Later on 12 February 2007, the Company received notification from an Authority, to which the Company wrote a letter, stating that the retention of the bid guarantee was in accordance with bidding conditions and requirements and could not be exempted. However, the Company obtained an opinion from its legal counsel that the outcome of the case would be highly favorable to the Company. The management therefore believes that no significant liabilities will be incurred as a result of this event.

- (c) The Company has guaranteed to a local bank for the credit and guarantee facilities granted by that bank to an overseas associated company at the maximum facilities of DKK 103 million. However, the Company has obtained letter of guarantee from the major shareholder of that associated company for future contingent liabilities. Under the agreement between the bank and that associated company, no additional credit facilities are to be granted and the remaining guarantee will gradually reduce over the period of letter of guarantee. The management of the Company believes that the said guarantee will be ended within 5 years from April 2001. The Company had recorded liability in respect of this guarantee obligation, which was estimated based on the maximum guarantee claimed by the creditor under the Company's rehabilitation plan.
- (d) During the year 2002, the Company filed an application for a refund of withholding tax deducted at source of the year 1999 - 2001 totaling approximately Baht 67 million with the Revenue Department. The subsequent investigation of the tax authorities resulted the Company in the additional tax assessment being made against corporate income tax, withholding tax, specific business tax and stamp duty totalling approximately Baht 118 million and the changes in tax losses brought forward of the same periods. On 17 October 2002, the Company appealed the tax assessment with the Tax Appeal Board and on 18 March 2005, the Company received the appeal result from the Tax Appeal Board with a reduction of certain tax assessments whereby total tax assessments including penalties and surcharges were reduced to Baht 93 million. On 5 April 2005, the Comptroller issued an order regarding the amount of Baht 118 million, being of the opinion that the creditor is entitled to offset such amount with the refundable withholding tax, and therefore ordering that the creditor received only approximately Baht 61 million. However, on 12 April 2005, the Company filed a petition to overrun the Tax Appeal Board's judgement, and on 19 April 2005 filed a petition opposing the order of the Comptroller. Subsequently on 23 June 2006, the Central Revenue Court announced a judgment and on 22 September 2006, the Company received a copy of the Central Revenue Court's judgment which was in favour of the Company on certain matters resulting in a reduction of tax assessments to Baht 16 million. The management believes that there will be no significant liabilities to be incurred from such event and general provision set aside in the accounts is adequate.

**20. Foreign currency risk**

The Company's exposure to foreign currency risk relates primarily to its assets and liabilities which are denominated in foreign currencies, which are currently not hedged by any derivative financial instruments.

As at 30 September 2008, the Company had foreign currency-denominated assets and liabilities as summarised below.

Foreign currency	Assets	Liabilities	Average exchange rate as at 30 September 2008
	(Unit: Thousand)	(Unit: Thousand)	(Baht per unit of foreign currency)
USD	649	-	34.0502
GBP	-	11	61.4410
DKK	2	-	6.5645

**21. Subsequent event**

On 12 November 2008, the meeting of the Board of Directors of the Company No. 381 passed a resolution approving the Company to invest in Harmony Property Group Limited and Indochina Investments Limited, foreign subsidiaries (held by CNT Holdings Limited, a subsidiary of the Company) of USD 150,000 and USD 108,000, respectively, as a result of the increase in registered capital of those two companies.

**22. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Board of Directors of the Company on 12 November 2008.