

**Christiani & Nielsen (Thai) Public Company Limited,
its subsidiaries and joint ventures
Notes to financial statements
For the years ended 31 December 2011 and 2010**

1. General information

1.1 Corporate information

Christiani & Nielsen (Thai) Public Company Limited (“the Company”) is a limited company incorporated under Thai laws and domiciled in Thailand and was transformed to be a public company under the Public Limited Companies Act on 26 November 1992. 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.

On 11 November 2011, the Company was informed by CPB Equity Company Limited, which was the major shareholders of the Company, that they had sold 260,667,476 shares they held in the Company to Globex Corporation Limited and Victor Investment Holdings Pte. Ltd.. As a result Globex Corporation Limited and Victor Investment Holdings Pte. Ltd. of such transaction Globex Corporation Limited and Victor Investment Holdings Pte. Ltd. held 51.98 percent of the issue capital of the Company, reaching the point at which Globex Corporation Limited is required to make a tender offer for all shares of the Company. On 14 November 2011, Globex Corporation Limited and Victor Investment Holdings Pte.Ltd. submitted a statement of intent to make a tender offer (form 247-3), whereby they will offer to purchase the shares at a price of Baht 4 each during tender offer period from 23 November 2011 to 29 December 2011.

On 30 December 2011, Globex Corporation Limited and Victor Investment Holdings Pte.Ltd. reported the results of their tender offer for the shares of the Company. These were as follows:

- Globex Corporation Limited holds 283,932,708 shares, or 56.62 % of the issued capital of the Company
- Victor Investment Holdings Pte. Ltd. holds 75,217,815 shares, or 15.00 % of the issued capital of the Company

The Company has various local and overseas subsidiary companies and joint ventures as detailed in Note 2.2.

1.2 Discontinued operation information

As part of the Company's rehabilitation plan approved by the Stock Exchange of Thailand on 19 November 1996, the Company has discontinued the operations of certain units. The net assets/liabilities and operating results of the discontinued operation units have been separately shown in the consolidated statements of financial position and income statements as at and for the years ended 31 December 2010. The discontinued operation units had registered to complete its dissolution and liquidation during the year 2011.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and prepared in accordance with the notification of the Department of Business Development, the Ministry of Commerce dated 28 September 2011, regarding the condensed form which should be included in the financial statements B.E. 2554 and the regulation of the Securities and Exchange Commission regarding to preparation and presentation the financial report under the Securities and Exchange Act B.E. 2535.

The 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 Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements incorporate the financial statements of Christiani & Nielsen (Thai) Public Company Limited (the "Company"), its subsidiary companies (the "subsidiaries") and the joint ventures as follows:

	Country of incorporation	Currency	Paid-up share capital		Percentage of shareholding by the group	
			<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
			(Unit: Thousand)		Percent	Percent
Construction business						
<i>Held by the Company</i>						
Christiani & Nielsen Construction						
(Thai) Company Limited	Thailand	Baht	-	1,000	-	100
PAN ASIA - CNT Joint Venture	Thailand	Baht	4,000	4,000	45	45
Holding companies						
<i>Held by the Company</i>						
CNT Holdings Limited	Thailand	Baht	2,600,000	2,600,000	100	100

	Country of	Currency	Percentage of			
	incorporation		Paid-up share capital		shareholding by the group	
<i>Held by the Company and through the subsidiary</i>						
Indochina Investments Ltd.	Bermuda Islands	USD	120	120	100	100
Harmony Property Group Ltd.	British Virgin Islands	USD	-	200	-	100

The subsidiaries are those companies in which the Group holds both directly and indirectly the voting rights and has effective control of their activities.

In situations where a decision has been made to close down or dispose of an investment in a subsidiary operation, provision has been made for all necessary closure costs.

Since 2007, the Company entered into a joint venture agreement with Pan Asia Engineering & Construction (Thailand) Co., Ltd., forming a joint venture namely "PAN ASIA - CNT Joint Venture" to construct the civil work of HMC PDH petrochemical plant. The Company has invested in 45% interest in this joint venture. The consolidated financial statements as at 31 December 2011 and 2010 and for the years then ended had therefore included the proportion of the assets, liabilities, revenues and expenses of the joint venture.

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the effective date when such control ceases.
- c) The financial statements of the subsidiaries and the joint ventures are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- d) The financial statements of overseas subsidiaries are translated into Thai Baht at the average exchange rate ruling at the statements of financial position date as to assets and liabilities and at the average exchange rate for the year as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustments" in the shareholders' equity.
- e) Material balances and transactions and investments in the subsidiaries and the joint ventures in the Company's accounts, the subsidiaries' share capital and capital of the joint ventures are eliminated from the consolidated financial statements.

f) The financial statements of the overseas subsidiaries for the years ended 31 December 2010 included in the consolidated financial statements were prepared by the management of those subsidiaries and have not been audited by their auditors. Their aggregate assets were approximately Baht 30 million or 1% of the consolidated assets as at 31 December 2010.

2.3 The separate financial statements, which present investments in subsidiaries and joint ventures under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In 2010 and 2011, the Federation of Accounting Professions issued new and revise accounting standards and financial reporting standards which certain standards are relevant to the operations of the Company and subsidiaries, and effective for the accounting period beginning on or after 1 January . The Company has applied as follows:

Accounting standards/financial reporting standards		<u>Year of effective</u>
TAS 1 (revised 2009)	Presentation of Financial Statements	1 January, 2011
TAS 2 (revised 2009)	Inventories	1 January, 2011
TAS 7 (revised 2009)	Cash Flow Statements	1 January, 2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	1 January, 2011
TAS 10 (revised 2009)	Events after the Reporting Period	1 January, 2011
TAS 11 (revised 2009)	Construction Contracts	1 January, 2011
TAS 16 (revised 2009)	Property, Plant and Equipment	1 January, 2011
TAS 17 (revised 2009)	Leases	1 January, 2011
TAS 18 (revised 2009)	Revenue	1 January, 2011
TAS 19	Employee Benefits	1 January, 2011
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate	1 January, 2013
TAS 24 (revised 2009)	Related Party Disclosures	1 January, 2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	1 January, 2011
TAS 28 (revised 2009)	Investments in Associates	1 January, 2011
TAS 31 (revised 2009)	Interests in Joint Ventures	1 January, 2011
TAS 33 (revised 2009)	Earnings per Share	1 January, 2011
TAS 34 (revised 2009)	Interim Financial Reporting	1 January, 2011
TAS 36 (revised 2009)	Impairment of Assets	1 January, 2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	1 January, 2011
TAS 40 (revised 2009)	Investment Property	1 January, 2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	1 January, 2011

The adoption to the new and revised accounting standards results the change in accounting policies which are disclosed in note 6. In addition the above newly issued and revised accounting standards and 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 interim financial statements as following:

Accounting standards/financial reporting standards	<u>Contents</u>
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TIFRS 10	Government Assistance-No Specific Relation to Operating Activities
TIFRS 21	Income Taxes- Recovery of Revalued Non-Depreciable Assets
TIFRS 25	Income Taxes- Changes in the Tax Status of an Enterprises or its Shareholders

At present, the Company and subsidiaries are evaluating the effects of those standards on the financial statements in the year in which they are initial applied.

4. Significant accounting policies

4.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1.1 Revenue recognition

Construction income

Revenues from construction contracts, excluding value added tax, are recognised on the percentage-of-completion method based on the assessment of the project management. Provision for the total anticipated loss on construction projects will be made in the accounts as soon as the possibility of loss is ascertained.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.1.2 Cash and cash equivalents

Cash and cash equivalents consist cash in hand and deposits at banks and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.1.3 Construction contract debtors and allowance for doubtful accounts

Construction contract debtors are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.1.4 Construction contracts in progress and deferred construction revenues

The costs of construction contracts comprise the costs of materials, labour, subcontractors' charges, other services and overheads.

Contracts of which construction cost plus attributable profit exceeds amounts billed are shown as "Construction contracts in progress" under current assets in the statements of financial position. Contracts of which amounts billed exceed construction cost plus attributable profit are shown as "Deferred construction revenues" under current liabilities in the statements of financial position.

4.1.5 Inventories

Inventories, which comprise construction materials and spare parts, are valued at the lower of cost (average method) and net realisable value.

Allowance for diminution in inventory value is made for deteriorated inventories.

4.1.6 Investments

Investments in debt securities expected to be held to maturity, are recorded at amortised cost. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Investments in subsidiaries and joint ventures are accounted for in the separate financial statements under the cost method.

Investments in associate is accounted for under the cost method. The management believes that equity interest in the associate is immaterial to the Group and the Company.

Investments in other companies are stated at cost. Allowance for impairment loss will be made when the net realisable value is lower than the cost of investments.

4.1.7 Investment properties

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

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

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

Investment property - condo	20	years
-----------------------------	----	-------

4.1.8 Property plant and equipment and depreciation

Property plant and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for impairment loss.

All items of plant and equipment are initially recorded at cost on acquisition dates. Buildings are subsequently revalued, by independent professional valuer, to their fair value. Revaluations are made with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value at the statements of financial position date.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised as an expense in the income statement. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets" in respect of those same assets. Any excess amount is to be recognised as an expense in the income statement.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives

Building on leasehold land	-	period of lease
Construction machinery and equipment	-	3 - 10 years
Furniture, fixtures and equipment	-	3 - 6 years
Motor vehicles	-	3 - 6 years

Depreciation of the surplus portion of buildings is calculated on the straight-line basis over the remaining lease period.

Depreciation is included in determining income.

4.1.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.1.10 Long-term leases

Finance leases

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating leases

Leases of assets, which a significant portion of the risks and rewards of ownership are not transferred to the lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4.1.11 Provident fund and employees' benefits

The Company has a provident fund scheme to provide benefits to employees upon retirement or resignation. The scheme's assets are managed by separate trustee administered fund.

The Company provides for post employment benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses will be recognised in the consolidated and company statements of income in the period to which they relate. The costs associated with providing these benefits are charged to the consolidated and company statements of income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

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

4.1.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the statements of financial position date.

Gains and losses on exchange are included in determining income.

4.1.13 Impairment of assets

At each reporting date, the Company performs impairment reviews in respect of the plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the

Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement. However in cases where plant was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation. Any excess amount is recognised as an expense in the income statement.

4.1.14 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.1.15 Income Tax

Income tax is provided in the accounts based on taxable profits determined in accordance with tax legislation.

4.2 CHANGE IN ACCOUNTING POLICIES

4.2.1 Overview

From January 1, 2011, consequent to the adoption of new and revised TFRS, the Company and subsidiaries have changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for property, plant and equipment
- Accounting for investment property

The major impact of these policy changes is in presentation aspects. There is no impact on reported profit or earnings per share except for accounting for Property plant and equipment and accounting for Investment property which are disclosed in note 6.

Details of new accounting policies are summarised in note 4.2.2 to 4.2.4 as follows:

4.2.2 Presentation of financial statements

The Company and subsidiaries have applied TAS 1 (Revised 2009) Presentation of Financial Statements. Under the revised TAS, a set of financial statements comprises:

- Statement of financial position
- Statement of comprehensive income
- Statement of changes in shareholders' equity
- Statement of cash flows
- Notes to the financial statements

4.2.3 Property, plant and equipment

- (i) Costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation;
- (ii) The depreciation charge has to be determined separately for each significant part of an asset;
- (iii) In determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration but the estimation of costs of asset dismantlement, removal and restoration have been applied retroactively.

4.2.4 Investment property

This accounting standard requires entities to choose to recognise investment property either under the cost model (with disclosure of fair value in the notes to financial statements) or the fair value model, whereby changes in fair value are to be recognised in the income statement. Investment property was previously recognised under the caption of Other non-current assets, which are measured using the cost model,. In adopting the new accounting policy, the Company and its subsidiaries separately present investment property and measure it using the cost model.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

5.1 Construction contracts

The Company recognises construction income by reference to the stage of completion of the construction contract activity, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to surveys of works and estimates performed by project management. The management is required to make judgment and estimates based on past experience and information obtained from the project management.

5.2 Estimated construction project costs

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

5.3 Estimated expenses for construction projects

In determining estimated expenses for construction projects, the management is required to use judgment and relevant information to estimate losses that may be incurred from warranties and claims on the construction contract works. The estimates are made through a combination of specific reviews of construction projects, analysis of actual claims incurred and historical statistic information, among others. However, the use of different estimates and assumptions could affect the amounts of estimated expenses for construction projects.

5.4 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.5 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5.6 Impairment of investments

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

5.7 Property plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company’s plant and equipment and to review estimate useful lives and salvage values when there are any changes.

The Company measures buildings at revalued amounts. Such amounts are determined by the independent valuer using the cost approach. The valuation involves certain assumptions and estimates.

In addition, the management is required to review plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.8 Post-retirement benefits

Post-retirement benefit costs are based on actuarial calculations. Inherent within these calculations are assumptions as to salary increases and discount rate, among others.

5.9 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess of the results of the litigation and believes that provisions as recorded as at the balance sheet date is adequate.

6. 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 the financial position as at 31 December 2010 and the statement of income for the year ended 31 December 2010 are as follows:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Statement of Financial Position as at 31 December 2010		
Investment properties decrease	21,534	21,534
Property ,plant and equipment – net increase	4,004,314	4,004,314
Long-term provision – other increase	9,000,000	9,000,000
Retained earnings - decrease	5,017,220	5,017,220
Statement of income for the year ended 31 December 2010		
Depreciation –Property, plant and equipment - increase	473,684	473,684
Depreciation – Investment properties – increase	418,841	418,841
Basic earnings per share - decrease (Baht)	0.001	0.001

7. The Impact of change in accounting policy

During the year 2011, the company has changed accounting policy regarding depreciation for revalued assets, from the method declared by federation of accounting professions volume 25/2009, which enforce the company to choose to depreciate from revalued amount, instead of historical cost, hereby to follow TAS 16 (revised 2009) Property Plant and Equipment. As a result, the company has to retrospectively adjust the financial statement of the year 2010.

The impact to the statements of the financial position as at 31 December 2010 and the statement of income for the year ended 31 December 2010 are as follows:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
Statement of Financial Position as at 31 December 2010		
Retained earnings - increase	756,880	756,880
Statement of income for the year ended 31 December 2010		
Depreciation – increase	756,880	756,880
Basic earnings per share - decrease (Baht)	0.002	0.002

8. Cash and cash equivalents/Restricted bank deposits

Cash and cash equivalents as at 31 December 2011 and 2010 as reflected in the statements of financial position and statements of cash flows consist of the following:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash and deposits at banks	289,638,553	229,362,300	287,998,971	198,234,212
Short term investment	415,425,924	297,743,014	310,551,915	239,825,327
Fixed deposits at banks	132,866,233	219,177,675	132,866,233	179,569,493
Total	837,930,710	746,282,989	731,417,119	617,629,032
Less: Restricted bank deposits	(143,094,283)	(185,966,864)	(143,094,283)	(179,746,864)
Cash and cash equivalents	<u>694,836,427</u>	<u>560,316,125</u>	<u>588,322,836</u>	<u>437,882,168</u>

As at 31 December 2011, the Company and its subsidiaries had pledged their bank deposits of approximately Baht 143.1 million (2010: Baht 185.9 million) with banks to secure the bank overdrafts and the letters of guarantees issued by the banks on behalf of the Group (the Company only: Baht 143.1 million (2010: Baht 179.7 million)).

9. Temporary investments

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

(Unit: Baht)

	<u>Interest yield</u>	<u>Maturity Date</u>	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
<u>Fixed deposits at banks</u>	4.35%	13 February 2012	33,952,178	33,952,178
			<u>33,952,178</u>	<u>33,952,178</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	300,673,235	300,673,235
Less: Portion due over one year			(101,597,956)	(101,597,956)
Investments in held-to-maturity debt securities -due within one year			<u>199,075,279</u>	<u>199,075,279</u>
Total temporary investment			<u>233,027,457</u>	<u>233,027,457</u>

As at 31 December 2010, temporary investments consist of the following:

(Unit: Baht)

	<u>Interest yield</u>	<u>Maturity Date</u>	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
<u>Investments in debt securities expected to be held to maturity</u>				
Government bond	1.30%-2.64%	9 January 2011- 15 December 2012	314,744,813	314,744,813
Less: Portion due over one year			(1,798,825)	(1,798,825)
Temporary investment			<u>312,945,988</u>	<u>312,945,988</u>

The Company has pledged government bonds of Baht 136.5 million (31 December 2010: Baht 264 million) as a guarantee to project tender, the electricity usage and to secure the credit facilities of the Company granted by that bank as discussed in Note 33.

10. Construction contract debtors and other accounts receivable

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Related parties				
Construction contract debtors	-	24,644,922	-	26,972,606
Total related parties	-	24,644,922	-	26,972,606
Unrelated parties				
Construction contract debtors	1,137,475,448	821,454,226	1,137,475,448	821,454,226
Less: Allowance for doubtful accounts	(141,108,698)	(156,086,587)	(141,108,698)	(156,086,587)
Total construction contract debtors	996,366,750	665,367,639	996,366,750	665,367,639
Other accounts receivable				
Other accounts receivable	6,357,776	2,313,114	6,357,746	2,313,084
Interest receivable	2,016,795	2,557,019	1,960,048	2,398,706
Prepaid expenses	5,109,164	5,289,909	5,044,138	5,289,909
Less: Allowance for doubtful accounts	(872,305)	(910,865)	(872,305)	(910,865)
Total other accounts receivable	12,611,430	9,249,177	12,489,627	9,090,834
Total unrelated parties	1,008,978,180	674,616,816	1,008,856,377	674,458,473
Total Construction contract debtors and other accounts receivable	1,008,978,180	699,261,738	1,008,856,377	701,431,079

The balance included amounts receivable from several construction projects of which the developers have experienced financial difficulties and delayed payments for the construction services provided and some of these projects have been subject to legal actions taken by the Company.

The balance of construction contract debtors as at 31 December 2011 and 2010 aged on the basis of due dates are summarised below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Age of receivables</u>				
Related parties				
Not yet due	-	19,989,649	-	19,989,649
Past due				
Not over 1 month	-	2,525,732	-	4,853,416
Total	-	22,515,381	-	24,843,065

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Retention payment under construction contracts	-	2,129,541	-	2,129,541
Construction contract debtors - related parties	-	24,644,922	-	26,972,606
Unrelated parties				
Not yet due	501,695,254	195,543,479	501,695,254	195,543,479
Past due				
Not over 1 month	57,780,395	177,462,005	57,780,395	177,462,005
1 - 3 months	124,313,201	29,688,284	124,313,201	29,688,284
3 - 6 months	-	18,532,368	-	18,532,368
6 - 12 months	649,580	2,416,909	649,580	2,416,909
Over 12 months	167,995,959	188,779,124	167,995,959	188,779,124
Total	852,434,389	612,422,169	852,434,389	612,422,169
Retention payment under construction contracts	285,041,059	209,032,057	285,041,059	209,032,057
Total construction contract debtors - unrelated parties	1,137,475,448	821,454,226	1,137,475,448	821,454,226
Less: Allowance for doubtful accounts	(141,108,698)	(156,086,587)	(141,108,698)	(156,086,587)
Construction contract debtors - unrelated parties – net	996,366,750	665,367,639	996,366,750	665,367,639
Construction contract debtors - net	996,366,750	690,012,561	996,366,750	692,340,245

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.

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Baht)

	Separate financial statements									
	Shareholding percentage		Investment value under cost method		Allowance for impairment of investments		Carrying amounts based on cost method - net		Dividend received during for year	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Percent	Percent								
Construction business										
Christiani & Nielsen Construction										
(Thai) Company Limited	-	100	-	32,800,000	-	(32,232,000)	-	568,000	-	-
Holding companies										
CNT Holdings Limited	100	100	2,599,999,970	2,599,999,970	(2,495,400,000)	(2,497,400,000)	104,599,970	102,599,970	-	-
Indochina Investments Ltd.	90	90	3,784,320	3,784,320	-	-	3,784,320	3,784,320	10,680,439	70,200,000
Harmony Property Group Ltd.	-	75	-	5,256,000	-	-	-	5,256,000	8,598,251	-
Total investments in subsidiaries			<u>2,603,784,290</u>	<u>2,641,840,290</u>	<u>(2,495,400,000)</u>	<u>(2,529,632,000)</u>	<u>108,384,290</u>	<u>112,208,290</u>	<u>19,278,690</u>	<u>70,200,000</u>

The Company has pledged the shares of CNT Holdings Limited with a bank to secure the credit facilities of the Company granted by that bank. During the year 2010, the company had withdrawn all the shares of CNT Holdings Limited pledged with a bank.

During 2011 and 2010, CNT Holdings had received dividend income from its investment. The company had therefore reversed provision of approximately Baht 2 million and Baht 5.9 million, respectively. The amount was shown in "Reversal of allowance impairment loss of investment in related parties" which was separately shown in the separate income statement.

On 19 June 2009, the meeting of the Board of Directors of the Company No. 384 passed resolutions approving the increase of the registered share capital of Christiani & Nielsen Construction (Thai) Company Limited, a subsidiary, of Baht 31.8 million for the purpose of solving its debts and also approving the winding up of the subsidiary. The subsidiary deregistered with the Ministry of Commerce on 31 July 2009 and completed its liquidation process on 24 February 2011 in which the Company received its return on investment of approximately Baht 0.97 million.

During 2011, the board of directors of Indochina Investments Ltd. and Harmony Property Group 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. On 24 May 2011, Harmony Property Group Ltd. had registered to completed its dissolution and liquidation, the Company had received repayment of share investment of 168,800 USD (Approximately Baht 5.10 million)

12. Investments in joint ventures

12.1 Detail of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Baht)

Jointly controlled entities	Separate financial statements			
	Shareholding percentage		Investment value under cost method	
	2011	2010	2011	2010
	Percent	Percent		
Construction business				
PAN ASIA - CNT Joint Venture	45	45	810,000	1,800,000
Total			810,000	1,800,000

During 2010, Pan Asia-CNT Joint Venture had increase in net assets. The company had therefore reversed provision of approximately baht 1.8 million. The amount was shown in “Reversal of allowance impairment loss of investment in related parties” which was separately shown in the separate income statement.

On May 6, 2011, the board of directors of Joint Venture had passed a resolution to repay investment from joint venture by investment’s portion. Therefore, the Company had received repayment of investment of totaling Baht 0.99 Million.

12.2 Summarised financial information of Joint Ventures

a) PAN ASIA - CNT Joint Venture

The Company’s proportionate shares of the assets, liabilities, revenue, and expenses of PAN ASIA - CNT Joint Venture according to proportion under joint venture agreement are as follows:

(Unit: Million Baht)

	As at 31 December	
	<u>2011</u>	<u>2010</u>
	Current assets	1
Current liabilities	(1)	(15)
Net assets (liabilities)	-	2

(Unit: Million Baht)

	For the years ended 31 December	
	<u>2011</u>	<u>2010</u>
	Other income	-
Administrative expenses	(1)	(3)
Income (loss) before corporate income tax	(1)	5
Corporate income tax	-	(1)
Net income (loss)	(1)	4

13. Investments in associate and other companies

Investments in associate and other companies consist of investments in the ordinary shares of the following companies:

	(Unit: Baht)					
	Shareholding		Consolidated		Separate	
	percentage		financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Percent	Percent				
Investment in associate						
International Machinery Supplies Co., Ltd.	31.94	31.94	7,500,000	7,500,000	-	-
Total			7,500,000	7,500,000	-	-
Less: Allowance for impairment of investment			(7,500,000)	(7,500,000)	-	-
Investment in associate - net			-	-	-	-
Investments in other companies						
Phuket Land Development Co., Ltd.	15.00	15.00	3,000,000	3,000,000	-	-
Thai Worldwide Contractors Co., Ltd.	-	-	-	-	-	-
Thai Contractors Asset Co., Ltd.	0.20	0.20	1,000,000	1,000,000	1,000,000	1,000,000
G.E.C. Engineering Co., Ltd.	0.03	0.03	69,400	69,400	69,400	69,400
Total			4,069,400	4,069,400	1,069,400	1,069,400
Less: Allowance for impairment of investments			(3,000,000)	(3,000,000)	-	-
Investments in other companies - net			1,069,400	1,069,400	1,069,400	1,069,400
Total investments in associate and other companies - net			1,069,400	1,069,400	1,069,400	1,069,400

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.

During 2010, the Company received share refund in amount of Baht 0.01 million from Thai Worldwide Contractor Co., Ltd because such company registered the liquidation.

14. Related party transactions

During the years, 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: Million Baht)				Transfer pricing and lending policy
	Consolidated financial statements		Separate financial statements		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
Transactions with parent company and its affiliated companies					
Construction income	-	83.7	-	83.7	Cost plus margin
Purchases of goods and service	-	112.0	-	112.0	Cost plus margin
Transactions with the subsidiaries					
Dividend income	-	-	19.3	70.2	At the declared rate
Transactions with the joint ventures					
Interest income	-	-	-	0.2	Fixed interest rate of 7.00% per annum

The nature of the relationships between the Company and its related parties are summarised below.

Name of entities	Nature of relationships
Current Shareholders Group	
Globex Corporation Limited	Major Shareholder
Victor Investment Holdings Pte.Ltd	Shareholder of the Company
Former Shareholders Group	
CPB Equity Company Limited	Major Shareholder
The Crown Property Bureau	Affiliated companies of parents company
Siam Sindhorn Company Limited	Affiliated companies of parents company

As at 31 December 2011 and 2010, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Construction contract debtors - related party				
<i>Parent company and its affiliated companies</i>				
The Crown Property Bureau	-	15,482,032	-	15,482,032
Siam Sindhorn Company Limited	-	9,162,890	-	9,162,890
Total	-	24,644,922	-	24,644,922
<i>Joint venture</i>				
PAN ASIA - CNT Joint Venture	-	-	-	2,327,684
Total	-	-	-	2,327,684
Total construction contract debtors - related party	-	24,644,922	-	26,972,606
Amounts due from and loans to related parties				
<i>Amounts due from Joint Venture</i>				
PAN ASIA - CNT Joint Venture	-	-	-	8,921,712
Total	-	-	-	8,921,712
<i>Loans to Joint Venture</i>				
PAN ASIA - CNT Joint Venture	-	-	-	2,700,000
Total	-	-	-	2,700,000
Total amounts due from and loans to related parties	-	-	-	11,621,712
Advance from share repayment				
Indochina Investments Ltd.	-	-	3,159,495	-
Total advance from share repayment of the subsidiaries	-	-	3,159,495	-

During the year ended 31 December 2011, movements of loans to related parties were as follows:

	Separate financial statements			Balance as at 31 December 2011
	Balance as at 1 January 2011	Movements during the year		
		Increase	Decrease	
<i>Joint venture</i>				
PAN ASIA - CNT Joint Venture	2,700,000	-	(2,700,000)	-
Total	2,700,000	-	(2,700,000)	-

Directors and management's remuneration

During the year ended 31 December 2011, the Company paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling approximately Baht 32.6 million (2010: Baht 29.6 million).

15. Investment properties

Investment properties consist of investments in the following assets:

(Unit: Baht)

	Consolidated financial statements/ Separate financial statements		
	Land	Condo	Total
Cost			
As at 1 January 2010	107,007,464	9,313,950	116,321,414
Increase(decrease)	-	-	-
As at 31 December 2010	107,007,464	9,313,950	116,321,414
Additions	-	-	-
Transfer to property , plant and equipment	(29,300,000)	-	(29,300,000)
As at 31 December 2011	77,707,464	9,313,950	87,021,414
Accumulated depreciation			
As at 1 January 2010	-	4,563,644	4,563,644
Depreciation for the year	-	418,841	418,841
As at 31 December 2010	-	4,982,485	4,982,485
Depreciation for the year	-	418,841	418,841
As at 31 December 2011	-	5,401,326	5,401,326
Allowance for impairment loss			
As at 1 January 2010	4,644,463	-	4,644,463
Increase(decrease)	-	-	-
As at 31 December 2010	4,644,463	-	4,644,463
Reversal loss from impairment	(2,511,115)	-	(2,511,115)
As at 31 December 2011	2,133,348	-	2,133,348
Net book value			
As at 31 December 2010	102,363,001	4,331,465	106,694,466
As at 31 December 2011	75,574,116	3,912,624	79,486,740
Depreciation for the year			
2010			418,841
2011			418,841

The Company has mortgaged its 8 plots of land of Baht 36 million (2010: The Company has mortgaged its 9 plots of land of Baht 62.5 million) with a bank to secure the bank overdrafts and loans granted by that bank.

Investment properties were revalued as at 31 December 2011 and 2010 by a firm of independent professional valuers, at open market values on an existing use basis. The appraised value was Baht 110 million (2010: Baht 169 million).

During the year 2011, the company has its policy to build new warehouse on land possessed by the company. The company will transferred investment property totaling Baht 29.3 million to Property plant and equipment with the same amount. The company had pledged such land with a bank to secure the bank overdrafts and loan granted by that bank.

16. Property plant and equipment

(Unit: Baht)

	Consolidated financial statements					
	Revaluation	Cost basis				
	basis					
		Construction	Furniture,	Motor		
Buildings on	machinery	fixtures and	Motor			
leasehold	and	equipment	Vehicles			
Land	Land	equipment	equipment	Vehicles	Total	
Cost/Revalued amount						
As at 1 January 2010	85,095,024	-	706,225,486	81,650,506	107,607,526	980,578,542
Additions	1,934,078	-	43,385,186	4,927,750	1,530,377	51,777,391
Disposals	(826,434)	-	(39,984,386)	(4,799,717)	(2,431,458)	(48,041,995)
As at 31 December 2010	86,202,668	-	709,626,286	81,778,539	106,706,445	984,313,938
Additions	130,593	-	69,216,455	2,257,185	8,140,375	79,744,608
Disposals	-	-	(43,071,274)	(130,606)	(3,650,864)	(46,852,744)
Reversal of surplus on revaluation	(3,529,850)	-	-	-	-	(3,529,850)
Transfer from investment property	-	29,300,000	-	-	-	29,300,000
As at 31 December 2011	82,803,411	29,300,000	735,771,467	83,905,118	111,195,956	1,042,975,952
Accumulated depreciation						
As at 1 January 2010	60,040,702	-	484,667,166	67,943,654	87,525,511	700,177,033
Depreciation for the year (on cost)	1,933,509	-	44,600,339	5,612,166	3,893,999	56,040,013
Depreciation on revalued portion	756,880	-	-	-	-	756,880
Depreciation on disposals	(231,285)	-	(12,882,648)	(4,299,783)	(1,353,184)	(18,766,900)
As at 31 December 2010	62,499,806	-	516,384,857	69,256,037	90,066,326	738,207,026
Depreciation for the year (on cost)	2,084,715	-	40,561,916	4,758,309	3,515,861	50,920,801
Depreciation on revalued portion	716,890	-	-	-	-	716,890
Depreciation on disposals	-	-	(31,093,297)	(111,942)	(3,188,789)	(34,394,028)
As at 31 December 2011	65,301,411	-	525,853,476	73,902,404	90,393,398	755,450,689

(Unit: Baht)

	Consolidated financial statements					
	Revaluation	Cost basis				
	basis					
		Land	Construction machinery and equipment	Furniture, fixtures and equipment	Motor Vehicles	Total
Allowance for impairment loss						
As at 31 December 2010	-	-	20,803,495	4,690,302	21,000	25,514,797
As at 31 December 2011	-	-	20,803,495	4,690,302	21,000	25,514,797
Net book value						
As at 31 December 2010	23,702,862	-	172,437,934	7,832,200	16,619,119	220,592,115
As at 31 December 2011	17,502,000	29,300,000	189,114,496	5,312,412	20,781,558	262,010,466
Depreciation for the year						
2010 (Baht 52 million included in cost of construction, and the balance in administrative expenses)						56,796,893
2011 (Baht 46 million included in cost of construction, and the balance in administrative expenses)						51,637,691

(Unit: Baht)

	Separate financial statements					
	Revaluation	Cost basis				
	basis					
		Land	Construction machinery and equipment	Furniture, fixtures and Equipment	Motor Vehicles	Total
Cost/Revalued amount						
As at 31 December 2010	85,095,024	-	706,174,373	81,645,506	107,607,526	980,522,429
Additions	1,934,078	-	43,385,186	4,927,750	1,530,377	51,777,391
Disposals	(826,434)	-	(39,984,386)	(4,799,717)	(2,431,458)	(48,041,995)
As at 31 December 2010	86,202,668	-	709,575,173	81,773,539	106,706,445	984,257,825
Additions	130,593	-	69,216,455	2,257,185	8,140,375	79,744,608
Disposals	-	-	(43,020,161)	(130,606)	(3,650,864)	(46,801,631)
Reversal of surplus on revaluation	(3,529,850)	-	-	-	-	(3,529,850)
Transfer from investment property		29,300,000	-	-	-	29,300,000
As at 31 December 2011	82,803,411	29,300,000	735,771,467	83,900,118	111,195,956	1,042,970,952

(Unit: Baht)

	Separate financial statements					
	Revaluation	Cost basis				
	basis					
		Buildings on leasehold Land	Construction machinery and equipment Land	Furniture, fixtures and Equipment	Motor Vehicles	Total
Accumulated depreciation						
As at 31 December 2010	60,040,702	-	484,656,641	67,938,655	87,525,511	700,161,509
Depreciation for the year (on cost)	1,933,509	-	44,589,813	5,612,166	3,893,999	56,029,487
Depreciation on revalued portion	756,880	-	-	-	-	756,880
Depreciation on disposals	(231,285)	-	(12,882,648)	(4,299,783)	(1,353,184)	(18,766,900)
As at 31 December 2010	62,499,806	-	516,363,806	69,251,038	90,066,326	738,180,976
Depreciation for the year (on cost)	2,084,715	-	40,561,916	4,758,309	3,515,861	50,920,801
Depreciation on revalued portion	716,890	-	-	-	-	716,890
Depreciation on disposals	-	-	(31,072,246)	(111,942)	(3,188,789)	(34,372,977)
As at 31 December 2011	65,301,411	-	525,853,476	73,897,405	90,393,398	755,445,690
Allowance for impairment loss						
As at 31 December 2010	-	-	20,803,495	4,690,302	21,000	25,514,797
As at 31 December 2011	-	-	20,803,495	4,690,302	21,000	25,514,797
Net book value						
As at 31 December 2010	23,702,862	-	172,407,872	7,832,199	16,619,119	220,562,052
As at 31 December 2011	17,502,000	29,300,000	189,114,496	5,312,411	20,781,558	262,010,465
Depreciation for the year						
2010 (Baht 52 million included in cost of construction, and the balance in administrative expenses)						56,786,367
2011 (Baht 46 million included in cost of construction, and the balance in administrative expenses)						51,637,691

As at 31 December 2011, the Company had construction machinery and equipment and motor vehicles under finance lease agreements with net book value amounting to Baht 38.2 million (2010: Baht 65.4 million).

As at 31 December 2011, certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 650 million (2010: Baht 648 million).

Since 2011, the Company arranged for an independent professional valuer to reappraise the value of its buildings. The revaluation was conducted on 10 January 2012 using the cost approach, the result of which showed a Baht 3.5 million decrease in the book value of the buildings. The Company recorded the revaluation decrease of buildings as the "Revaluation surplus on assets" in the shareholders' equity.

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

Breakdown of buildings on leasehold land carried on the revaluation basis and their accumulated depreciation is as follows:

	(Unit: Baht)	
	<u>2011</u>	<u>2010</u>
Original cost	70,642,876	70,512,283
Surplus from revaluation	<u>12,160,535</u>	<u>15,690,385</u>
Revalued amount	<u><u>82,803,411</u></u>	<u><u>86,202,668</u></u>
Accumulated depreciation on original cost	54,972,316	52,887,601
Accumulated depreciation on surplus from revaluation	<u>10,329,095</u>	<u>9,612,205</u>
Accumulated depreciation on revalued amount	<u><u>65,301,411</u></u>	<u><u>62,499,806</u></u>
Net book value	<u><u>17,502,000</u></u>	<u><u>23,702,862</u></u>

17. Net assets of discontinued operation units

	(Unit: Baht)	
	Consolidated financial statements	
	<u>2011</u>	<u>2010</u>
Total assets	-	15,079,864
Total liabilities	<u>-</u>	<u>-</u>
Net assets	<u><u>-</u></u>	<u><u>15,079,864</u></u>

The net assets of discontinued operation units represent the net assets of Harmony Property Group Limited.

During 2011, Harmony Property Group Ltd. had dissolved and liquidated on 24 May 2011 as discussed in Note 11.

18. 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 31 December 2009 (3% of of both specified and non-specified value of letters of guarantees in respect of performance bonds for the construction projects of the overseas subsidiary companies, bank guarantees of approximately Baht 1,121 million issued by the banks on behalf of the Group, and guarantee 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).

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, which was separately shown in the income statement and there were outstanding estimated liabilities of Baht 18 million as at 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. This cash is represented as non-current assets in the statements of financial position.

19. Accounts payable and other accounts payable

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Accounts payable and accrued construction cost	1,252,142,513	833,525,203	1,252,142,513	832,770,518
Accounts payable- accrued expenses	<u>13,262,194</u>	<u>9,941,534</u>	<u>13,063,594</u>	<u>8,637,798</u>
Total accounts payable and other accounts payable	<u>1,265,404,707</u>	<u>843,466,737</u>	<u>1,265,206,107</u>	<u>841,408,316</u>

20. Liabilities under hire-purchase and finance lease agreements

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Liabilities under hire-purchase and finance lease agreements	22,424,589	54,030,292	22,424,589	54,030,292
Less: Deferred interest expenses	(872,602)	(3,330,870)	(872,602)	(3,330,870)
	<u>21,551,987</u>	<u>50,699,422</u>	<u>21,551,987</u>	<u>50,699,422</u>
Less: Portion due within one year	(16,718,145)	(23,577,498)	(16,718,145)	(23,577,498)
Liabilities under hire-purchase and finance lease agreements - net of current portion	<u>4,833,842</u>	<u>27,121,924</u>	<u>4,833,842</u>	<u>27,121,924</u>

The Company entered into hire-purchase and finance lease agreements with leasing companies for lease of vehicles and machine for use in its operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

As at 31 December 2011, future minimum lease payments required under the hire-purchase and finance lease agreements were as follows:

(Unit: Million Baht)

	2011			2010		
	Future minimum lease payments	Less: Deferred interest expenses	Present value of future minimum lease payments	Future minimum lease payments	Less: Deferred interest expenses	Present value of future minimum lease payments
Less than 1 year	17.5	(0.8)	16.7	25.9	(2.3)	23.6
1 - 2 years	4.9	(0.1)	4.8	28.1	(1.0)	27.1
Total	<u>22.4</u>	<u>(0.9)</u>	<u>21.5</u>	<u>54.0</u>	<u>(3.3)</u>	<u>50.7</u>

21. Long-term provision - provision for employees' benefits

As stated in notes 4.1.11 to financial statements, the Company applied the accounting standards no. 19 "Employee Benefits" before effective date since 31 December 2010. From changes in accounting policy, the Company have recognized the increment of provisions for employee benefits by adjusting the beginning retained earnings of the accounting period for the year 2010 to be conform to the requirement of that accounting standards.

The impacts on the consolidated and separate financial statements relating to the adoption of the new accounting policy are as follows:

	Consolidated financial statements	(Unit: Baht) Separate financial statements
Balance sheet as at 1 January 2010		
Increase in other current liabilities	2,100,000	2,100,000
Decrease in Long-term provision - provision for employees' benefits	(165,244,148)	(165,244,148)
Increase in balance of unappropriated retained earnings	163,144,148	163,144,148

Movements in the provision for employee benefit is shown as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Provision for employee benefit at the beginning of year	56,493,905	57,869,745	56,493,905	57,869,745
Current service cost during the year	7,354,533	7,021,848	7,354,533	7,021,848
Benefits paid during the year	<u>(7,386,350)</u>	<u>(8,397,688)</u>	<u>(7,386,350)</u>	<u>(8,397,688)</u>
Provision for employee benefit at end of year	<u>56,462,088</u>	<u>56,493,905</u>	<u>56,462,088</u>	<u>56,493,905</u>

The following table is a summary of the assumptions relating to the actuarial technique as at the balance sheet date:

Discount rate	4.70%
Salary increase rate	3% - 8%
Retirement mortality rate	60 years old

22. Share capital

	(Unit: Baht)	
	<u>2011</u>	<u>2010</u>
Authorised and registered		
501,452,102 ordinary shares of Baht 1 each		
(31 December 2010 : 401,162,888 ordinary shares of Baht 1 each)	<u>501,452,102</u>	<u>401,162,888</u>
Issued and fully paid up		
501,452,102 ordinary shares of Baht 1 each		
(31 December 2010 : 401,161,682 ordinary shares of Baht 1 each)	<u>501,452,102</u>	<u>401,161,682</u>

On 8 April 2011, the Annual General Meeting of the Company's shareholders No. 78 passed the following significant resolutions:

- Approved the reduction of the Company's registered capital which has not been issued by means of canceling 1,206 unissued ordinary share which accounted for the registered capital of Baht 1,206.
- Approved the increase of the Company's registered capital from Baht 401,161,682 to Baht 501,452,102 the allocation of the new ordinary shares by allotting 100,290,420 ordinary shares to existing shareholders in proportion to their shareholding at the off ratio of 4 existing ordinary shares to 1 new ordinary share. The offering price shall be as same as par value of Baht 1 each.

The Company registered the increase in its registered share capital and paid-up share capital with the Ministry of Commerce from Baht 401,161,682 to Baht 501,452,102 on 22 April 2011 and 25 May 2011, respectively.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

24. Own shares held by the subsidiary

Own shares held by the subsidiary represent 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 statements of financial position as a deduction in the shareholders' equity to determine the net equity attributable to the Company's shareholders.

During the year 2010, the subsidiary sold these shares through the Stock Exchange of Thailand, resulting premium on share – sale of own shares held by the subsidiary amount of Baht 68.92 million in the consolidated financial statements.

25. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Construction materials and subcontractors	2,932,763,924	2,279,229,468	2,932,763,924	2,279,229,468
Salary and wages and other employee benefits	801,503,446	773,067,329	801,503,446	773,067,329
Depreciation	52,056,532	57,215,734	52,056,532	57,205,208
(Reversal) Impairment loss of investments	-	-	(2,000,000)	(7,700,000)

26. Corporate income tax

The Company is not liable to corporate income tax for the years 2011 and 2010 as expenses which were allowed for tax computation purpose.

27. Earnings per share

Earnings per share as presented in the income statements is the basic earnings per share which is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year, which is presented net of own shares held by the subsidiary in the consolidated financial statements, as detailed below.

	(Unit: Shares)	
	<u>2011</u>	<u>2010</u>
Weighted average number of ordinary shares (separate financial statements)	461,885,471	401,161,682
Less: Weighted average number of the Company's shares held by the subsidiary	-	(7,258,306)
Weighted average number of ordinary shares - net (consolidated financial statements)	<u>461,885,471</u>	<u>393,903,376</u>

28. Dividend paid

(Unit: Baht)

Dividends	Approved by	Total dividends		Dividend per share	Payment date
		Consolidated financial statements	Separate financial statements		
<u>Year 2011</u>					
Dividends on 2010 income	Annual General Meeting of the shareholders No. 78 on 8 April 2011	<u>240,696,973</u>	<u>240,696,973</u>	<u>0.60</u>	6 May 2011
Total dividends paid for 2011		<u><u>240,696,973</u></u>	<u><u>240,696,973</u></u>	<u><u>0.60</u></u>	
<u>Year 2010</u>					
Dividends on 2009 income	Annual General Meeting of the shareholders No.77 on 9 April 2010	<u>77,519,425</u>	<u>80,229,916</u>	<u>0.20</u>	7 May 2010
Total dividends paid for 2010		<u><u>77,519,425</u></u>	<u><u>80,229,916</u></u>	<u><u>0.20</u></u>	

29. Supplementary information of the construction contracts

The total construction costs after being adjusted realised gains or losses of the Company of the construction contracts up to 31 December 2011 were approximately Baht 9,083 million (2010 : Baht 10,154 million). The Company had already billed for the contract in progress to project owners of approximately Baht 8,174 million (2010 : Baht 9,540 million).

30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Siam Commercial Bank Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company contributed Baht 8.7 million (2010: Baht 9 million) to the fund.

31. Financial information by segment

The Company's, its subsidiaries' and joint ventures' 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 joint ventures for the years ended 31 December 2011 and 2010 was as follows:

(Unit: Million Baht)

	Consolidated financial statements for the years ended 31 December				
	Other countries in			Total	
	Thailand	Asia	Eliminated	2011	2010
Revenue from external customers	4,766	-	-	4,766	4,065
Inter-segment revenue	-	-	-	-	3
Total revenues	<u>4,766</u>	<u>-</u>	<u>-</u>	<u>4,766</u>	<u>4,068</u>
Segment operating income	318			318	526
Results of discontinued operation units	-	-	-	-	-
Unallocated income and expenses:					
Other income				56	39
Administrative expenses				(174)	(178)
Management benefit expenses				(33)	(30)
Finance cost				(2)	(6)
Corporate income tax				-	-
Net income				<u>165</u>	<u>351</u>

(Unit: Million Baht)

	Consolidated as at 31 December				
	Other countries in			Total	
	Thailand	Asia	Eliminated	2011	2010
Construction contract debtors and other accounts receivable	1,009	-	-	1,009	699
Construction contracts in progress	909	-	-	909	741
Property, plant and equipment - net	262	-	-	262	221
Other assets	<u>6,101</u>	<u>-</u>	<u>(4,139)</u>	<u>1,962</u>	<u>1,764</u>
Total assets	<u>8,281</u>	<u>-</u>	<u>(4,139)</u>	<u>4,142</u>	<u>3,425</u>

Transfer prices between business segments are set out in Note 14.

32. Commitments

32.1 As at 31 December 2011, the Company had commitments in respect of subcontractor agreements payable in the future of approximately Baht 1,804 million.

32.2 As at 31 December 2011, 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. The future rental payable under this lease agreement is approximately Baht 123 million as follows:

	<u>Million Baht</u>
Payable within:	
Less than 1 year	14
1 to 5 years	66
More than 5 years	43
	<u>123</u>

- b) Commitments mainly under lease agreements for lease of vehicles of approximately Baht 14 Million (2010: Baht 9 million).

33. Contingent liabilities

As at 31 December 2011, 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 338 million (2010: Baht 294 million).
- b) The Company had outstanding bank guarantees of approximately Baht 1,809 million (2010: Baht 1,343 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:

	(Unit: Million Baht)	
	<u>2011</u>	<u>2010</u>
<u>Type of guarantee</u>		
Contractual performance	665	659
Advances	957	568
Project tender	54	4
Payment due to creditors	15	13
Retention	118	99
	<u>1,809</u>	<u>1,343</u>

- c) In year 2010, the Company had issued letters of guarantees amount of Baht 231.4 million with the Ministry of Finance by pledging government bond.
- 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.

34. Financial instruments

34.1 Financial risk management

The Company's and the subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to construction contract debtors. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base and the majority of construction services are made to creditworthy customers. The maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for doubtful accounts as stated in the statements of financial position.

Interest rate risk

The Company's and the subsidiaries' exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company's and the subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					Interest rate (% p.a.)
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years				
	(Million Baht)					
Financial assets						
Cash and cash equivalents	416	-	278	1	695	0.05 – 3.3
Investment	233	102	-	-	335	2.32 – 3.87
Construction contract debtors	-	-	-	1,009	1,009	
Restricted bank deposits	133	-	10	-	143	0.75-3.7
	<u>782</u>	<u>102</u>	<u>288</u>	<u>1,010</u>	<u>2,182</u>	
Financial liabilities						
Accounts payable and accrued construction costs	-	-	-	1,265	1,265	-
Liabilities under hire- purchase and financial lease agreements	-	22	-	-	22	5.16 – 7.51
	<u>-</u>	<u>22</u>	<u>-</u>	<u>1,265</u>	<u>1,287</u>	

(Unit: Million Baht)

	Separate financial statements					Interest rate (% p.a.)
	Fixed interest rates		Floating	Non-	Total	
	Within		interest	interest		
	1 year	1-5 years	rate	bearing		
(Million Baht)						
Financial assets						
Cash and cash equivalents	311	-	277	1	589	0.05 – 3.3
Investment	233	102	-	-	335	2.32 – 3.87
Construction contract debtors	-	-	-	1,009	1,009	
Restricted bank deposits	133	-	10	-	143	0.75-3.7
	<u>677</u>	<u>102</u>	<u>287</u>	<u>1,010</u>	<u>2,076</u>	
Financial liabilities						
Accounts payable and accrued construction costs	-	-	-	1,265	1,265	-
Liabilities under hire- purchase and financial lease agreements	-	22	-	-	22	5.16 – 7.51
	<u>-</u>	<u>22</u>	<u>-</u>	<u>1,265</u>	<u>1,287</u>	

Foreign currency risk

The Company's and the subsidiaries' exposure to foreign currency risk arises mainly from investments and service payment transactions that are denominated in foreign currencies, which are currently not hedged by any derivative financial instruments. However, the balances of financial assets and liabilities denominated in foreign currencies are not significant, the foreign currency risk is expected to be minimal.

34.2 Fair values of financial instruments

Since the majority of the Company's and the subsidiaries' financial instruments are short-term in nature or bear interest rates close to market rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statements of financial position as at 31 December 2011, the Group's debt-to-equity ratio was 1.50:1 (2010: 1.09:1) and the Company's was 1.50:1 (2010: 1.10:1).

36. Impact of severe flooding in Thailand

The impact of the flood situation in Thailand, the certain company's projects had been temporarily suspended their construction since October 2011. At present, the company can normally operate. Because of the flood situation, the company had the impact from expenses occurred. As a result, total assets lost, including construction projects rehabilitation in the year 2011, are amounted Baht 10.30 million. However, the company has the insurance coverage for all kinds of damage incurred from the flood. Currently, the company has been assessing the compensation from insurer.

37. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, following the adoption of presentation of the financial statements in accordance with the stipulations of the Notification of the Department of Business Development described in Note 2, and the adoption of new and revised accounting standards described in Note 6.

38. Subsequent events

The meeting of the Company's Board of Directors No. 398 held on 27 February 2012 passed the following resolutions: -

- Approval of a dividend payment from the 2011 operating profit to the Company's shareholders at Baht 0.3 per share, totaling Baht 150.4 million.

These resolutions will be proposed for approval at the 2012 Annual General Meeting of the Company's shareholders.

39. Approval of financial statements

These financial statements were authorised for issue by the Board of Directors of the Company on 27 February 2012.