

(TRANSLATION)

Ref: DY/SEC/001/2007

23 February 2007

Subject: Explanation of the year 2006's operating result which has varied by 20 % over or under that of the preceding year

To: The Secretary
The Office of the Securities and Exchange Commission

Christiani & Nielsen Thai PCL. would like to explain the reasons for the actual operating result varying by 20% from the preceding year.

The Company would like to inform that for the year ended 31 December 2006, the Consolidated net profit of Baht 66 million decreased from the previous year by Baht 70 million, as in year 2006, the Costs of Construction increased due mainly to the soaring oil prices and the increase in interest rates in the market. In addition, the Company has set up the full estimated loss from construction projects due to extended period of the construction contracts which resulted in a decrease of the gross margin of Baht 45 million. In year 2006, the Subsidiary had a decrease of dividend income from the Associated from the previous year of Baht 27 million.

For the Financial Statement of the Company only, the net profit of Baht 52 million decreased from the previous year by Baht 39 million due to a decrease of the gross margin of Baht 32 million, for the above-mentioned reasons. In year 2005, the Company had reversal of liabilities for guarantee obligations of Baht 8 million.

Furthermore, the Company would like to clarify the reason that the net profit in the Company's financial statement was not equivalent to that of the consolidated. In this regard, the Company has changed its accounting policy for presenting investments in subsidiaries in the separate financial statements from the equity method to the cost method in financial year 2006, in accordance with the Accounting Standard No. 44. The Company also restated its prior year financial statements as though the investment in the subsidiaries had originally been recorded using the cost method. The change has the effect of decreasing net income in the separate financial statements of 2006 and 2005 by Baht 14 million and Baht 46 million (decreasing by Baht 0.04 per share and Baht 0.13 per share) respectively. The cumulative effect of the change in accounting policy has been presented under the heading of "Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies in the separate financial statements" in the statements of changes in shareholders' equity. The change of accounting policy did not have any effect on the Consolidated financial statements.

Please be informed accordingly.

Yours faithfully,
Christiani & Nielsen (Thai) Public Company Limited

Signature –

(Mr. Danuch Yontarak)
Managing Director

CC: Vice President, Listed Company Department
The Stock Exchange of Thailand