

**CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED,
ITS SUBSIDIARIES AND JOINT VENTURES
CONDENSED NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2012 AND 2011**

1. General information

Christiani & Nielsen (Thai) Public Company Limited (“the Company”) is a limited company incorporated under Thai laws and domiciled in Thailand. Its parent company is Globex Corporation Limited (the former major shareholder of the company was 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 and head office is at No. 451, La Salle Road (Sukhumvit 105), Kwaeng Bangna, Khet Bangna, Bangkok.

2. Preparation of interim financial statement basis

2.1 Basis for consolidation

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act, B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act, B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements i.e., statement of financial position, statement of income and statement of comprehensive income, statement of changes in shareholders’ equity and statement of cash flows are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard No. 34, “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

These interim financial statements have been prepared for the purpose to provide an update information on the financial statements for the year ended 31 December 2011. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported. Therefore, these interim financial statements should access to the financial statements for the year ended 31 December 2011.

The interim financial statements of the Company and subsidiaries have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 New accounting standards not yet effective

The new issued and revised financial reporting standards, the other standards are expected to be effective for the financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. The details are following:

<u>Financial reporting standard</u>	<u>Content</u>
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders

The Company is now under assessment of the impact on the financial statement of the year indicated on these TAS.

3 Changes in accounting policies

These interim financial statements are prepared in accordance with Thai generally accepted accounting principles. For preparing of the interim financial statements, the Company applies the same accounting policies and methods of computation as in the financial statements for the year ended December 31, 2011.

4. The effects of the application of the new accounting policies

The effects of the application of the new accounting policies are adjusted retrospectively with impact to the statement of income for the three-month period ended 31 March 2011 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Statement of income for the three-month period ended 31 March 2011		
Depreciation plant and equipment – increase	179	179
Depreciation investment properties – increase	103	103
Basic earnings per share - decrease (Baht)	-	-

5. Cash and cash equivalents/restricted deposits

Cash and cash equivalents as at 31 March 2012 and 2011 as reflected in the statements of cash flows consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash and deposits at banks	269,510	266,866	268,370	251,010
Short term investment	306,652	388,407	200,772	289,744
Fixed deposits at banks	132,591	139,509	132,591	137,130
Total	708,753	794,782	601,733	677,884
Less: Restricted deposits	(141,530)	(127,172)	(141,530)	(126,082)
Cash and cash equivalents	<u>567,223</u>	<u>667,610</u>	<u>460,203</u>	<u>551,802</u>

The average interest rate on Cash and cash equivalents for the three-month period ended March 31, 2012 is between 0.20% - 3.70% per annum (for the three-month period ended 31 March 2011: interest rate is between 0.65% - 2.32% per annum).

As at 31 March 2012, the Company had pledged their bank deposits of approximately Baht 141.53 million (31 December 2011: Baht 143.09 million) with banks to secure the bank overdrafts and the letters of guarantees issued by the banks.

6. Temporary investments

As at 31 March 2012, investments in debt securities expected to be held to maturity consist of the following:

	Interest yield	Maturity Date	(Unit: Thousand Baht)	
			Consolidated financial statements	Separate financial statements
<u>Fixed deposits at banks</u>	3.30%	16 July 2012	<u>34,000</u>	<u>34,000</u>
			34,000	34,000
<u>Investments in debt securities expected to be held to maturity</u>				
Government bond	2.32% - 3.87%	3 August 2012 – 27 February 2015	302,146	302,146
Less: Portion due over one year			<u>(16,074)</u>	<u>(16,074)</u>
Investments in held-to-maturity debt securities -due within one year			<u>286,072</u>	<u>286,072</u>
Total temporary investment			<u>320,072</u>	<u>320,072</u>

As at 31 December 2011, temporary investments consist of the following:

			(Unit: Thousand Baht)	
	Interest yield	Maturity Date	Consolidated financial statements	Separate financial statements
<u>Fixed deposits at banks</u>	4.35%	13 February 2012	33,952	33,952
			<u>33,952</u>	<u>33,952</u>
<u>Investments in debt securities expected to be held to maturity</u>				
Government bond	2.32% - 3.87%	3 August 2012 – 27 February 2015	300,673	300,673
Less: Portion due over one year			<u>(101,598)</u>	<u>(101,598)</u>
Investments in held-to-maturity debt securities -due within one year			<u>199,075</u>	<u>199,075</u>
Total temporary investment			<u><u>233,027</u></u>	<u><u>233,027</u></u>

The Company has pledged government bonds of Baht 102.44 million (31 December 2011: Baht 136.5 million) as a guarantee to project tender, the electricity usage and to secure the credit facilities of the Company granted by that bank

7. Construction contract debtors and other accounts receivable

Details of construction contract debtors and other accounts receivable are as follows:

					(Unit: Thousand Baht)			
	Consolidated		Separate		Consolidated		Separate	
	financial statements		financial statements		financial statements		financial statements	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
Construction contract debtors	1,453,616	1,137,475	1,453,616	1,137,475	1,453,616	1,137,475	1,453,616	1,137,475
Less: Allowance for doubtful accounts	(141,109)	(141,109)	(141,109)	(141,109)	(141,109)	(141,109)	(141,109)	(141,109)
Total construction contract debtors	<u>1,312,507</u>	<u>996,366</u>	<u>1,312,507</u>	<u>996,366</u>	<u>1,312,507</u>	<u>996,366</u>	<u>1,312,507</u>	<u>996,366</u>
Other accounts receivable								
Other accounts receivable	2,370	6,358	2,370	6,358	2,370	6,358	2,370	6,358
Interest receivable	972	2,017	873	1,960	873	1,960	873	1,960
Prepaid expenses	9,085	5,109	9,085	5,044	9,085	5,044	9,085	5,044
Less: Allowance for doubtful accounts	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>
Total other accounts receivable	<u>11,555</u>	<u>12,612</u>	<u>11,456</u>	<u>12,490</u>	<u>11,456</u>	<u>12,490</u>	<u>11,456</u>	<u>12,490</u>
Total Construction contract debtors and other accounts receivable	<u><u>1,324,062</u></u>	<u><u>1,008,978</u></u>	<u><u>1,323,963</u></u>	<u><u>1,008,856</u></u>	<u><u>1,323,963</u></u>	<u><u>1,008,856</u></u>	<u><u>1,323,963</u></u>	<u><u>1,008,856</u></u>

The balance of construction contract debtors as at 31 March 2012 and 31 December 2011 aged on the basis of due dates are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
<u>Age of receivables</u>				
Not yet due	659,198	501,695	659,198	501,695
Past due				
Not over 1 month	115,932	57,780	115,932	57,780
1 - 3 months	164,023	124,313	164,023	124,313
3 - 6 months	-	-	-	-
6 - 12 months	650	650	650	650
Over 12 months	168,684	167,996	168,684	167,996
Total	1,108,487	852,434	1,108,487	852,434
Notes receivable	29,159	-	29,159	-
Retention payment under construction				
contracts	315,970	285,041	315,970	285,041
Total construction contract debtors	1,453,616	1,137,475	1,453,616	1,137,475
Less: Allowance for doubtful accounts	(141,109)	(141,109)	(141,109)	(141,109)
Total construction contract debtors	1,312,507	996,366	1,312,507	996,366

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.

8. Investments in subsidiaries

(Unit: Thousand Baht)

	Shareholding percentage		Separate financial statements					
			Investment value under cost method		Allowance for impairment of investments		Carrying amount based on cost method - net	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	Percent	Percent						
Holding companies								
CNT Holdings Limited	100	100	2,600,000	2,600,000	(2,495,400)	(2,495,400)	104,600	104,600
Indochina Investments Ltd.	-	90	-	3,784	-	-	-	3,784
Total investments in subsidiaries			2,600,000	2,603,784	(2,495,400)	(2,495,400)	104,600	108,384

In 2011, the board of directors of Indochina Investments Ltd., the subsidiary companies, had passed a resolution to dissolve and liquidate. On 6 May 2011, the Company had received advance from capital return on investment of 108,000 USD (Approximately Baht 3.16 million) from Indochina Investments Ltd. which had registered to completed its dissolution and liquidation on 16 January 2012.

9. Investments in joint ventures

(Unit: Thousand Baht)

	Separate financial statements			
	Shareholding percentage		Investment value under cost method	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Construction business				
PAN ASIA - CNT Joint Venture	45	45	810	810
Total			810	810

10. Investments in associate and other companies

(Unit: Thousand Baht)

	Shareholding percentage		Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	Percent	Percent				
Investment in associate						
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)	-	-
Total investment in the associate			-	-	-	-
Investments in other companies						
Phuket Land Development Co., Ltd.	15.00	15.00	3,000	3,000	-	-
Thai Contractors Asset Co., Ltd.	0.20	0.20	1,000	1,000	1,000	1,000
G.E.C. Engineering Co., Ltd.	0.03	0.03	69	69	69	69
Total			4,069	4,069	1,069	1,069
Less: Allowance for impairment of investments			(3,000)	(3,000)	-	-
Total investments in other companies			1,069	1,069	1,069	1,069
Total investments in associate and other companies			1,069	1,069	1,069	1,069

During the year 2011, the comptroller's order had declared in the Royal Gazettes to custodian strictly prohibited the assets of International Machinery Supplies Co., Ltd. and Phuket Land Development Co., Ltd, both were sued the case to the Central Bankruptcy Court by their creditors in the year 2010. However, the Company had recorded allowance for impairment of investment for both companies in full amount.

11. Related party transactions

During the periods ended 31 March 2012 and 2011, the Company, its subsidiaries and joint ventures had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing and lending policy
	financial statements		financial statements		
	For the three months ended 31 March		For the three months ended 31 March		
	2012	2011	2012	2011	
Transactions with the subsidiaries					
Dividend income	-	-	-	8,598	At the declared rate

Directors and management's remuneration

During the three months ended 31 March 2012, the Company paid salaries, meeting allowances and gratuities to their directors and management of totaling approximately Baht 7.3 million (31 March 2011: Baht 6.7 million).

12. Investment properties

Movements of the investment properties account during the three months ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2011	79,487	79,487
Depreciation for the period	(105)	(105)
Net book value as at 31 March 2012	<u>79,382</u>	<u>79,382</u>

The Company has mortgaged its 8 plots of land of Baht 36 million with a bank to secure the bank overdrafts and loans granted by that bank.

13. Property, plant and equipment

Movements of the plant and equipment account during the three months ended 31 March 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2011	262,010	262,010
Acquisitions during the period	9,372	9,372
Disposals during the period - net book value at disposal date	(634)	(634)
Depreciation for the period	(14,039)	(14,039)
Net book value as at 31 March 2012	<u>256,709</u>	<u>256,709</u>

14. Bank overdrafts and short-term bank loans

The Company's bank overdraft and short-term bank loan facilities 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, and the mortgage of the Company's land.

15. Accounts payable and other accounts payable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
Accounts payable and accrued construction cost	1,410,037	1,252,144	1,410,037	1,252,142
Accounts payable- accrued expenses	14,832	13,261	14,810	13,064
Total accounts payable and other accounts payable	<u>1,424,869</u>	<u>1,265,405</u>	<u>1,424,847</u>	<u>1,265,206</u>

16. 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. During the year 2010, the Company repaid the debts guarantee obligations and payables claimed of totaling approximately Baht 46 million and reversal estimated liabilities for guarantee obligations approximately Baht 4.2 million there were outstanding estimated liabilities of Baht 18 million as at 31 March 2012 and 31 December 2011.

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.

17. Share capital

	(Unit: Thousand Baht)	
	31 March 2012	31 December 2011
	<u> </u>	<u> </u>
Authorised and registered		
501,452,102 ordinary shares of Baht 1 each	<u>501,452</u>	<u>501,452</u>
Issued and fully paid up		
501,452,102 ordinary shares of Baht 1 each	<u>501,452</u>	<u>501,452</u>

18. Supplementary information of the construction contracts

The total construction costs after being adjusted realised gains or losses of the construction contracts up to 31 March 2012 were approximately Baht 7,005 million. The Company had already billed for the contract in progress to project owners of approximately Baht 5,997 million.

19. Commitments

19.1 As at 31 March 2012, the Company had commitments in respect of subcontractor agreements payable in the future of approximately Baht 2,534 million (31 December 2011: Baht 1,804 million).

19.2 As at 31 March 2012, the Group and the Company had operating lease commitments 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 10 years from 15 June 2009 to 14 June 2019.

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.

21. Proposed dividend

On 27 February 2012, the meeting of the Board of Directors of the Company No. 398 passed a resolution approving the payment of dividend from the 2011 income to the Company's shareholders at Baht 0.30 per share or a total dividend of approximately Baht 150.4 million. This proposed dividend was approved by the resolution of the Annual General Meeting of the Company's shareholders No. 79 on 10 April 2012 and will be paid to the shareholders on 8 May 2012 as discussed in Note 22.

22. Events after the reporting period

On 10 April 2012, the Annual General Meeting of the Company's shareholders No. 79 passed the following significant resolutions:

- Approved the allocation of net profit for dividend payment at Baht 0.30 per share totaling of Baht 150.4 million as discussed in Note 21.

On 11 April 2012, the Extraordinary General Meeting of shareholders' No. 1/2012 of CNT Holdings Limited which is company's subsidiary passed the resolution to decrease its registered capital from Baht 2,600 million to Baht 650 million by reducing 195 million ordinary shares with a par value of Baht 10 each in order to reduce its deficit. After such capital decrease, the company still holds the shares of CNT Holdings Limited with the same portion.

On 15 May 2012, the board of directors meetings of the Company No. 399 passed the resolution to approve the payment of interim dividend of Baht 0.10 per share from the three-month period operation ended 31 March 2012, in the total amount of Baht 50.15 million on 15 June 2012.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 15 May 2012.