

(TRANSLATION)

Ref: DY/SEC/004/2007

14 November 2007

Subject: Explanation of the 3rd quarter 2007'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 nine-month period ended 30 September 2007, the Consolidated net profit of Baht 34 million decreased from the same period in previous year by Baht 25 million, as in year 2007, the Costs of Construction increased due mainly to the increase of oil prices, wages and transportation, which caused the cost of construction to also increase. For this reason, the Consolidated gross margin decreased by Baht 13 million, in year 2007 the Company had a decrease of dividend income and other income by 10 million and 2 million respectively.

For the Separate Financial Statement, the net profit for the nine-month period ended 30 September 2007 of Baht 19 million decreased from the same quarter in the previous year by Baht 33 million due to a decrease of the gross margin of Baht 10 million, for the above-mentioned reasons. In addition, in year 2007 the Company had a decrease of dividend income from the Joint Venture and other income of Baht 10 million and Baht 2 million respectively, including the increment of depreciation of Baht 11 million.

Furthermore, the Company would like to clarify that during the fourth quarter of 2006, the Company changed its accounting policy for recording investments in subsidiaries and joint venture in the separate financial statements from the equity method to the cost method, in compliance with Notification No. 26/2549 regarding Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (Amendment No. 1), issued by the Federation of Accounting Professions, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method.

During the current period, the Company has restated the separate financial statements for the three-month and nine-month periods ended 30 September 2006, as though the investment in the subsidiaries and joint venture had originally been recorded using the cost method. The change has the effect of decreasing net income in the separate income statements for the three-month and nine-month periods ended 30 September 2006 by approximately Baht 12 million (Baht 0.03 per share) and Baht 7 million (Baht 0.02 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 subsidiaries and joint venture" in the separate statement of changes in shareholders' equity. Such change in accounting policy affects only the accounts related to investments in subsidiaries and joint venture in the separate financial statements, with no effect to 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