

Message from the Board of Directors

In year 2011, the Company had a change in the major shareholder from CPB Equity Co., Ltd. to the group comprising Globex Corporation Ltd. and Victor Investment Holdings Pte., Ltd. Representatives from new shareholder were appointed on the board of directors to jointly direct the policy but to date there have been no changes to the construction work and all management staff remain in place. Therefore, I am sure that the family business of the new shareholder will be able to introduce ideas and experience that will benefit and enhance the continued development of the Company and the country in the future.

In the past year, the outlook for the construction industry has not improved. The costs of construction materials have increased and various disruptions have resulted in a shortage of workers. Many companies were impacted by the floods during the latter part of last year. Accordingly, the Company took action to mitigate risks and changed methods of working to improve efficiency of construction work and costs of the Company. As for the previous year, the Company has stressed the need for sound basic principles to carry out good quality work for all our clients

Our success is the result of support from clients, shareholders, management and all employees of the Company who have performed their duties diligently. I wish to take this opportunity to express my sincere thanks to everyone who has helped in our success. The Company will continue to give honest and sincere service to all our clients in the future.

Mr. Santi Grachangnetara
Chairman of the Board of Directors.

Report of the Board of Directors' Responsibility for the Financial Report

The Board of Directors is responsible for Christiani & Nielsen (Thai) Public Company Limited and its subsidiaries' financial statements and consolidated financial statements, including financial information appearing in the Annual Report. The said financial statements were prepared in accordance with generally accepted accounting principles, where an appropriate accounting policy has been selected and implemented on a regular basis and that important information is adequately disclosed in notes to the financial statements.

The Board of Directors has appointed an Audit Committee consisting of independent directors to take responsibility for the quality of financial statements and assessment of the internal control system to ensure that the record of accounting is sufficiently accurate, complete and timely, and also to prevent the occurrence of corruption or irregular operations. The Audit Committee's opinion on these matters has been stated in the Audit Committee's report published in this Annual Report.

The Board of Directors is of the opinion that the Company's internal control system on the whole is satisfactory and able to ensure that Christiani & Nielsen (Thai) Public Company Limited and its subsidiaries' financial statements and consolidated financial statements present fairly, in all material aspects, the financial positions, the results of operations and cash flows.

(Mr. Santi Grachangnetara)
Chairman of the Board of Directors

(Mr. Somchai Jongsirilerd)
Chief Executive Officer,
Managing Director, Construction

Audit Committee's Report

To Shareholders

The Audit Committee comprises three Independent Directors. The Chairman of Audit Committee and Audit Committee's qualifications meet with the requirements indicated in Charter for Audit Committee. They perform their duties in accordance with the Rules and Regulation of the Stock Exchange of Thailand and all assignments given by the Board of Director. The Audit Committee have access to their self- assessment in order to ensure that they perform their duties productively and efficiently.

In 2011, the Audit Committee held 8 meetings, one of which was held with the external auditor without the executives in attendance. All members of the Audit Committee attended each meeting, at which they would consult and exchange with the external auditor, the executives and the internal auditor concerning the relevant matters.

The Audit Committee's performance in the year 2011 was summarized as follows:

1. Review of the Company's quarterly and annual financial statements with the management, the external auditor and the internal auditor to consider the financial report, disclosure of information, accounting policy and essential projections including the opinion toward those reports. The Audit Committee opined that the collective process of accounting records and the preparation of financial statements was effective and cautious in accordance with the internal control systems. The financial statements and consolidated financial statements were presented fairly and reliably, in all material aspects and in accordance with generally accepted accounting principles and related laws, with adequate disclosure and timely information for the benefit of shareholders and general investors.
2. Review and give opinion on related transactions or transaction of potential conflict on the principle of justify, transparency with enough disclosure. The Audit Committee is of the opinion that those transactions had adequate disclosure to ensure the justification and trading on normal business terms.
3. Review the Company's internal audit control to ensure the independency and efficiency. The Audit Committee regularly received the internal audit report. The internal audit department has to prepare its self-assessment, jointly review yearly audit plan in order to enhance the performance.
4. Review and ensure that the Company is operating in accordance with laws and regulations of the Stock Exchange of Thailand, other business related laws and with good corporate governance.
5. Review and follow up on Company's risk management. The Audit Committee found that the Company recognized the important of risk appraisal and internal audit control system to respond to the risk in the proper manner and in accordance with the principles of risk management.
6. Report the performance of the Audit Committee to the Board of Directors quarterly together with suggestions which may benefit the Management.
7. Conduct a meeting with external auditor by excluding the Management to ensure that the external audit will perform their duties independently and provide any comment with no bias.

8. Considered, selected and recommended the nomination of auditor and their remuneration by considering their competent, experience, creditability and the adequate resources. Evaluate their independence, quality of audit work and the remuneration to ensure the efficiency and the independence of the opinion given by external auditor.

In conclusion, the Audit Committee is of the opinion that the Company's financial reports were accurate and prepared according to general acceptance accounting principle, disclose adequate information, proper risk management, internal control system under good corporate governance. The Company can achieve its business target, abiding to all related laws and regulations. The Audit Committee was given the opinion independently and suggestions to the Management are straight forward for the maximum benefit to the Company.

(Mr. Patip Wongnirund)
Chairman of Audit Committee
February 27, 2012

The Board of Directors' Report

The Company's Results of Operation

In year 2011, some factors had an impact on the construction business, including more serious competition and the trend towards increased costs of energy, construction materials, and labour shortage. With the effect from the country's major flooding, some construction projects temporarily closed. However, the Company exercised efficient management of the construction projects to reduce construction costs and other expenses. As a result, the Company achieved an increased income from construction compared to last year. The Company also maintained its gross profit at a satisfactory rate.

The Company Group's Finance

The Company and its subsidiary's total income for year end 2011 was Baht 4,822 million. Operating profit before financial expenses, income tax and the results of dissolved business operations was Baht 167 million and the Company's financial expenses and income tax were Baht 2 million, so that the Company Group's net profit for year ended 2011 was equivalent to Baht 165 million.

The Company's Finance

The Company total income for the year end 2011 was Baht 4,839 million. Operating profit before financial expenses, income tax and the results of dissolved business operations was Baht 185 million and the financial expenses of Baht 2 million, so that the Company's net profit for the year ended 2011 was equivalent to Baht 183 million.

Allocation

The Board of Directors proposed to allocate the specific results of the operation of the Company as follows:

	Baht
Retained Earnings brought forward	1,179,181,876
Dividend Payable	(240,696,973)
Adjustment for Depreciation on Buildings and Equipment	(4,598,379)
Adjustment for Depreciation in Real Estate for investment	(418,841)
Operating Result for the year 2011	182,916,196
Reversal of excess from valuation	716,890
Transfer to Legal Reserve	<u>(10,030,000)</u>
Total unappropriated retained earnings	1,107,070,769
Dividend Payment at the rate of 0.30 Stang per share from total paid-up 501 shares	<u>(150,435,631)</u>
Unappropriated retained earnings brought forward	<u><u>956,635,138</u></u>

The profit allocation above shall be proposed for approval from the Annual General Meeting of Shareholders No. 79 to be held on April 10, 2012. The Dividend Payment is scheduled to be paid on May 8, 2012.

(Mr. Somchai Jongsirilerd)
Chief Executive Officer
Managing Director, Construction

Financial Highlight

	(Unit: Baht Million)	
STATEMENTS OF FINANCIAL POSITION)	2011	2010 Restated
Total Assets	4,142	3,425
Total Liabilities	2,483	1,788
Total Shareholders' Equity	1,659	1,637
STATEMENT OF INCOME		
Construction Income	4,766	4,068
Total Revenue	4,822	4,107
Cost of Construction and Administrative expenses	4,654	3,750
Gross Profit	318	526
Profit before Finance Cost, Results of Discontinued Operation Units and Corporate Income Tax	167	357
Net Profit	165	351
FINANCIAL RATIO		
Current Ratio (times)	1.47	1.70
Gross Profit Margin (%)	6.66	12.93
Operating Profit Margin (%)	3.51	8.78
Quality of Earnings (%)	197.01	107.43
Net Profit Margin (%)	3.42	8.54
Return on Equity (%)	10.01	25.33
Return on Assets (%)	4.36	10.71
Debt to Equity Ratio (times)	1.50	1.09
Interest Coverage (times)	210.69	84.61
Dividend Payout Ratio (%)	75.0	56.60

Note: * Dividend payout ratio compared to the Separate Financial Statements of the Company.
** With the adoption of IFRS in year 2011, the Company has restated the financial statements for year 2010 to make it comparable to year 2011. Therefore the Company has given financial highlights only for 2010-2011 as restated and comparable financial statements for years prior to 2010 are not available.

Type of business and operation

The Nature of Business Operation

The Company carries on the business of construction and local construction management, namely civil engineering, structural work, building construction, implementation of systems and specific work that require skillful workmanship. In some cases, it is necessary for the Company to find the construction business partner to jointly operate in the form of a joint venture.

Government Sector

- Constructing buildings for Universities, Hospitals and other Government Offices.
- Construction for road and infrastructures, highway, overpass and others.
- Civil work for Country's infrastructure including water distribution tunnels and waste water collection tunnels.

Private Sector

- General Buildings for private sectors including high-rise, low-rise, office buildings, education buildings, hospitals and hotels.
- Industrial and factories including process building and warehouses.
- Construction of petro-chemical product/pipelines and factories for petro-chemical products.
- Construction of Hypermarket in modern trade business which is the big business group and continuously expanding.

Presently, the Company and its affiliate, jointly control entities are mainly constructing for Infrastructure, Civil and Structural Works. Construction work sites are all located in Thailand. During the past year, income from each type of construction is as follow:

Unit – Million Baht

Type of Construction	2011		2010		2009	
	Value	%	Value	%	Value	%
General and Industrial Factory	1,310.1	27%	251.1	6%	1,766.2	41%
Buildings - Commercial	1,418.0	30%				
Buildings - Residential	2,045.2	43%	3,814.7	94%	2,381.7	55%
Civil Works	1.9		1.9		197.8	4%
Total	4,775.2		4,067.7		4,345.7	

Business Operation

The Company's main construction projects are from Government and Private Sector, which can be classified as follows:

Main Contractor

The Company directly tenders and is awarded construction contracts from the Owner. However, for the special projects which required high technology, the Company shall jointly tender with specialized company who meets the requirement of the Owner. In this case the Company may partially hire the subcontractors to complete the projects.

Joint Venture/Consortium/Sub-contractor

In tendering, bidding of mega projects with complicated construction activities which require many specialist and technology to complete the project, the Company shall consider tendering in different form such as (1) Joint Venture, which is the investment in project which cannot separate the job or quality of

work for each partner. Each partner shall be responsible for profit or loss in accordance with the agreed proportion (2) Consortium, where the investment in project can specify the job or quality of work for each partner. Each partner shall be responsible for their own profit or loss. (3) Sub-contractor from Main Contractor for the project where the Company has experience.

Construction Process

After receiving Letter of Intent (LOI) or signing in a Construction Contract, the meeting between Estimating and Operation department will be held to co-ordinate and discuss detail estimated and construction plan to ensure that the project will be running according to the plan and can deliver to the customer in time and within the budget.

The Company will appoint the Project Manager to be a representative at the Construction Site. The duties and responsibilities of project manager are as follows:

1. Prepare main construction programme and budget.
2. Prepare sub-programme in accordance to main program, prepare staff and labour chart, prepare material and equipment list.
3. Meet with owner or representative to follow up progress of work, solving problem to ensure the project completion in time.
4. Prepare Payment Certificate for submission and follow up on payment from Owner.
5. Collected all Site Instructions or any evidences for all changes in construction drawings, variation orders, request for addition value of work or request for extension of time due from change of construction drawing or from other parties that might caused the project to delay.
6. Control and monitor the construction work to be in line with construction plan and specifications. Check for the completion of work before deliver to the owner.

Marketing and competition Strategic

- Over the long period of time, Christiani & Nielsen had been constructed a lot of projects both for government and private sector in 70 countries around the world. The Company is very well known since it was established in Thailand for more than 82 years (the very beginning state of country development). The Company always abides with all contracts with our customers.
- The Company has stipulated construction quality for ISO standard in every construction projects including headquarter as a guideline in business operation to achieve all customers' requirements by focusing on efficiency, quality and safety to deliver the project to customer in time and in budget.
- Specialized in special techniques construction such as Slip Form, Pipe-jacking, water tunnel etc. The company is capable to deliver the work within a short period time and lower construction cost. With this special, the Company may have a change to bid for this type of project.
- Qualified personnel, our top executive officers have been in construction business for long time. Their experiences including various type of constructions, different difficulties of method of construction. The Company set out the clear policy to develop our personnel with the modest knowledge in construction business.

Type of customers and target group

- The Company's customers consist of government units, educational, and private sector. There is different kind of industry in private sector such as agricultural and food, tourism, modern trade etc. The Company always maintains good relationship with every group of customers for their future business expansion.
- Form government's investment policies to improve country's mass transportation, construction of electrical public train and lot of infrastructure which are waiting for the approval, the Company can expect more shares in this sector.
- The Company also expanded the customer in to new industrial by entering in the construction for companies in petrochemical and energy such as PTT PCL.

Pricing Policy

Quotation for bidding of a project is based on the following principles:

- 1) Fixed Price System – Under this system, the firm will offer a fixed price and will be responsible for any changes in cost and expenses. In construction contracts made with the government and private sectors, conditions in cost adjustment will be included such as inflation (government sector), and client' specifications, and the client is responsible for the cost of extra works or change orders.
- 2) Unit Price System – The bidder usually proposes its price for materials and manpower in terms of unit price and the client pays according to the actual quantities. Cost adjustment will be specified in the contract in the same manner as that of the fixed price system.

The client, however, will specify which price system is to be applied. The Company sets its basic profit at 7%, approximately, of the project cost depending on existing parameters such as competition, complexity of work and raw material shortage situation etc.

Procedures

Senior management together with Business Development Department have a duty to follow up the information, deal with incoming clients, search information from all sources of project of government and private sectors, follow up information from consulting companies, deal with project owners and project consultants, if possible. From such sources of information, the Company is able to bid for and to win new contracts.

Generally, there are 3 procedures associated with bidding for a contract:

(1) Bidding

Most government projects are normally announced in newspapers and on the notice boards of the project owners. Once the Company makes decision to bid for a project it will proceed as follows:

- 1.1) Purchase the bidding documents;
- 1.2) Prepare the bid in 3 parts:
 - 1.2.1.1 Commercial preparation – preparation of legal, financial and company profile documents as per the requirements of the contract;
 - 1.2.1.2 Cost estimation preparation; and
 - 1.2.1.3 Construction planning.

1.3) Cost and expenditure estimation with respect to the details and procedures specified in the bidding document, then submit them on the date, in the time and at the place designated by the project owner.

(2) Proposal by invitation

The project owner of this kind of work is usually introduced by the designer and/or the consultant based on previous work done by the Company. Pricing is general the same as the bidding.

(3) Direct Negotiation

The project owner, sometimes, relies on the reputation and experiences of the Company, so it prefers the Company to quote the price with respect to its or its designer's estimation, and then make a negotiation under mutual consent. Generally, the design is provided by the project owner, however, the Company may negotiate to do the design itself in addition to the construction. This reduces the time of construction of the project.

Decision Making and negotiation

Before making the employment contract, the project owner will select a shortlist of bidders with appropriate price proposals. In some cases, the project owner may ask the bidders to clarify more details before making a final decision. If the Company is awarded the contract, the project owner will inform it in writing.

Distribution

As the Company is a well-known construction company registered in the Stock Exchange of Thailand, it has a lot of sources of construction business information to analyze market situation at least one year in advance. Business Development Department will jointly consider the bidding projects to meet with the Company's construction capability. Company's prospects are:

- (1) Its former and current clients;
- (2) Exclusive invitation to bid from project owners;
- (3) General mass communication;
- (4) Other sources such as shareholders, project consultants and acquaintances.

In case the Company is interested in any project it will purchase the bidding documents and assign its Estimation Section to estimate the total cost of the said project as per the drawings and details obtained. The computation will be reviewed in quantity, price and conditions specified by the client. All details will be concluded in quotation sheets. Then all data will be presented to the executives who are responsible for rechecking before adding the profit and concerning taxes. This is the final price proposal. Once the proposal satisfies the client then the Company will receive the letter of award. After that, the Estimation Section will forward the cost estimation details and drawings to the Construction Department for use in construction.

Company's Capability in Thailand Construction Business

In general, Government Sector and/or State Enterprises have laid the tendering criteria in order to shortlist and pre-qualify the firms who are eligible to tender on their projects. The intention is to classify capability of individual contractors by experiences and project references, financial status, numbers of qualified staffs, and construction related plant/equipments. Each firm will be determined the capability to tender the project in term of size and values. Presently, the Company has registered and short listed as eligible contractors to various government sectors, and especially to the

Department of Highway as First-class contractor who is qualified to bid and work on unlimited project size and value. In private sectors, the Company is welcome to tender or works on most of projects with no objection.

Business Outlook and Competition

During the past year, the overall World's economic situation still un-recover due from the financial crisis in European countries with expected to spread out to Portuguese, Spain and France. The gradual reducing credit rating in Europe will cost the fluctuation in Euro-zone's bond market.

The major flooding in the latter part of last year affected the confidence of foreign investors. The new investments were put on hold until they have the clear flood protection plan from Government, which is the major problem need to be solved by improving Country's infrastructure. More foreign investors from China, Singapore, USA and European countries may have more interested to invest in Thailand. Moreover, the rising of oil price and major construction material, adjustment of wages was resulting in high construction cost. The fluctuation of exchange rate, high cost of living and the worried from country's economic are also affected the construction business. Investments in big project are put on hold or not enough projects for competition in construction business.

Through the professionalism, experience and training in engineering and project management of our team members, it is our policy to penetrate new target markets, especially the mega projects for infrastructures to support the growth of Thailand's economy. Such projects require a strong company both in construction operation and financial situation. Moreover, the Company also elects to tender for work with potential for future growth, such as retail business, modernized trade, which requires rapid construction and timely completion. These projects are expected to contribute high return to the Company and all shareholders.

The Competitors in Construction Business

The Company is one of the leading construction companies in Thailand, registered in Securities Exchange of Thailand. The Company is ready for all industrial sectors with its personnel, tools/equipments and experience in all types of work.

The Company emphasized to tender and be awarded projects where there is low competition, and in such cases the contractor is required to have high capacity, potential and readiness, for example:

Government Infra Structure

The Company is registered as special class contractor with Highway Department, first class contractor with the Royal Irrigation Department, the Department of Rural Roads and Bangkok Metropolitan Administration thus capable to tender for all sizes of work with unlimited credit line for all construction projects of those departments. In addition to the construction project for mass rapid transit of various lines, the Company has negotiated with partners both in Thailand and foreign countries for the preparation of tenders.

Agricultural Business

The company is experienced in silo concrete construction by using slip form techniques, which requires experienced workmanship. experienced in constructing the high standard of factory such as GMP and constructing of cold storage room.

Energy, Oil and Gas

The Company is one of few experienced companies undertaking this type of work which is high value and involves a long construction period. These projects require international construction standards, specific know-how, high technology and high safety standards. The Company has constructed a number of projects for PTT Group.

In Private Sector, with our experience, we also construct high-rise building such as Condominiums, Office Buildings and also 5-star hotels/resort, which requires high quality construction. The Company's construction projects for Education and Hospital also satisfy Owner needs and standards.

In modern trade business such as department store, hypermarket, distribution center or any other factory that require speedy qualified construction work.

Backlog as of 30 December 2011

Company's backlog as of 30 December 2011 is approximately 8,431 Million Baht. Projects of which the value is more than 10% of Total Revenue in the Financial Statements are as follow:

Project	Type	Value (MB)	Expect to Complete	Operated by
PTT-LNG Tank Farm	Civil & Tank Works	1,577.4	2011	Company
Saranrom Palace	Renovation and construction building	445.9	2011	Company
Mahidol Sitthakarn				
Mahidol University	Civil & Buildings	980.3	2012	Company
Bangkok Pattana				
International School	Buildings	671.3	2012	Company
Thai PBS Head Office	Civil and Buildings	497.1	2011	Company
Kidney Institution	Civil & Buildings	597.2	2012	Company
Chulalongkorn Hoispital	Civil & Buildings	1,840.9	2013	Company
Tobacco Monopoly	Civil & Buildings	1,869.7	2014	Company
New Plant				
HTY Project	Civil & Buildings	690.2	2012	Company
BTS Stations (3 units)	Civil & Station	841.1	2012	Company
SCG 3 New Head	Civil & Buildings	1,742.2	2013	Company
Office & Parking Bldg.				

Income Structure

The Company provides a comprehensive range of construction services, design and construction of a wide variety of building and civil engineering works, including work that requires expertise or specialist where, in some cases, the Company needs to build a strategic partnership to co-operate in the form of Joint Ventures.

At present, the Company's subsidiaries are principally engaged in the Construction Business, Holding Company and Real Estate Development, which currently do not have any operation. As at 31 December 2011, the Company has 2 Subsidiary Companies and 1 Jointly Controlled entity as follows:

Subsidiary Companies

Subsidiary Companies	Type of Business	Paid up Capital (million Baht)	% of Shareholding
CNT Holdings Limited	Holdings Company	2,599.99	100
Indochina Investments Ltd.	Holdings Company	4.08	100

Jointly Controlled Entities

Jointly controlled entities	Type of Business	Paid up Capital (million Baht)	% of Shareholding
PAN ASIA – CNT Joint Venture	Construction Business	4.00	45

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 a 45% interest in this joint venture.

During the year 2011, the Company's subsidiaries consist of 2 companies, Christiani & Nielsen Construction (Thai) Company Limited & Harmony Property Group Ltd., which have registered and completed their dissolution and liquidation on 24 February 2011 and on 24 May 2011 respectively.

The main income of the Company came from the construction income as detailed in the following presentation based on type of business.

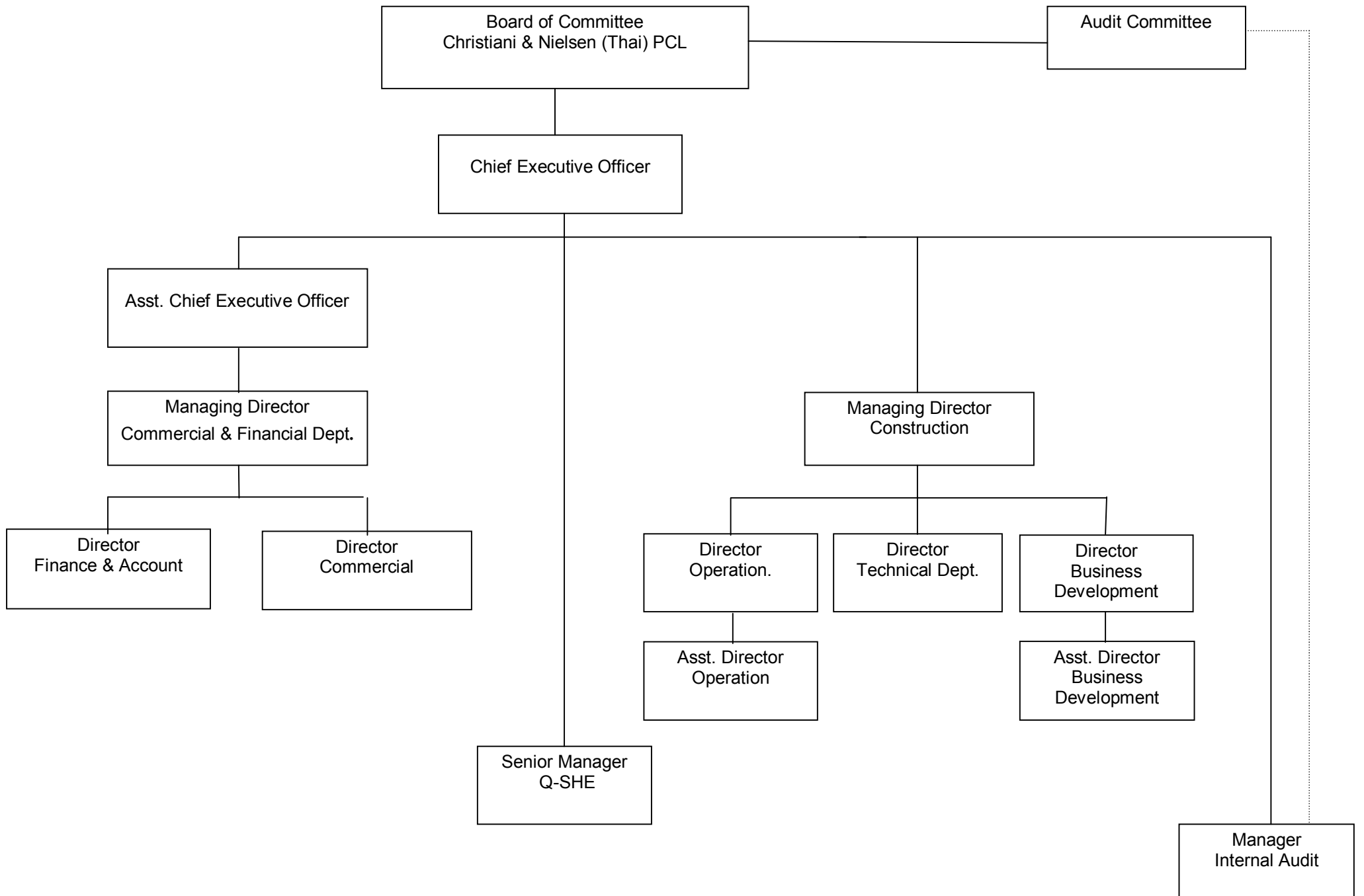
Construction Revenue

Company Name	% held	Million Baht	
		2011	%
Christiani & Nielsen (Thai) PCL		4,765.72	98.84
Christiani & Nielsen Construction (Thai) Company Limited	100.0	-	-
Pan Asia – CNT Joint Venture	45.0	-	-
Elimination and Adjustment		-	-
Total Construction Revenue		4,765.72	98.84

Other Income

Company Name	% held	2011	%
Christiani & Nielsen (Thai) PCL		39.18	0.81
Christiani & Nielsen Construction (Thai) Company Limited	100.0	0.01	0.00
CNT Holdings Limited	100.0	(29.60)	(0.61)
Indochina Investments Limited	100.0	0.93	0.02
Pan Asia – CNT Joint Venture	45.0	0.01	0.00
Elimination and Adjustment		45.26	0.94
<u>Total Other Income</u>		55.79	1.16
<u>Total Income</u>		4,821.51	100

In the past year, the Group's revenue which consisted of construction income and other income, the information of income as presented by geographical segments under note 31 on the Company's Financial Statements for the year ended 31 December 2011 and 2010.



Shareholding and Management Structure

The list of top 10 major shareholders, as at December 30, 2011, was:

<u>Shareholders</u>	<u>Number of Shares</u>	<u>%</u>
Globex Corporation Co., Ltd.	275,449,661	54.93
Victor Investment Holdings Pte., Ltd.	75,217,815	15.00
Thailand Securities Depository Co., Ltd. (for Depositors)	9,363,062	1.87
Thai NVDR Co., Ltd.	5,631,174	1.12
Mr. Nurak Mahatthanaarnont	5,000,000	1.00
Mr. Pairoj Paisansrisomsuk	4,951,437	0.99
Mr. Pornchai Suraratrangsee	4,032,946	0.80
Mr. Arj Attakrawesunthorn	3,138,505	0.63
Mr. Ittasee Foofuengmongkolkit	2,500,000	0.50
Mr. Suchart Tungkaratanakul	1,750,000	0.35

The Group of majority shareholders, as at December 30, 2011, was:

<u>Shareholders</u>	<u>Number of Shares</u>	<u>%</u>
Globex Corporation Co., Ltd.	275,449,661	54.93

The Group of majority shareholders has assigned its representatives to take positions of authorized directors in the Company. In this regard, the number of representative directors are considered as appropriate not in proportion of number of shareholdings.

Management Structure

The Company's directors consists Board of Directors and Audit Committee, with duties as follows:

The Board of Directors has duties to:

- Carry out duties as specified in the Articles of Association and resolutions of shareholders' meeting with care and protect the Company's interests.
- Define the Company's policy and operational directions, including supervision and control of management to perform the specified policy in order to maximize the benefits for the Company and shareholders.
- Take responsibility for protecting shareholders' benefits; disclose transparency and accuracy complete information to investors.

The Audit Committee has duties as assigned by the Board of Directors to:

- Review the Company's financial reporting to ensure accuracy and adequacy.
- Review the Company's systems of internal control and internal audit to ensure the appropriate and effective; consider the independency of internal audit; and give an opinion for consideration to appoint, remove and terminate the employment of Chief Internal Audit or any department responsible for internal audit.
- Review the Company's procedures to ensure that the Company's actions were in compliance with the laws and regulations of the Stock Exchange of Thailand and laws relating to business operation, including good corporate governance principles.
- Consider, select and propose the appointment of independent auditor to be the Company's external auditor, including their remuneration. Jointly with external auditor for a meeting without executives attendance at least once a year.
- Consider the connected transactions or transactions of potential conflicts of interest to ensure that the transactions compliance with laws and regulations of the Stock Exchange of Thailand and the transactions are reasonable with maximum benefits to the Company.
- Prepare the Audit Committee's reports signed by the Chairman of Audit Committee to be disclosed in the Company's Annual Report. The report must included, at least, the following information:
 - (a) An opinion regarding the accuracy, completeness and reliability of Company's financial reporting.
 - (b) An opinion regarding the adequacy of Company's internal control systems.
 - (c) An opinion regarding the Company's performances to ensure compliance with the laws and regulations of the Stock Exchange of Thailand and laws relating to the Company's business.
 - (d) An opinion regarding the appropriateness of the external auditor.
 - (e) An opinion regarding transactions of potential conflict of interest.
 - (f) The number of the Audit Committee's Meetings and the number of attendance of each member.
 - (g) A summarized opinion or note from the Audit Committee in relation to its performance according to Charter.
 - (h) Other transactions that might be acknowledged by shareholders and general investors under the scope of duties and responsibilities as assigned by the Board of Directors.
- Act in any manner as assigned by the Board of Directors with the Audit Committee's consent.

The above mentioned duties and responsibilities of the Audit Committee have been approved by the Board of Directors' Meeting No. 382 held on February 26, 2009 which is in accordance to the Notification of Securities Exchange of Thailand, Subject: Qualification and Scope of Work of the Audit Committee B.E. 2551

The Board of Directors comprises:

	<u>Name</u>	<u>Position</u>
1.	Mr. Santi Grachangnetra	Chairman of the Board
2.	Mr. Pratip Wongnirund	Chairman of Audit Committee
3.	Mr. Pamornsak Suracupt	Audit Committee
4.	Mr. Somchai Jongsirilerd	Director
5.	Mr. Surasak Osathanugraha	Director and Company Secretary

Directors who were resigned on November 11, 2011

6.	Mr. Vinai Vamvanich	Audit Committee
7.	Miss Wanaree Chinthaganant	Director
8.	Mr. Staporn Phettongkum	Independent Director

Directors who were appointed on November 11, 2011

9.	Mr. Kirit Shah	Vice Chairman of the Board
10.	Mr. Anumulu Ramakrishana	Audit Committee
11.	Mr. Khushroo Kali Wadia	Director

On November 11, 2012, the Board of Directors Meeting No. 395 and No. 396, respectively resolved the resignation and the appointment of directors to replace the resigned directors as follows

1. Resolved the resignation of Miss Wanaree Chintaganant, director and the appointment of Mr. Kirit Shah as director and Vice-Chairman for the replacement.
2. Resolved the resignation of Mr. Vinai Vamvanich, audit committee and the appointment of Mr. Anumulu Ramakrishna as independent director for the replacement.
3. Resolved the resignation of Mr. Staporn Phettongkham, independent director and appointment of Mr. Khushroo Kali Wadia for the replacement.

The directorship of three replacement directors shall be remained as the remaining terms of the directors who they were replaced.

The Audit Committee comprises the following three qualified members who have knowledge and experience in reviewing the Company's financial statements:

		<u>Position</u>	<u>Remaining Term</u>
1.	Mr. Pratip Wongnirund	Chairman of Audit Committee	End of term
2.	Mr. Pamornsak Suracupt	Audit Committee	End of term
3.	Mr. Vinai Vamvanich	Audit Committee	Resigned 11/11/11
4.	Mr. Anumulu Ramakrishana	Audit Committee	1 year

Mr. Vinai Vamvanich, audit committee was resigned on November 11, 2011 and the Board of Directors had appointed Mr. Anumulu Ramakrishana, independent

director to be audit committee for the replacement. His directorship shall remain as the remaining term of Mr. Vinai Vamvanich.

Directors authorized to sign and binding the Company

The directors authorized signatures and binding the Company are **Mr. Kirith Shah and Mr. Khushroo Kali Wadia jointly signed with Company's seal affixed or Mr. Santi Grachangnetara and Mr. Somchai Jongsirilerd jointly signed with the Company's seal affixed or any one of Mr. Santi Grachangnetara and Mr. Somchai Jongsirilerd jointly signed with Mr. Surasak Osathanugraha with the Company's seal affixed.**

The selection of independent directors

The company's directors would jointly select persons to be independent directors by considering their qualifications for independency.

The qualifications to be considered for appointment of independent directors

- Holding shares not exceeding 1 per cent of the total number of shares with voting rights of the Company, the Company's subsidiary, the Company's associate or juristic person with potential conflicts of interest with voting shares held by related persons;
- Not being an executive director/employee/staff/advisor who receives permanent salary or other benefit from the Company, the Company's subsidiary, the Company's associate or juristic person with potential conflicts of interest. (at the present and during 2 years prior to the appointment)
- Not being a person related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, with executive, major shareholder, controlling person or person to be nominated as executive or controlling person of the Company or the Company's affiliate.
- Neither having a business relationship in significant manner which may be able to interfere with independency nor having a relationship with an external auditor, any professional services provider – legal advisor, financial advisor, assets evaluator, and not to be a professional services provider – an external auditor or legal advisor (at the present and during 2 years prior to be appoint);
- Able to attend the Company's Board of Directors Meetings in order to make decisions on important activities and not being a director appointed to be a representative of the Company's directors, major shareholders or shareholders concerned with the Company's major shareholders;
- Not having any other characteristics which may be able to interfere the independency;
- Being able to take care for all shareholders' benefit equally, preventing any potential conflict of interest transaction between the Company and executives, major shareholders or other companies which have the same group of executives or major shareholders, and may be assigned by the Board of Directors to determine the business operation of the Company, the Company's subsidiary, the Company's associate or juristic person with potential conflicts of interest by which the determination would be in form of collective decision; and
- Not engaging in any business with the same nature and consider as competitive with the Company or the Company's subsidiary/holding in excess of 1% in any business having the same nature/being executive director/employee/monthly paid consultant/management control in such business.;

The appointment of independent directors is in line with the minimum qualifications as regulated by the Office of Securities Exchange Committee and the Stock Exchange of Thailand.

Term of Directorship

At every annual general meeting, one-third of directors shall be resigned; directors having the longest term are required to retire first. If the number of retired directors cannot divide into one-third, then the closest number of directors to one-third shall retire. The retired directors may be re-elected.

The number of attendance of the Board of Directors' Meeting

During the past year, the Company's Board of Directors held 6 meetings, the attendance of directors are as follow::

	<u>Name</u>	<u>The number of attendance/ The number of meeting</u>
1.	Mr. Santi Grachangnetra	6/6
2.	Mr. Pratip Wongnirund	6/6
3.	Mr. Pamornsak Suracupt	6/6
4.	Mr. Somchai Jongsirilerd	6/6
5.	Mr. Surasak Osathanugraha	6/6
<u>Directors who were resigned on November 11, 2011</u>		
6.	Mr. Vinai Vamvanich	4/6
7.	Miss Wanaree Chinthaganant	4/6
8.	Mr. Staporn Phettongkum	4/6
<u>Directors who were appointed on November 11, 2011</u>		
9.	Mr. Kirit Shah	1
10.	Mr. Anumulu Ramakrishana	1
11.	Mr. Khushroo Kali Wadia	1

Name and position of the Company's Executives

<u>Name</u>	<u>Position</u>
1. Mr. Somchai Jongsirilerd	Chief Executive Officer, and Managing Director, Construction
2. Mr. Surasak Osathanugraha	Assistance Chief Executive Officer
3. Mr. Narong Bharkthongsuk	Operation/Technical Director
4. Mrs. Jurairat Suksawatdi Na Ayuthya	Finance and Account Director
5. Mr. Narong Manthanawongsin	Assistant Business Development Director
6. Mr. Nipon Punsak	Assistant Operation Director

The Procedure for the Nomination of Directors and Executives

The process of company's director selection is not done by the Nomination Board since it was not appoint. However, the Board of Directors collectively considered the qualifications of that person in many areas i.e. education, experiences and the expertise from various businesses including the performance as a director in the past.

The Company's directors will be considered from a list of candidates proposed by each major shareholder and a list of executives selected by the Board of Directors. The Board of Directors consists of at least 5 directors and no maximum number of directors is required. Director shall be appointed or dismissed by the Shareholders' Meeting. Each shareholder cannot allocate any part of votes to elect director (s) in

any small or large number in accordance with Section 70, paragraph 1, of the Public Limited Companies Act (Cumulative Voting).

Each shareholder has a number of votes equal to the number of shares held to elect director(s) in the Shareholders' Meeting. There is no other board of directors perform duties on behalf of the Company's Board of Directors.

The Board of Directors will only consider selecting high-level executives who are important for the Company's business operation.

Compensation for Executives

In the past year, the Company's directors received remuneration in term of monthly remuneration, meeting allowance and bonus as follows:

		Unit : Baht		
		<u>Monthly</u>	<u>Meeting</u>	<u>Bonus</u>
		<u>Remuneration</u>	<u>Allowance</u>	
1.	Mr. Santi Grachangnetara	240,000	360,000	979,327
2.	Mr. Pratip Wongnirund	360,000	480,000	469,663
3.	Mr. Pamornsak Suracupt	300,000	405,000	469,663
4.	Mr. Somchai Jongsirilerd	120,000	180,000	469,663
5.	Mr. Surasak Osathanugraha	120,000	180,000	469,663
<u>Directors resigned on 11/11/2011</u>				
6.	Mr. Vinai Vamvanich	259,167	345,000	469,663
7.	Miss Wanaree Chintaganant	103,667	120,000	469,663
8.	Mr. Staporn Phettongkum	103,667	120,000	469,663
<u>Directors appointed on 11/11/2011</u>				
9.	Mr. Kirit Shah	16,667	30,000	
10.	Mr. Anumulu Ramakrishana	16,667	-	
11.	Mr. Khushroo Kali Wadia	16,667	30,000	

In the year 2011, total compensation for Company's director and executive for 15 nos. was 32.6 Million Baht.

Other remuneration - None -

Corporate Governance

Since February 23, 2007, CNT's Board of Directors resolved to announce corporate governance to ensure the company's commitment to conduct business with transparency, accountability and responsibility to all stakeholders including society and the environment.

The Board of Directors shall adhere to the systematically management and under good cooperate governance to ensure that all Board's decisions shall maximize the benefit for both shareholders and the Company.

1. Corporate Governance Policy

Christiani & Nielsen (Thai) Public Company Limited (CNT) firmly believes that good corporate governance is a part of business policy. The good corporate governance handbook comprise of 3 essential parts i.e. Good Corporate Government, Business Ethics and Employee Ethics was prepared and distributed to directors, executives, staff and all employee to use as a guideline along with the Company's rules and regulations. In order to maintain the ethical standards, reviews and evaluations of the implementation of the policies will be conducted annually to assess progress toward achieving business goal.

2. Rights and Equitable Treatment of Shareholders

The Board of Director emphasizes on the rights and equitable treatment of shareholders. All shareholders have the right to receive and transfer their share certificates, the right to receive adequate, timely and appropriate information for decision making, the right to attend and vote in the Meeting, the right to elect and dismiss directors and the right to approve the appointment of auditor including all matters that may affect the operation of the company. The Shareholder has the right to vote according to number of shares held. Each share has one voting right and no particular share allows them privilege over the rights of other shareholders.

In shareholders meeting, the board shall prepare adequate and clearly information to all shareholders prior to the Meeting date by posting on company's website 30 days. Document shall be send out by mail not less than 7 or 14 days (if there is any related transactions) prior to the meeting. The rights of shareholders to attend and vote the Meeting is clearly clarify in the Invitation Letter. The company gives an opportunity to the minority shareholders to propose the meeting agenda in advance through company's website, within the specific of time, to be considered by the Board of Directors to be considered. In case the proposed is not included in the agenda item, the shareholder shall be informed in the Meeting. The Meeting shall proceed in accordance to the agenda item specified in the Invitation Letter, sent to shareholders prior to the meeting, without changing the order of the agenda item or consider any agenda item other than those specified in the Invitation Letter. At the Meetings, shareholders are allowed to freely express their opinions, give suggestions, and raise questions on any agenda item before casting votes, so that shareholders can obtain sufficiently information. Shareholders who arrive after the Meeting has commenced are able to vote on the agenda item being considered provided that a resolution is not yet made. They shall constitute part of the quorum starting from the agenda item for which they are in attendance and can exercise their voting rights. In case of special matter, a case of urgency, the company will call an extraordinary general meeting of shareholders as a special case.

3. The right of any group of stakeholders

The company has focused on the rights of all stakeholders, both internal and external. It has been announced guidelines for business ethics, ethical conduct of

executives, staff and employees. The Company shall monitor the implementation to ensure that these rights are protected and treated equally for shareholders, employees, clients, business partner, suppliers, business competitors and public as follows:

- w Shareholders Respects the equal rights of both major and minor shareholders, as defined in the laws and regulations. Serves the legitimate interest of shareholders to achieve continuing business prosperity with transparent and accountability along with clear guidelines for the correctness of information, controlling of conflict transactions and to prevent the use inside information for personal benefit.
- w Employees Emphasizes the importance of its personnel. Provides career growth opportunities for employees to realize their full potential, treats employees with respect and dignity, recognizes their human rights, provides a fair compensation commensurate with ability and performance, and provides benefits to employees for better quality of life.
- w Clients Provides our clients with high quality of work and services by providing them with guaranteed quality works, within agreed construction periods, and in compliance with customers' specifications. The company also solicits client satisfaction feedbacks for improving and developing operation to maximize client satisfaction.
- w Business partner and supplier Conduct business in compliance with the terms and conditions, in good faith with fair business competition with equal treatment and building constructive relationship with our business partners. The company does not accept or agree to receive any properties or benefits that out of the terms and conditions in agreement and not to violate intellectual property rights or copyrights of our partners.
- w Competitors : Strictly conduct business in good faith and fair competition under the law and avoid doing bad faith to damage the reputation of the competitor.
- w Public : Support advantage activities that benefit to public as ability of the company and not to do any action that would damage the reputation of the country and environment. The company has a policy to encourage employees to use resources efficiently.

Apart from having a clear policy on the rights of stakeholders, the Company also provide the Contact information for receive any information or the clue for the unlawful, unethical, lack of internal control or any other misconduct activities via e-mail address of the company that will be sent directly to the management and audit committee and the information will be treated confidentially. After receiving such information, the Company shall set up a committee to investigate the fact, and report of the findings to company's director.

4. Shareholders' meeting

The Board of Directors convenes the Annual General Meeting of Shareholders within 4 months after the end of the annual accounting period. The company gives an opportunity to the minority shareholders for proposing the agenda item in the meeting in advance through company's website during the specified period to the Board of Directors to be considered to include in the agenda. The Invitation Letter to the Shareholders' Meeting including all relevant document was posted on CNT's website before sending to all shareholders by registered mail of not less than 7 of 14 days (if there is any related transaction) prior to the Meeting. The invitation also included detail for shareholder's right attend and vote in the meeting, date, time and place. Any shareholder who is unable to attend a Meeting is entitled to appoint a representative or an independent director or other person, to act as proxy, using the proxy form attached to the notice of the Meeting.

The Chairman gives the equal right to all shareholders to audit the company's business activities, to ask and to suggest.

For the year 2011, the Annual General Meeting of Shareholders No. 78 was held on April 8 at 9.30 a.m. CNT send the Invitation Letter to Shareholder's Meeting including significant and sufficiently detailed information related to each agenda item and self-explanatory proxy form.

The Company sent out the Invitation Letter including the above information and Company's map to all shareholders 7 days prior to the meeting date. Such information was also posted on Company's website 30 days prior to the meeting date and the announcement for the Annual General Meeting was published in the newspaper for at least 3 consecutive days prior to the meeting. The shareholders can get more information from our customer relation staff at phone number 02398-0158 ext 116 or at www.cn-thai.co.th

For convenience of shareholders, this meeting was held at Company's headquarter. The shareholders can register or recheck document 1 hour before the meeting shall start. Duty stamps were provided to shareholders using proxy form. The proxy form including supported document can be submitted by facsimile for checking in advance.

Before commencing the meeting, the Chairman informed about voting procedure, vote casting and counting, the use of ballot and disclosed of votes counting in each agenda item for transparency, including shareholders' right to express their opinion or raise questions in each agenda item. The meeting was in ordered, there were 78 shareholders present at the Meeting in person and by proxy, holding shares in aggregate of 232,885,500 shares equal to 58.05 percent of the paid-up shares. The agenda of this Annual General Meeting of Shareholders was considered chronologically as it appeared in the invitation letter submitted to shareholders prior to the Meeting, without any changes or request for the Meeting to consider any agenda item other than those specified in the invitation letter. All of agenda items have been vote, approved which conformed to the Laws. During the 2 hours of meeting, shareholders are allowed to freely express their opinions, give suggestions, and raise questions on any agenda items and the director, audit committee or executive director was given clearly information to the shareholders in each agenda item.

All member of board of director were attended the meeting, namely:

1. Mr. Santi	Grachangnetra	Chairman of the Board
2. Mr. Pratip	Wongnirund	Chairman of Audit Committee
3. Mr. Pamornsak	Suracupt	Audit Committee
4. Mr. Vinai	Vamvanich	Audit Committee
5. Miss Wanaree	Chinthaganant	Director
6. Mr. Staporn	Phettongkum	Independent Director

Directors and Management

7. Mr. Somchai	Jongsirilerd	Director
8. Mr. Surasak	Osathanugraha	Director and Company Secretary

The external auditor, Mr. Wisut Petchpanichkul from D.I.A. International also attended the Meeting.

After the Meeting, the minutes was prepared with all substantial issues including voting resulted and posted on Company's website.

5 Leadership and Vision

The board of director, with vision and leadership, is independently made his own decision for the maximum benefits of the Company and shareholders. The board of director also participated and agreed with management in setting vision, strategy, business plan and budget to ensure that all business plan and budget are efficiently achieve the target.

The board of director, with the knowledge, expertise, commitment and care, they all apply the knowledge and skills in management to achieve maximum benefit that abide by the laws, rules and regulations under the good corporate governance. The board of director considers the interest of all stakeholders and provide a systematic supervision in monitoring and evaluating to ensure the target achievement according to the policy.

6 Conflict of interests

The board of directors is always aware of transactions which may lead to conflict of interest and connected transactions. The terms and agreements for each transaction are in accordance with normal business practice. The Company also discloses any such transactions in the annual report and in accordance with the regulations stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission.

7 Business Ethics and Code of Conduct

To emphasize the Company's aim to operate the business in a transparent and ethical manner with responsibilities to all stakeholders, including society and the environment, the Company's business ethics are set up, along with Rules and Regulations for Employees, by the Management as a guideline for the directors, executive management and employees.

- Code of Business Conduct comprises basic principles, responsibility to shareholders, employees, clients the public.
- Code of Employee Conduct comprises the best practice in term of fidelity, keeping confidential, trustworthy and commitment in the profession, ownership, compliance with rules and regulations, conflict of interest, relationships with clients and society, the use of inside information, bribes and persuasion, personnel, unity, sacrifice, colleague, the use of

company's asset efficiently, activity and political participation, gift and benefits.

8 Balance of power for Non-Executive Directors

The Board of Directors includes representatives from Shareholders, academic persons and persons proposed by directors or Shareholders as non-executive directors.

The Board of Directors as at 31 December 2011 consists of 8 persons as follows:

- 2 Executive Directors, representing 25% of the board.
- 3 Independent Directors, representing 37.50 % of the board.

As the above, there are 3 independent directors from all of eight which was in accordance with the rules of the SEC, so the stakeholders can be assured that the Board of Directors will act on behalf of shareholders independently and with the proper balance of power.

9 Role of Chairman of the Board and the Managing Director

For good corporate governance and transparency in business operation, the role and authority of the Chairman of the Board and the Managing Director are clearly separated as such, the Chairman and the Managing Director is not the same person and have no relationship with the Management.

10 The remuneration for Directors and Management

Remuneration for Directors shall be proposed by the board of directors for the shareholders to approve in the Annual General Meeting. Each director receives different remuneration subject to the position in the board i.e., Chairman of the Board, Chairman of Audit Committee, Audit Committee and Director.

Compensation for director and top executive officers is salary and other remuneration, depending on Company's and individual's performance. The Chairman of the Board approves the recruitment of to executive officers.

11 The Meeting of the Board of Directors

The Meeting of the Board of Directors is called at least at the end of each quarter to acknowledge the Company performance, approve the financial statements and to discuss the business operation. The agenda and related documents are sent to all directors at least 3-7 days in advance. In case of emergency, Chairman or Company Secretary can call a meeting by other means in less than 7 days in advance.

The Audit Committee hold a meeting with the Company's auditor and internal auditor to consider and comment on financial statements before submission to the Board of Directors for signing and submission to the Stock Exchange of Thailand.

12 Sub Committee

To ensure a good monitoring system of the business, the Board of Directors established an Audit Committee, by appointing 3 independent directors from the board, one of which having accounting or financing knowledge. The audit committee are independent as prescribed by the Stock Exchange of Thailand regarding the qualifications of independent directors. The Audit Committee has the duty to review and ensure good corporate governance, review financial reporting and internal control systems, advise on the selection of the Company's auditors, consider business conflicts of interest and advise on managing and control of business risk.

13 Board and Management Training

CNT encourage board and management to have newly information/knowledge of management tools & techniques not only in-house seminar but also attend the training recommended or held by the Stock Exchange of Thailand.

Moreover, the Company has set a succession plan for potential staff to have both quality and quantity for the continuing of proper management in Key Jobs which is the management in different Company's operations or management team.

14 Directors' Report

The Board of Directors prepare the annual report to summarize the Company's performance and send to all Shareholders with the Invitation Letter for the Annual General Meeting of Shareholders.

15 Investors' relationship

The Company submits the annual report, financial statements and report on Company performance to all Shareholders each year. The information is also disclosed on the Company's website, in addition to the Stock Exchange of Thailand's website, correctly, transparently and on time.

Risk Management System and Risk Factors

Risk Management

Risk management is an important part of Christiani & Nielsen (Thai) PCL's management system. The Company have developed Risk Management System for its' employees in every level and cover enterprise risk management. The Company has employed Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. to train the employees and give advise in preparation of the Company's risk procedures and concepts which is based on principle of COSO (Enterprise Risk Management – Integrated Framework, COSO, September 2004) and AS/NZ 4360:2004 (Risk Management – Australian/New Zealand Standard, AS/NZ 4360:2004)

Roles and Responsibilities in Risk Management

The Company's Risk Management Policies were implemented in every level and in all activities as follows;

- Board of Directors has duties and responsibilities to give policies, concepts of risk management, advice and support to Risk Management Committee.
- Risk Management Committee has duties and responsibilities to review and approve framework of risk management system, organization and risk management process. The Committee also appoints and delegate its' duties to Risk Manager and Risk Champions.
- Management has duties and responsibilities in implementing risk management system into strategic and business planning, operation procedures and construction activities, including giving support to employees at all level in implementing risk management system.
- Risk Manager has duties and responsibilities in preparation and improving risk policies and risk framework, including communicating to all employees. The Risk Manager shall advise to all units in the Company regarding risk management process, risk report and also to monitor progress of risk management and to report to Risk Management Committee at least every quarter or when there is significant change to the Company.
- Audit Committee has duties and responsibilities to review risk assessment results and risk management report from Risk Management Committee and Risk Manager. The Audit Committee is to give advices to Risk Management Committee and Risk Manager, particular in combination role of risk management and internal control of the Company.
- Internal Auditor has duties and responsibilities in giving advice to Risk Manager and Risk Champions in internal control risks, participating in risk policies review, evaluating efficiency and effectiveness of the Company's control system. Internal Auditor shall study risk assessment results and take them into account in audit planning (Risk-based Audit).

Risk Management Processes

The Company has established risk processes which are to be implemented systematically throughout the company. The overall risk Management processes are as follows;

- Identify the Company's risk framework which is to be approved by the Risk Management Committee and the Board of Directors. The Company's risk management system is developed and implemented according to the risk framework.
- The Company's objectives and strategies are to be developed by the Management and reviewed by the Board of Directors so that all levels of the Company can carry out their working plans accordingly.
- Identify and assess risks which have an impact on the Company's objectives achievement within the risk management framework by assessing the level of risk impact and risk likelihood.
- Identify and assess the current controls and procedures which are used to manage the risks within the risk management framework by assessing control effectiveness and control coverage.
- Identify risk control procedures by considering risk level, control level in relation to risk appetite and control acceptable level, together with cost and benefit in order to prepare a risk treatment plan for the Company or department level. The risk management shall be monitored and reported regularly within the Company's risk framework.

Main Risk Factors in 2011

- 1) **Flood Impact**
 Toward the end of 2011 there were 6 construction projects in the Company that had to stop working due to either flooding in the construction area or flooding of the surrounding area which made it not possible to supply construction material to the projects. In addition to that some construction material manufacturing plants were flooded and could not supply material. However, after the flood the Company has worked closely with the clients and accelerated the construction, where possible and obtained an extension of time for the construction. The Company could claim most of the damage from insurance companies. There was no direct flood impact on the Company's Head Office as it was not in the flood area. However, the Company has provided accommodation for employees who had problems with accommodations. The Company has helped prevent flooding in Rojana Industrial Estate, Rajjapruck Club and Thai PSB Head Office. Flood protection measures for possible future floods are prepared such as obtaining many larger water pumps, preparing an evacuation plan for major plants, preparing temporary flood protection structures for the head office and some construction sites.
- 2) **Increase Labour Cost Due to Minimum Wage Increase**
 Labour cost in construction usually accounts for 10% to 15% of the overall cost. The Government has a policy to increase the minimum wage 40% in 2012, therefore, the labour wage in 2011 started to rise. However, the Company has prepared many measures to reduce the impact of the labour wage increase. Construction management is to be improved in order to obtain high labour efficiency. More works shall be subcontracted together with tightening the cost control system. New plants and equipments are to be acquired to reduce the use of labour.

- 3) High Tender Competition
Competition in construction tender was high both in Government and private section. Although overall there were more construction works but in some segment there was low volume of work particular in petrochemical works. The Company emphasized in the works which it has high skill and experience such as high engineering projects, international construction projects, historical renovated projects. The Company has maintained good relation with existing clients and try to improve cost efficiency in order to increase competitiveness.
- 4) Escalation of Construction Material
Cost of many major construction materials have risen. The management has emphasized in risk assess of material price during tender and after awarding contract the detailed procurement plan is prepared for all construction contract. The procurement plan and progresses are monitored together with material price analysis and financial plan. The Company has bought some construction in advance, where appropriate, to reduce the escalation price impact.
- 5) Labour Shortage
Labour shortage and rising in labour cost are major risk of construction industry, however, the Company has set up a special department to manage labour work force directly. The Company also set up a Training Department to train labour in order to increase labour skill. In addition the Company was approved by Labour Ministry to bring foreign labour into the country to work in construction project.
- 6) Unforeseen Circumstances
Some construction projects have a short time for tender preparation and the construction has to start in a short notice, which could lead to unforeseen circumstances. Even though contingency cost were allowed in the tender but in some cases they are not enough to cover additional cost arising from unforeseen circumstances.
- 7) Environmental Risks
The Company realizes that environmental conservation is an important part of the business in order to achieve sustainable development. The Company has Environmental Policy to implement environmental management system to all construction projects as well as to the Head Office to reduce environmental risks. The Company has also prepared construction environment management system according to requirements of Leadership in Energy and Environment Design (LEED), which is a standard for energy and environmental conservation. The LEED environmental management system shall be implemented on the construction project according to client's requirements. The Company has already implemented LEED environmental management system on construction of Kasikorn Thai Bank Chaengwattana Centre and Head Office building of SCG.

Supervision of the use of insider information

The Company has set the policy for ensuring that all disclose information are correctly and sufficient for both financial report and other significant information or any information related to Company's business with transparency and on-time to Shareholders, Investors and public.

The Board of directors performed their duties according to laws and regulations regarding the on-time and transparency disclosure. It is the responsibility of Company's directors, management and senior executives to strictly protecting the confidential information or any information that is benefit to the Company. Including un-disclose information to public or any information that might effected the Company's business or share price. The prohibit of using the information receive from being the director, executive officer or employee of the Company for private benefit, incorporating in the business that compete with or related to the Company's business were set as a policy and use as a guideline for good corporate governance, business and employee's ethic shown on the Company's website under heading "Good Corporate Governance".

According to Section 59 of the Securities and Exchange Act, B.E. 2535, directors, management executives (including their spouse and all minors) have to report the change of their shareholding to the Office of Securities Exchange Committee. Moreover, all directors and top executive officers are requested to refrain from trading the Company's shares for the period of 30 days before considering the financial statements and within 24 hours after the notification to the Stock Exchange of Thailand.

Internal Control and internal Audit

Internal control is the crucial process to promote the achievement of the Organization's goal. The audit committee is assigned to monitor/consult the internal control process to ensure that internal control and internal audit, risk management is appropriate and efficiency.

Moreover, Enterprise Risk Management (ERM) has been used as a management tools in order to improve the efficiency of risk management and internal control.

There are clearly guideline for the operation in each department including the systematic delicate of power and duty written in Company Procedure. The internal audit together with audit committee and external auditor do the audit function to ensure that the operation are complied with rule and regulations stipulated with the efficiency to achieve the company's objective

The audit committee comprise of 3 independent directors, one is Chairman of the audit committee. All of them are accredited for their experience in accounting or financial management.

Last year, the audit committee held 8 meetings, one of which was the meeting with external auditor and without CNT management. All of the meetings are to supervise the internal control of CNT, the efficiency of the operation and also in quarter meeting the audit committee review and comment financial statement for approval in board of director.

The Board of Director has a comment that during the last year, the Company internal control system and good corporate governance is appropriate and efficiency. The Company can achieve its business goal under the operation complied with the Laws, Rules and Regulations and essential policies. The founded deficiencies have been remedial by management.

Dividend Payment Policy

The Company's Board of Directors has the policy to propose to the Annual General Meeting of Shareholder to approve the dividend payment to shareholders based on the Company's operating result in that year at the rate of not less than 40 percent of net profit after tax deductible in the Company's profit & loss statements (in compliant with Public Limited Company Act and interpreted by Federation of Accounting Professions) provided that there was no other necessary event and such dividend payment does not have substantial impact to Company's normal business.

There is no Dividend Payment policy set out for Company's affiliate, the jointly controlled business and the connected company.

The Dividend Payable

The Board of Directors' Meeting No. 398 held on February 27, 2012 has resolved to approve the dividend payment from Company's operating profit for the year 2011 to shareholders at the rate of Baht 0.30 per share, total dividend payment is Baht 150,435,631. The dividend payment shall be proposed for approval in the next Annual General Meeting of Shareholders.

Related Transactions

Related transactions are substance business transactions between the Company and its subsidiaries and its joint venture (which already excluded from the consolidated financial statements). Those transactions were in line with all criteria which mutually agreed between the Company, its subsidiaries and joint venture and in line with its general business terms and conditions as disclosed by the external auditor in notes to financial statement no. 14.

In the year 2011, the Company had no related transactions with director, executive officer and shareholder both direct and indirectly holding the shares of more than 10%.

**Report of Independent Auditor
Financial Statements
Notes to Financial Statements**

**CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED,
ITS SUBSIDIARIES AND JOINT VENTURES**

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2011 AND 2010



AUDITOR'S REPORT

To The Shareholders of
CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED

I have audited the consolidated statement of financial position of CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES and the separate statement of financial position of CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED as at 31 December 2011 and 2010 (after restatement), the related consolidated statement of income and separate statement of income, consolidated statement of comprehensive income and separate statement of comprehensive income, consolidated statement of changes in shareholders' equity and separate statement of changes in shareholders' equity, and consolidated statement of cash flows and separate statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I did not audited the 2011 and 2010 financial statements of the joint venture as included in the consolidated financial statements, the total assets of which as included in the consolidated balance sheet as at 31 December 2011 and 2010 amounted to approximately Baht 0.5 million or 0.01% of the consolidated assets (2010 : Baht 17 million or 0.5%) and its total revenue included in the consolidated income statement for the year then ended amounted to approximately Baht 0.01 million or 0.0002% of the consolidated revenue (2010 : Baht 5.2 million or 0.1%). The financial statements of the joint ventures were audited by its auditor and I have already received the audit report from that auditor. My opinion expressed on the 2011 and 2010 financial statements as presented herein, insofar as it related to the amounts included for the joint ventures, is based solely upon the audit report of that auditor.

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

In my opinion, based on my audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES and of CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED as at 31 December 2011 and 2010, the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

As stated in notes 6 and 7 to financial statements, during the year ended 31 December 2011, the Company has changed the accounting policy related to property, plant and equipment and Investment property. Accordingly, the comparative consolidated financial statements and separate financial statements for the year ended 31 December 2010 and the consolidated statements of financial position and separate statements of financial position as at 31 December 2010 have been retroactively adjusted from the effects of changes in such accounting policy. I also audited the adjustments that effected to the statements of financial position for the year ended 31 December 2010. In my opinion, such adjustments are appropriate and have been properly applied.

As stated in notes 2, 3, 4 and 6 to the financial statements for the year ended December 31, 2011, the Company adopted the revised financial reporting standards issued by the Federation of Accounting Professions, that the adoption is effective for the financial statements beginning on or after January 1, 2011 for preparation and presentation these financial statements. Accordingly the comparative financial statements for the year ended December 31, 2010 have been presented by the new format in accordance with the financial statements for the year ended December 31, 2011.

D I A International Auditing Co., Ltd.



(Mr. Wisut Petpanichkul)

C.P.A. (Thailand)

Registration No. 7309

27 February 2012

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011 AND 2010

(Unit: Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Current assets					
Cash and cash equivalents	8	694,836,427	560,316,125	588,322,836	437,882,168
Temporary investments	9	233,027,457	312,945,988	233,027,457	312,945,988
Construction contract debtors and other account receivable					
Related party	10, 14	-	24,644,922	-	26,972,606
Unrelated parties	10	1,008,978,180	674,616,816	1,008,856,377	674,458,473
Construction contract debtors and other account receivable		1,008,978,180	699,261,738	1,008,856,377	701,431,079
Construction contracts in progress		909,255,056	741,523,808	909,255,056	741,523,808
Advances for construction		260,844,502	101,561,059	260,844,502	101,423,929
Inventories		2,762,634	2,571,873	2,762,634	2,571,873
Advance from related party		-	2,015,076	-	-
Other current assets					
Withholding tax deducted at source		410,480,155	431,339,390	410,466,199	430,805,840
Others		17,369,181	23,256,920	17,059,521	21,728,185
Total other current assets		427,849,336	454,596,310	427,525,720	452,534,025
Total current assets		3,537,553,592	2,874,791,977	3,430,594,582	2,750,312,870
Non-current assets					
Restricted deposits	8	143,094,283	185,966,864	143,094,283	179,746,864
Investments in subsidiaries	11	-	-	108,384,290	112,208,290
Investments in joint ventures	12	-	-	810,000	1,800,000
Investments in associate and other companies	13	1,069,400	1,069,400	1,069,400	1,069,400
Long term investment - Government bond	9	101,597,956	1,798,825	101,597,956	1,798,825
Amounts due from and loans to related parties	14	-	-	-	11,621,712
Investment properties	15	79,486,740	106,694,466	79,486,740	106,694,466
Property, Plant and equipment - net	16	262,010,466	220,592,115	262,010,465	220,562,052
Net assets of discontinued operation units	17	-	15,079,864	-	-
Other non-current assets					
Cash reserved for debt settlement	18	4,319,918	4,319,918	4,319,918	4,319,918
Advance payment for land lease		12,911,111	14,911,111	12,911,111	14,911,111
Total other non-current assets		17,231,029	19,231,029	17,231,029	19,231,029
Total non-current assets		604,489,874	550,432,563	713,684,163	654,732,638
Total assets		4,142,043,466	3,425,224,540	4,144,278,745	3,405,045,508

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

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Liabilities and shareholders' equity					
Current liabilities					
Accounts payable and other accounts payable	19	1,265,404,707	843,466,737	1,265,206,107	841,408,316
Deferred construction revenue		-	1,207,476	-	1,207,476
Advances from customers		659,640,333	357,403,995	659,640,333	357,403,995
Advance from capital return on investment	14	-	-	3,159,495	-
Current portion of liabilities under hire-purchase and finance lease agreements	20	16,718,145	23,577,498	16,718,145	23,577,498
Short-term provisions					
Estimated expenses for construction projects		329,444,000	334,090,000	329,444,000	334,090,000
Estimated liabilities for guarantee obligations and other payables	18	18,009,370	18,009,370	18,009,370	18,009,370
Provision for other expenses		66,168,111	66,168,111	66,168,111	66,168,111
Total short-term provisions		413,621,481	418,267,481	413,621,481	418,267,481
Other current liabilities		57,648,030	51,557,727	55,132,943	49,040,395
Total current liabilities		2,413,032,696	1,695,480,914	2,413,478,504	1,690,905,161
Non-current liabilities					
Liabilities under hire-purchase and finance lease agreements - net of current portion					
	20	4,833,842	27,121,924	4,833,842	27,121,924
Long-term provision - provision for employees' benefits	21	56,462,088	56,493,905	56,462,088	56,493,905
Long-term provision - other		9,000,000	9,000,000	9,000,000	9,000,000
Total non-current liabilities		70,295,930	92,615,829	70,295,930	92,615,829
Total liabilities		2,483,328,626	1,788,096,743	2,483,774,434	1,783,520,990
Shareholders' equity					
Share capital	22	501,452,102	401,161,682	501,452,102	401,161,682
Retained earnings					
Appropriated - statutory reserve	23	50,150,000	40,120,000	50,150,000	40,120,000
Unappropriated		1,061,668,577	1,146,668,188	1,107,070,769	1,174,164,656
Other components of equity		(23,480,023)	(19,746,257)	1,831,440	6,078,180
Equity attributable to the Company's shareholders		1,589,790,656	1,568,203,613	1,660,504,311	1,621,524,518
Premium on share - sale of own shares held by the subsidiary	24	68,924,184	68,924,184	-	-
Total shareholders' equity		1,658,714,840	1,637,127,797	1,660,504,311	1,621,524,518
Total liabilities and shareholders' equity		4,142,043,466	3,425,224,540	4,144,278,745	3,405,045,508

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

Directors

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF INCOME

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Revenues					
Construction income		4,765,721,092	4,067,689,018	4,765,721,092	4,065,005,773
Bad debt recovery and reversal of allowance for doubtful accounts		10,576,585	12,111,884	10,576,585	6,364,951
Other income					
Write back trade accounts payable and other accounts payable		4,159,657	5,347,634	3,278,123	5,347,634
Dividend income	11, 14	-	-	19,278,690	70,200,000
Interest income		27,089,183	9,396,544	24,274,515	8,674,137
Reversal of estimated liabilities for guarantee obligations		-	4,194,735	-	4,194,735
Reversal of allowance impairment loss of investment in related parties	11, 12	-	-	2,000,000	7,700,000
Reversal of allowance impairment loss of investment in real estate		2,511,115	-	2,511,115	-
Gain on disposal of assets		5,923,723	-	5,923,723	-
Others		5,527,066	7,880,189	4,977,669	8,357,141
Total other revenues		45,210,744	26,819,102	62,243,835	104,473,647
Total revenues		4,821,508,421	4,106,620,004	4,838,541,512	4,175,844,371
Expenses					
Costs of construction		4,448,154,881	3,541,896,414	4,448,154,881	3,541,896,414
Administrative expenses		172,853,063	176,302,139	171,868,614	174,305,450
Management benefit expenses		32,617,325	29,597,433	32,617,325	29,597,433
Bad debts and doubtful debts		706,421	1,793,038	773,025	-
Total expenses		4,654,331,690	3,749,589,024	4,653,413,845	3,745,799,297
Profit before finance cost, results of discontinued operation units and corporate income tax					
Finance cost		(2,226,332)	(5,871,308)	(2,211,471)	(5,782,539)
Profit before results of discontinued operation units and corporate income tax					
Results of discontinued operation units		60,073	(185,393)	-	-
Profit before corporate income tax		165,010,472	350,974,279	182,916,196	424,262,535
Corporate income tax	26	-	(367,067)	-	-
Net profit		165,010,472	350,607,212	182,916,196	424,262,535
Net profit attributable to					
Equity holders of the parent		165,010,472	350,607,212	182,916,196	424,262,535
Earnings per share					
Basic earnings per share	27				
Net profit attributable to equity holders of the parent (Baht)		0.36	0.89	0.40	1.06
Weighted average number of ordinary shares (shares)		461,885,471	393,903,376	461,885,471	401,161,682

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

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Consolidated		Separate	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Net profit for the period	165,010,472	350,607,212	182,916,196	424,262,535
Other comprehensive income:				
- Translation adjustments	512,974	(4,527,409)	-	-
- Loss from assets revaluation	(3,529,850)	-	(3,529,850)	-
- Revaluation surplus on assets	-	(595,149)	-	(595,149)
Other comprehensive income for the period	<u>(3,016,876)</u>	<u>(5,122,558)</u>	<u>(3,529,850)</u>	<u>(595,149)</u>
Total comprehensive income for the period	<u>161,993,596</u>	<u>345,484,654</u>	<u>179,386,346</u>	<u>423,667,386</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>161,993,596</u>	<u>345,484,654</u>	<u>179,386,346</u>	<u>423,667,386</u>

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

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		(Restated)		(Restated)
Net profit before tax	165,010,472	350,974,279	182,916,196	424,262,535
Adjustments to reconcile net profit before tax to net cash provided by (used in) operating activities				
Depreciation	52,056,532	57,215,734	52,056,532	57,205,208
Amortisation	4,120,000	7,948,020	4,120,000	7,620,000
Bad debt and allowance for doubtful accounts	773,025	(282,835)	773,025	(282,835)
Write off other current assets	295,646	-	295,646	-
Write off assets	49,130	-	19,068	-
(Reversal) impairment loss of investment in related parties	-	-	(2,000,000)	(7,700,000)
(Gain) loss from return on investments in the liquidated subsidiary	-	-	(962,744)	-
(Gain) loss from return on investment in other company	-	88,765	-	88,765
Loss (gain) from disposals of plant and equipment	(5,923,723)	7,349,281	(5,923,723)	7,349,281
Reversal of allowance for impairment loss of investments property	(2,511,115)	-	(2,511,115)	-
Write back accounts payable and other accounts payable	(4,413,681)	(5,347,634)	(3,573,769)	(5,347,634)
Reversal of estimated liabilities for guarantee obligations	-	(4,194,735)	-	(4,194,735)
Reversal of accrued interest	-	(3,947,751)	-	(3,947,751)
Reversal of estimated expenses for construction projects	(4,646,000)	(96,960,000)	(4,646,000)	(96,960,000)
Provision for employees' benefits	7,354,533	7,021,847	7,354,533	7,021,847
Dividend income from subsidiary	-	-	(19,278,690)	(70,200,000)
Interest expenses	<u>2,084,816</u>	<u>5,650,824</u>	<u>2,084,816</u>	<u>5,649,909</u>
Profit from operating activities before changes in operating assets and liabilities	214,249,635	325,515,795	210,723,775	320,564,590
Increase (decrease) in operating assets				
Construction contract debtors and other accounts receivable	(310,489,468)	84,850,582	(308,198,323)	78,503,946
Construction contract in progress	(167,731,247)	(226,562,478)	(167,731,247)	(221,093,521)
Advances for construction	(159,548,868)	(50,083,487)	(159,685,998)	(50,083,487)
Advance from related party	2,015,076	(2,015,076)	-	-
Inventories	(190,761)	(420,881)	(190,761)	(420,881)
Other current assets	5,887,739	(734,481)	4,668,663	(153,977)
Increase (decrease) in operating liabilities				
Accounts payable and other accounts payable	426,754,305	68,208,837	427,774,213	67,746,320
Deferred construction revenue	(1,207,476)	1,207,476	(1,207,476)	1,207,476
Advances from customers	302,236,338	71,367,223	302,236,338	71,484,192
Amounts due to related party	-	-	-	(40)
Other current liabilities	6,060,081	(6,492,030)	6,062,328	(6,493,804)
Provision for employees' benefits	<u>(7,386,350)</u>	<u>(3,475,841)</u>	<u>(7,386,350)</u>	<u>(3,475,841)</u>
Cash from (used in) operating activities	310,649,004	261,365,639	307,065,162	257,784,973
Cash paid for interest expenses	(2,149,201)	(5,731,196)	(2,149,201)	(5,730,281)
Cash paid for corporate income tax	(121,258,146)	(95,626,516)	(121,256,084)	(95,486,016)
Cash received from corporate income tax	<u>142,117,381</u>	<u>223,553,130</u>	<u>141,595,725</u>	<u>223,092,137</u>
Net cash from (used in) operating activities	<u>329,359,038</u>	<u>383,561,057</u>	<u>325,255,602</u>	<u>379,660,813</u>

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

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities				
Decrease in restricted deposits	42,872,581	60,811,665	36,652,581	11,181,665
Cash paid for purchase of investments	(19,880,600)	(314,744,813)	(19,880,600)	(314,744,813)
(Increase) decrease in amounts due from and				
loans to related parties	-	6,011,439	11,621,712	(326,547)
Proceeds from return on investments in the liquidated				
subsidiary and joint venture	-	-	7,776,744	-
Cash received from return on investment in other company.	-	11,235	-	11,235
Cash received in advance from capital return on investment	-	-	3,159,495	-
Purchases of plant and equipment	(79,744,608)	(35,830,958)	(79,744,608)	(35,830,958)
Proceeds from disposals of plant and equipment	18,333,309	21,330,664	18,333,309	21,330,664
Decrease in net assets of discontinued operation units	15,079,864	2,126,849	-	-
Dividend received from subsidiary	-	-	19,278,690	70,200,000
Net cash from (used in) investing activities	<u>(23,339,454)</u>	<u>(260,283,919)</u>	<u>(2,802,677)</u>	<u>(248,178,754)</u>
Cash flows from financing activities				
Cash paid for settlement of debts under debt restructuring of				
the rehabilitation plan	-	(46,883,233)	-	(46,883,233)
Cash paid for liabilities under hire-purchase and				
finance lease agreements	(31,605,704)	(50,911,838)	(31,605,704)	(50,911,838)
Proceeds from selling of parent's share capital	-	79,464,984	-	-
Dividend paid	(240,696,973)	(77,519,425)	(240,696,973)	(80,229,916)
Proceeds from increase share capital	100,290,420	-	100,290,420	-
Net cash from (used in) financing activities	<u>(172,012,257)</u>	<u>(95,849,512)</u>	<u>(172,012,257)</u>	<u>(178,024,987)</u>
(Increase) decrease in cash and cash equivalents	134,007,327	27,427,626	150,440,668	(46,542,928)
Translation adjustments	512,975	(4,527,409)	-	-
Net increase (decrease) in cash and cash equivalents	134,520,302	22,900,217	150,440,668	(46,542,928)
Cash and cash equivalents at beginning of period	560,316,125	537,415,908	437,882,168	484,425,096
Cash and cash equivalents at end of period (Note 8)	<u>694,836,427</u>	<u>560,316,125</u>	<u>588,322,836</u>	<u>437,882,168</u>
Supplemental disclosure of cash flows information				
Non-cash related transactions				
Assets acquired under hire-purchase and finance lease agreements	-	15,946,432	-	15,946,432
Depreciation of the surplus portion of assets	-	595,149	-	595,149
Revaluation of assets	(3,529,850)	-	(3,529,850)	-
Changed the accounting policy employee benefits				
Decrease in Long-term provision - provision for employees' benefits	-	(163,144,148)	-	(163,144,148)
Increase in beginning 2010 retained earnings	-	163,144,148	-	163,144,148

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

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

Consolidated financial statements											
Equity attributable to the Company's shareholders											
	Note	Issued and paid up share capital	Retained earnings		Other components of shareholders' equity			Total equity attributable to shareholders of the Company	Own shares held by the subsidiary	Capital surplus treasury common shares	Total
			Appropriated - statutory reserve	Unappropriated	Revaluation surplus on assets	Other comprehensive income					
						Translation adjustments	Total other components of shareholders' equity				
Balance as at 1 January 2010		401,161,682	40,120,000	716,815,725	7,430,209	(21,297,028)	(13,866,819)	1,144,230,588	(13,552,457)	-	1,130,678,131
Effects of adoption the new accounting policy											
- Provisions for employee benefits	21	-	-	163,144,148	-	-	-	163,144,148	-	-	163,144,148
- Depreciation	6	-	-	(4,124,695)	-	-	-	(4,124,695)	-	-	(4,124,695)
Balance as at 1 January 2010 - after restatement		401,161,682	40,120,000	875,835,178	7,430,209	(21,297,028)	(13,866,819)	1,303,250,041	(13,552,457)	-	1,289,697,584
Dividend paid	28	-	-	(77,519,425)	-	-	-	(77,519,425)	-	-	(77,519,425)
Sale of own shares held by the subsidiary		-	-	(3,011,657)	-	-	-	(3,011,657)	13,552,457	68,924,184	79,464,984
Total comprehensive income for the periods		-	-	350,607,212	(595,149)	(4,527,409)	(5,122,558)	345,484,654	-	-	345,484,654
Transfer to retained earnings		-	-	756,880	(756,880)	-	(756,880)	-	-	-	-
Balance as at 31 December 2010 - after restatement		401,161,682	40,120,000	1,146,668,188	6,078,180	(25,824,437)	(19,746,257)	1,568,203,613	-	68,924,184	1,637,127,797
Share capital increased	22	100,290,420	-	-	-	-	-	100,290,420	-	-	100,290,420
Dividend paid	28	-	-	(240,696,973)	-	-	-	(240,696,973)	-	-	(240,696,973)
Transfer to legal reserve		-	10,030,000	(10,030,000)	-	-	-	-	-	-	-
Total comprehensive income for the periods		-	-	165,010,472	(3,529,850)	512,974	(3,016,876)	161,993,596	-	-	161,993,596
Transfer to retained earnings		-	-	716,890	(716,890)	-	(716,890)	-	-	-	-
Balance as at 31 December 2011		501,452,102	50,150,000	1,061,668,577	1,831,440	(25,311,463)	(23,480,023)	1,589,790,656	-	68,924,184	1,658,714,840

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

CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit: Baht)

	Note	Separate financial statements				Total
		Issued and paid up share capital	Retained earnings Appropriated - statutory reserve	Unappropriated	Other components of equity Other comprehensive income Revaluation surplus on assets	
Balance as at 1 January 2010		401,161,682	40,120,000	670,355,704	7,430,209	1,119,067,595
Effects of adoption the new accounting policy						
- Provisions for employee benefits	21	-	-	163,144,148	-	163,144,148
- Depreciation	6	-	-	(4,124,695)	-	(4,124,695)
Balance as at 1 January 2010 - after restatement		401,161,682	40,120,000	829,375,157	7,430,209	1,278,087,048
Dividend paid	28	-	-	(80,229,916)	-	(80,229,916)
Total comprehensive income for the periods		-	-	424,262,535	(595,149)	423,667,386
Transfer to retained earnings		-	-	756,880	(756,880)	-
Balance as at 31 December 2010 - after restatement		401,161,682	40,120,000	1,174,164,656	6,078,180	1,621,524,518
Share capital increased	22	100,290,420	-	-	-	100,290,420
Dividend paid	28	-	-	(240,696,973)	-	(240,696,973)
Transfer to legal reserve			10,030,000	(10,030,000)	-	-
Total comprehensive income for the periods		-	-	182,916,196	(3,529,850)	179,386,346
Transfer to retained earnings		-	-	716,890	(716,890)	-
Balance as at 31 December 2011		501,452,102	50,150,000	1,107,070,769	1,831,440	1,660,504,311

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

**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	
			2011	2010	2011	2010
			(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
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	Movements during the year		Balance as at
	1 January	Increase	Decrease	31 December
	2011			2011
<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	Vehicles		Total	
leasehold	and	equipment				
Land	Land	equipment	equipment			
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

	Separate financial statements							
	Revaluation basis	Cost basis						
		Buildings on leasehold Land	Construction machinery and equipment			Furniture, fixtures and Equipment	Motor Vehicles	Total
			Land	Land	equipment	Equipment	Vehicles	
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.

Financial position and results of operations

Financial statements

Auditor's Reports

The Company has appointed Mrs. Suvimol Krittayakiern, Certified Public Account No. 2982 or Miss Somjintana Pholhirunrat, Certified Public Accountant No. 5599 or Mr. Wisut Petpanitkul, Certified Public Accountant No. 7309 of DIA International Auditing as the statutory auditors of the Company for the year 2011, as the following summary reports.

Year 2011, Auditor (Mr. Wisut Petpanitkul, Certified Public Accountant No. 7309 from DIA International Audit Co., Ltd) expressed an unqualified opinion on the financial statements which did not audit the 2011 financial statements of the joint venture that were audited by its auditor and have already received the audit report from that auditor. The auditor conducted his audit in accordance with generally accepted auditing standards includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. Without expressing a qualifying opinion on the financial statements, as stated in notes 6 and 7 to financial statements, during the year ended December 31 2011, the Company has changed the accounting policy related to Property, Plant and Equipment and Investment Property. Accordingly, the comparative consolidated financial statements and separate financial statements for the year ended 31 December 2010 and the consolidated financial statements of financial position and separate statements of financial position as at 31 December 2010 have been retroactively adjusted by the effects of changes in such accounting policy. He also audited the adjustments that affected the statements of financial position for the year ended 31 December 2010. In the auditor opinion, such adjustments are appropriate and have been properly applied. As stated in notes 2, 3, 4 and 6 to the financial statements for the year ended December 31, 2011, the Company adopted the revised financial reporting standards issued by the Federation of Accounting Professions, that the adoption is effective for the financial statements beginning on or after January 1, 2011 for preparation and presentation of these financial statements. Accordingly the comparative financial statements for the year ended December 31, 2010 have been presented by the new format in accordance with the financial statements for the year ended December 31, 2011.

Year 2010, Auditor (Mr. Wisut Petpanitkul, Certified Public Accountant No. 7309 from DIA International Audit Co., Ltd) expressed an unqualified opinion on the financial statements which did not audit the 2011 financial statements of the joint venture that were audited by its auditor and have already received the audit report from that auditor. The auditor conducted his audit in accordance with generally accepted auditing standards includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. Without expressing a qualified opinion, as stated in note 19 to financial statements, since 31 December 2010, the Company has applied TAS 19 "Employee Benefits" before the effective date. From changes in that accounting policy the Company has recognized the increment of employee benefits by adjusting the beginning retained earnings of the accounting period for the year 2010. The auditor also audited the

adjustments of retained earnings that were applied to restate the consolidated financial statements and separate financial statements. In auditor's opinion, such adjustments are appropriate and have been properly applied.

The 2009 Auditor (Ms. Kamontip Lertwitworatep Certified Public Accountant Registration No. 4377 Ernst & Young Ernst & Young Office Ltd.) expressed an unqualified opinion on the financial statements which did not audit the 2008 financial statements of the joint venture that were audited by its auditor and had received the audit report from that auditor. The auditor conducted her audit in accordance with generally accepted auditing standards includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

CHANGE IN ACCOUNTING POLICIES

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

Details of new accounting policies are summarised as follows:

1. 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

2. 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 has been applied retroactively.

3. Investment property

This accounting standard requires entities to choose to recognize 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 recognized in the income statement. Investment property was previously recognized 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.

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: Million Baht)	
	Consolidated financial statements	Separate financial statements
Statement of Financial Position as at 31 December 2010		
Investment properties decrease	0.021	0.021
Property, plant and equipment – net increase	4.004	4.004
Long-term provision – other increase	9.000	9.000
Retained earnings - decrease	5.017	5.017
Statement of income for the year ended 31 December 2010		
Depreciation –Property, plant and equipment - increase	0.474	0.474
Depreciation – Investment properties – increase	0.419	0.419
Basic earnings per share - decrease (Baht)	0.001	0.001

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 enforced 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: Million Baht)	
	Consolidated financial statements	Separate financial statements
Statement of Financial Position as at 31 December 2010		
Retained earnings - increase	0.757	0.757
Statement of income for the year ended 31 December 2010		
Depreciation – increase	0.757	0.757
Basic earnings per share - decrease (Baht)	0.002	0.002

In year 2010, the Company applied the accounting standards no. 19 "Employee Benefits" before the effective date.

From changes in accounting policy, the Company had 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 those accounting standards.

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Balance sheet as at 1 January 2010		
Increase in other current liabilities	2.1	2.1
Decrease in long-term provision - provision for employees' benefits	(165.24)	(165.24)
Increase in balance of unappropriated retained earnings	163.14	163.14

Management's Discussion and Analysis of Financial Status and Performance

Financial statements and consolidated financial statements

Total Assets

As at December 31, 2011 total assets of the Company was Baht 4,144 million and total assets of the Company and its subsidiaries was Baht 4,142 million, increasing by Baht 739 million and Baht 717 million, or 21.7% and 20.9% respectively, due to the increase in current assets in the separate financial statements and in the consolidated financial statements by Baht 680 million and Baht 663 million respectively, and the increase in non-current assets by Baht 59 million and Baht 54 million respectively, mainly as follows.

The increase in current assets

The current assets in the separate financial statements and consolidated financial statements increased by Baht 680 million and Baht 663 million respectively. In 2011,

the Company had higher liquidity than that of the year 2010, from share capital increase of Baht 100 million and the increase of construction revenue. In order to get high returns and low risk, the management increased the investment in Treasury bills, as a result, cash and cash equivalents increased in the separate financial statements and consolidated financial statements by Baht 150 million and Baht 135 million respectively. However, short-term investments decreased by Baht 80 million in both consolidated financial statements and separate financial statements since the Company invested in long term Government bonds as a guarantee to project tenders, the electricity usage and to secure the credit facilities of the Company granted by banks.

The increase of construction revenue and the severe flooding since October 2011 some construction projects temporarily suspended their construction. The delay of repayment from construction contract debtors during the brief period in late 2011, caused the increase of the construction contract debtors, in separate financial statements and the consolidated financial statements of Baht 307 million and Baht 310 million respectively. Construction contracts in progress and advance for construction increased from 2010 both in the separate financial statements and consolidated financial statements of Baht 168 million and Baht 159 million respectively. In 2011, the Company received a refund for withholding tax deducted at source, which resulted in the decrease in other current assets in the consolidated financial statements by Baht 25 million and Baht 27 million respectively.

The increase in non-current assets

The non-current assets in the separate financial statements and consolidated financial statements increased by Baht 59 million and Baht 54 million respectively. In 2011, the Company invested in long term government bonds increasingly in both in the separate financial statements and consolidated financial statements of Baht 100 million. The restricted deposits in the separate financial statements and consolidated financial statements decreased by Baht 37 million and Baht 43 million respectively. In 2011, certain subsidiary companies and joint ventures were under dissolution and liquidation, as a result, investments in subsidiaries and joint ventures in the separate financial statements decreased by Baht 4 million and Baht 1 million respectively, and accounts receivable and loans to related parties in the separate financial statements decreased by Baht 12 million. Also in 2011, the Company transferred an Investment Property to Property, Plant and Equipment causing the Investment Property in the separate financial statements and consolidated financial statements to decline by Baht 27 million. With the transfer of Investment Property and purchase of fixed assets, the Property Plant and Equipment - net both in the separate financial statements and consolidated financial statements increased by Baht 41 million. Other non-current assets declined in the separate financial statements and consolidated financial statements by Baht 2 million due to amortization of lease prepayment expenses for the year 2011. The subsidiary in a foreign country has registered its dissolution and liquidation successfully on May 24, 2011 so that the net assets of the discontinued operations in the consolidated financial statements decreased by Baht 15 million.

Liabilities

As at December 31, 2011, Liabilities of the Company was Baht 2,484 million and total liabilities of the Company and its subsidiaries was Baht 2,483 million, increasing from the year 2010 by Baht 700 million and Baht 695 million or 39.3% and 38.9% respectively, mainly due to the Company accounts payable and advances from customers increased from the year 2010 by Baht 726 million in the separate financial statements and Baht 724 million in the consolidated financial statements, as a result of the increase in construction income. In 2011, the overseas operation, which was in

the process of dissolution of the company, made a payment of capital returned to shareholders in advance. As a result, in the separate financial statements, there was an increase in advance from capital return on investments by Baht 3 million. There was the decrease in liabilities of both of the separate financial statements and the consolidated financial statements by Baht 29 million because the Company paid debts under hire-purchase and financial lease before due date.

The Shareholders' Equity

The shareholders' equity of the Company as at 31 December 2011 was Baht 1,661 million, increased from the year 2010 by Baht 39 million, equivalent to 2.4%, as the Company has increased its share capital offered to the existing shareholders of Baht 100 million and paid-up in full, net profit for the year 2011 was Baht 183 million and dividend payment was Baht 240 million. In 2011, the Company has revalued its property by the independent assessor; the decrease in net value of buildings assessed caused the decline in the surplus from the revaluation of assets by Baht 4 million.

The shareholders' equity of the Company and its subsidiaries as at 31 December 2011 was Baht 1,659 million, increased from the year 2010 by Baht 22 million, equivalent to 1.3 % due to the increase in share capital of Baht 100 million, net income of Baht 165 million, and the dividend payment of Baht 240 million. In addition, there was the decrease in surplus from revaluation of assets of Baht 4 million, and the increase in the translation adjustment in the foreign subsidiaries financial statements by Baht 1 million.

Liquidity

The Company's liquidity level is satisfactory. The net cash flow from operations in 2011 was Baht 325 million in the separate financial statements and Baht 329 million in the consolidated financial statements, decreased from year 2010 by Baht 54 million both in the separate financial statements and consolidated financial statements. In 2011, the refund of withholding tax from The Revenue Department was less than that of 2010 by Baht 81 million; on the other hand, the withholding tax withheld by customers was more than that of 2010 by Baht 26 million. Since the year 2010, the Company has paid the debt to the creditor lease and finance lease before due, as a result, interest expense decreased from year 2010 of Baht 4 million. Total cash from operating activities increased by Baht 49 million.

Cash and cash equivalents at the end of the year 2011 in the financial statements and consolidated financial statements increased by Baht 150 million and Baht 135 million respectively, due to decrease of cash paid for purchase of investments of Baht 295 million and increase in share capital of Baht 100 million. Payment for purchases of machinery and equipment increased by Baht 44 million both in the separate financial statements and consolidated financial statements. Dividend payment increased by Baht 163 million in separate financial statements and Baht 160 million in consolidated financial statements. For the year 2011, the dividend received from its subsidiaries decreased by Baht 51 million in the separate financial statements. The proceeds from the sale of shares decreased by Baht 79 million in the consolidated financial statements. Payment of finance lease liabilities decreased by Baht 19 million.

Overall, the Company's financial position remained strong, in 2011 the Company's current ratio and quick ratio in the separate financial statements and consolidated financial statements was equal to 1.42 times and 1.47 times and 0.76 times and 0.80 times respectively. As the 2011 ratio of these will result in a settlements in accordance with the payment to the creditors in the future.

Revenue and gross profit from operations

Total revenues for the Company and revenues of the Company, its subsidiaries and joint ventures entities in 2011 was Baht 4,839 million and Baht 4,822 million respectively, increasing from 2010 by Baht 663 million and Baht 715 million, or 15.9% and 17.4% The Company's revenue mainly came from construction income, which was 98.5% and 98.8% of total income in the separate financial statements and consolidated financial statements in 2011 respectively and was 97.3% and 99.1% that of in 2010 respectively.

Gross profit for the year 2011 decreased by Baht 206 million in the separate financial statements and Baht 208 million in consolidated financial statements, or equivalent of 39.3% and 39.6% respectively, mainly due to the increase in construction cost ratio as a result of inflation. In addition, in 2010 the Company had a reversal of cost estimates expenses for construction projects which were expected to be higher than in 2011. However, the Company still maintained the gross margins as stated in the Company's policy. In 2011, the Company's gross margin in the separate financial statements and consolidated financial statements was 6.7%.

The administrative expenses

Administrative expenses for the years 2011 and 2010 in the consolidated financial statements were approximately the same at Baht 206 million. In fiscal year 2011 they were only Baht 205 million in the separate financial statements which was close to the previous year. Since the Company remained focused in controlling the administrative expenses and unnecessary expenses, the administrative expenses ratio to total revenues materially reduced from 4.9% to 4.3% in separate financial statements and from 5% to 4.3% in consolidated financial statements respectively.

Other expenses

Other expenses in the consolidated financial statements for 2011 were Baht 1 million, a decrease from the year 2010 of Baht 1 million due to the joint venture had bad debts and doubtful debts of Baht 2 million in 2010. In year 2011, an increase in the separate financial statements of Baht 1 million since the Company had written off the bad debt and doubtful debts of Baht 1 million.

Construction cost

The Company construction cost mainly are materials, subcontractors, plant equipment and labor which depend on market conditions. The construction cost in separate financial statements and consolidated financial statements for the year 2011 was Baht 4,448 million, increased from the year 2010 by Baht 906 million, equivalent to 25.6% which increased in the proportion of rising construction revenue and the inflation. In addition in year 2010 a reversal of estimated expenses for construction projects that do not have more than year 2011. However, the Company still maintained the gross margins as stated in the Company's policy by optimizing the management of construction projects to reduce costs.

Financial costs

In year 2011, financial expenses decreased by Baht 4 million from year 2010 both in the separate financial statements and the consolidated financial statements, or equal to 62% due to decrease in interest expense from a rising of repayment of hire purchase and finance lease liabilities before the maturity date in years 2010 and 2011.

Income tax for the period

The Company was not liable to income tax in the financial statements for the years 2011 and 2010 as expenses which were allowed for tax computation purpose in 2011 exceed income for the year, and there were tax losses brought forward in year 2010. However, in 2010 the income tax was Baht 0.4 million in the consolidated financial statements due to the taxable income from joint venture entities.

The results of discontinued operations

The results of discontinued operations in the consolidated financial statements for 2011 are not materially significant. This is because in 2011, the Board of Directors of a subsidiary company has approved the dissolution and liquidation, and the process was completed on May 24, 2011. The Company received cash return for the capital of \$168,800, or about Baht 5.1 million.

Net profit

For the year ended 31 December 2011, the separate financial statements showed that the net profit of Baht 183 million decreased from the previous year by Baht 241 million, mainly because the ratio of construction cost to revenue from construction project increased in 2011, in addition, in year 2010 the Company had the reversal of estimate expenses for construction projects higher than this year, which resulted in a decrease of the gross profit of Baht 206 million, furthermore, in year 2011, the Company's dividend income from subsidiaries decreased by Baht 51 million. However, in year 2011, the interest income from bank deposit, Treasury bill and Government bond increased from 2010 by Baht 16 million.

For the fiscal year 2011, the consolidated financial statements net profit was Baht 165 million decreased from the previous year by Baht 186 million. The gross profit of the Company decreased from the previous year by Baht 208 million as mentioned above, whereas the interest income from bank deposit, Treasury bill and Government bond increased by Baht 18 million. Since in year 2011, the subsidiary companies and joint ventures have stopped operations due to the dissolution and liquidation, these resulted in the related business operations decreasing by Baht 4 million.

Comprehensive income

The total comprehensive income of the separate financial statements presented total loss for the year 2011 of Baht 4 million since the net value of the building assessed by independent appraiser declined by Baht 4 million in 2011.

Comprehensive loss for the consolidated financial statements for the year 2011 was Baht 3 million, a decrease from the year 2010 by Baht 2 million mainly due to the appreciation of the U.S. dollar currency against Baht and Euro currencies. As a result, the net assets of subsidiaries in foreign countries are translated into Baht at the higher value of Baht 5 million. And in 2011, net value of the building declined by Baht 4 million, as mentioned above.

Remuneration of the auditor

1. The remuneration of the auditor (audit fee).

The Company and its subsidiaries paid the audit fee to:

- Auditor of the Company in the past fiscal financial year, with total amount of Baht - .
- Office of auditing, relevant persons or entities in the past fiscal financial year, with total amount of Baht 1,520,000 .

2. The other services (non-audit fee)

The Company and its subsidiaries paid for other services such as - .to:

- Auditor of the Company in the past fiscal financial year with total amount of Baht - .and any payment has to be paid in the future by the agreement with incomplete services in past fiscal financial year with total amount of Baht - .
- Office of auditing, relevant persons or entities in the past fiscal financial year in the amount of Baht - .and any payment has to be paid in the future by the agreement with incomplete services in past fiscal financial year with total amount of Baht - .

Attachment 1

Directors and Executive Offices

	Name-Surname/Position	Age	Education (2)	Percentage of Share- holding (3)	Relationship with the Executive (4)	Experience of work in past 5 years		
						During	Position	Name of Company / Business (5)
1	MR. Santi Grachangnetra Chairman of the Board	67	Master Degree in Engineer DAP Program	None	None	15/9/08-Present	Chairman of the Board	Christiani & Nielsen (Thai) PCL Construction Contractor
2	Mr. Pratip Wongnirund Chairman of Audit Committee	77	Certificate of Accountancy DCP Program	0.16	None	2001-Present 2000-Present 2005-Present	Chairman of Audit Committee Chairman of Audit Committee Director	Christiani & Nielsen (Thai) PCL Construction Contractor Land & House PCL. / Property Quality House Construction Product / Construction
3	Mr.Pamornsak Suracupt Member of Audit Committee	66	Diploma in Accountancy CPA of Australia DCP Program	None	None	2001-Present	Audit Committee	Christiani & Nielsen (Thai) PCL Construction Contractor
4	Mr. Vinai Vamvanich Member of Audit Committee	70	Professional Certificate of Accountancy (CPA Australia) DCP (11/2005) Program CDC (1/2007) Program	0.04	None	2001-11/11/11 2005-Present 1998 - Present 1997 - Present	Audit Committee Chairman of Audit Committee Director Director	Christiani & Nielsen (Thai) PCL Construction Contractor Palang Sophon Limited PCL/ Energy Phadang Industry / Mining Petrochemical Continental (Thailand) Co. Ltd. / Chemical
5	Mr. Somchai Jongsirilerd Director Chief Executive Officer and Managing Director, Construction	53	Bachelor Degree in Engineer Master Degree in Administration DAP Program	None	None	13/5/09-Present 10/4/08-Present 1995 - Present	CEO/MD Construction MD Construction Director	Christiani & Nielsen (Thai) PCL Construction Contractor Christiani & Nielsen (Thai) PCL Construction Contractor The Pet Co., Ltd./ Plastic Bottle

Attachment 1

	Name-Surname/Position	Age	Education (2)	Percentage of Share- holding (3)	Relationship with the Executive (4)	Experience of work in past 5 years		
						During	Position	Name of Company / Business (5)
7	Mr. Staporn Phettkongkam Independent Director	61	Bachelor Engineer Master Degree in Admin. Phd. Educational Admin.	None	None	13/5/09-11/11/11 1998-2008	Director Company Secretary/ Business Relationship	Christiani & Nielsen (Thai) PCL Construction Contractor Siam City Cement PCL Manufacture & Distributor
8	Mr. Surasak Osathanugraha Director and Company Secretary Assistant of CEO	44	Bachelor Degree in Accounting and Laws Master Degree in Financial DAP Program CSP Program	None	None	1/12/09-Present 2004-2009	Assistant CEO Managing Director	Christiani & Nielsen (Thai) PCL Construction Contractor Natural Park Co., Ltd. (Subsidiary)/ Property Development
9	Mr. Kirit Shah Director / Vice Chairman of the Board	59	Bachelor in Commercial DCP Program 57/2005	None	None	11/11/11-Present 2007 - Present 2007 - Present	Vice Chairman of the Board Director Director	Christiani & Nielsen (Thai) PCL Construction Contractor Precious Shipping Pcl/Marine Globex Corporation Co.Ltd./Holding
10	Mr. Anumulu Ramakrishana Member of Audit Committee	72	Bachelor Degree in Engineer	None	None	11/11/11-Present 2000 - 2004 (Retirement)	Audit Committee Vice President	Christiani & Nielsen (Thai) PCL Construction Contractor Larsen & Tourbro Ltd, India Construction
11	Mr.Khushroo Kali Wadia Director	48	Bachelor Degree in Math-Stat and Economic Auditor Certified Public Accountant from India DCP 64/2005	None	None	11/11/11-Present 2001 – Present	Director Director (Finance)	Christiani & Nielsen (Thai) PCL Construction Contractor Precious Shipping Pcl / Marine

Attachment 1

	Name-Surname/Position	Age	Education (2)	Percentage of Share- holding (3)	Relationship with the Executive (4)	Experience of work in past 5 years		
						During	Position	Name of Company / Business (5)
12	Mrs. Jurairat Suksawatdi Na Ayudhaya Director of Finance and Account	56	Bachelor Degree Accounting Master Degree in Admin. DCP (44/2001) CSP (28/2008)	None	None	2001 -12/11/11 2001 - Present	Director Director of Finance and Account	Christiani & Nielsen (Thai) PCL Construction Contractor
13	Mr. Narong Bharktongsook Director of Operation	75	Bachelor Degree in Engineer	0.13	None	2006 - Present	Director of Operation	Christiani & Nielsen (Thai) PCL Construction Contractor
14	Mr. Narong Mantanawongsin Assistant Director – Business Development	55	Bachelor Degree in Engineer Master Degree in Administration	None	None	2007 – Present 1 997 - 2007	Assistant Director of Business Development Senior Manager - Construction	Christiani & Nielsen (Thai) PCL Construction Contractor
15	Mr. Nipon Punsakdi Assistant Director of Operation	55	Bachelor Degree in Engineer	None	None	2007 – Present 2005 - 2007	Assistant Director of Operation Senior Manager Construction	Christiani & Nielsen (Thai) PCL Construction Contractor

Note: The directors authorized signatures to binding the Company are **Mr. Kirit Shah and Mr. Khushroo Kali Wadia jointly sign with Company’s seal affixed or Mr. Santi Grachangnetara and Mr. Somchai Jongsirilerd jointly sign with the Company’s seal affixed or any one of Mr. Santi Grachangnetara and Mr. Somchai Jongsirilerd jointly sign with Mr. Surasak Osathanugraha with the Company’s seal affixed.**

Institution of Directors’ Programme

DCP = Director Certificate Program
DAP = Director Accreditation Program
CSP = Company Secretary Program