



CHRISTIANI & NIELSEN

Form 250-2

(TRANSLATION)

Opinions of the Business Regarding the Tender Offer

Ref. MGT/SET/08/009

August 27, 2008

To Securities Holders:

On August 5, 2008, Christiani & Nielsen (Thai) Public Company Limited (hereinafter called "the Company" or "CNT") received a copy of the statement of a tender offer for our securities (Form 247-4) from CPB Equity Company Limited (the Tender Offeror or "CPBE"), as follows:

Type of securities	Number of securities		Percentage of securities		Offer Price per Unit (Baht)	Offer Value (Baht)
	Share/Units	Shares with voting rights	To the total issued securities	To the total shares with voting rights		
Ordinary Shares	114,944,932	114,944,932	28.65	28.65	2.50	287,362,330
Preferred shares	-	-	-	-	-	-
Warrants	-	-	-	-	-	-
Convertible debentures	-	-	-	-	-	-
Other securities (if any)	-	-	-	-	-	-
Total				28.65	Total	287,362,330

Offer Price and Tender Offer Period

The offer price, which includes the right for dividend receipt, for the Company's ordinary shares is Baht 2.50 (Two Baht Fifty Satang) per share ("Offer Price") to be delivered by means of cash. Shareholders accepting this Offer are subject to the brokerage fee of 0.25 percent of the Offer Price and Value-added Tax (VAT) at the rate of 7 percent of the brokerage fee. Therefore, the net proceeds to the Shareholders are Baht 2.4933 (Two point four nine three three Baht) per share ("Net Offer Price").

The tender offer period will be a total of 25 business days from August 6, 2008 to September 10, 2008 (the "Offer Period") during the hours of 9.00 a.m. to 4.00 p.m.

Such Offer Price is final and will not be changed (Final Offer) and the Offer Period is final and will not be extended (Final Period), unless falling within the following conditions:

- The Offeror may reduce the Offer Price or extend the Offer Period upon an occurrence of any event or action which causes or may cause a material adverse effect to the assets or status of the Company during the Offer Period.



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Conditions of Cancellation of the Tender Offer

The Offeror may cancel the Tender Offer upon the occurrence of one or more of the following events;

1. Any event or action occurring, after the submission of the Tender Offer documents to the Securities and Exchange Commission ("the SEC") but before the end of the Offer Period, which have or may have a material adverse effect on the Company's status or assets, and where such event or action is not the result of the Offeror's actions under the responsibility of the Offeror;
2. Any actions, conducted by the Company after the SEC's acceptance of the Tender Offer but still in the Tender Offer Period, which have or may have caused a dramatic decrease in the value of the Company's ordinary shares.

The Company considered the Tender Offer with regard to the benefits to the securities holder and would like to express opinions for your consideration as follows:

1. **The status of the Company in respect of past and future operating results together with assumptions**

Nature of business and past performance

CNT was established in 1930 as a limited company under the joint-venture between Christiani & Nielsen A/S (Denmark), East-Asiatic Co., Ltd. and the Crown Property Bureau and converted its status to a public company on November 26, 1992. In 2002, CNT as a guarantor of its subsidiary was called by the debtor to repay its subsidiary's loans and other obligations. In addition, CNT, at that time, had a retained loss from its own operation more than its paid-up capital. Its management viewed that CNT could not repay all the liabilities. Therefore, on May 31, 2002, CNT filed the rehabilitation plan to the Central Court of Bankruptcy in order to start its rehabilitation process. On September 22, 2004, CNT followed and completed most of its rehabilitation plan. As a result, the Stock Exchange of Thailand ("the SET") allowed CNT's shares to be traded again on the stock market. In addition, on September 1, 2005, the Central Court of Bankruptcy revoked the Company's rehabilitation plan.

CNT's principal activities are construction contractor business and civil engineering such as road construction, infrastructure works, building works, factory works, slip-form silo works, and waste water drainage. In addition, CNT is capable of construction as an Engineering Procurement and Construction (EPC) Contractor on demand of the customer.

CNT's main customers include government agencies, academic institutions and private companies. The types of construction work can be classified as follows:

1. Infrastructure works for government agencies CNT is classified as a special contractor of the Department of Highway and also a first-class contractor by the Royal Irrigation Department, Department of Rural Roads and Bangkok Metropolitan Administration. In addition, CNT is classified to provide the construction services for those specified government agencies without any maximum limit on construction value.



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2. Agriculture industry CNT is specialized in constructing the slip-form concrete silo work which requires specialist expertise and an experienced contractor.
3. Energy and oil industry Recently, CNT started participating in bidding and performing construction work from state enterprises and other private companies because CNT viewed that the bidding competition for this industry is not as severe as other industries due to the fact that there are only a few contractors capable of this kind of construction.
4. Private sector CNT has skillful working teams with specialization in building work which requires a high construction quality and good time management of construction, so that the customers, such as five-star hotels and department stores, can operate their business on schedule.

CNT's financial position, operational performance and financial ratios during 2005 -2007 and the 1st half 2008

(Unit: thousand Baht)

		Consolidated Financial Statement			
		Jan-Jun 2008	2007	2006 (Restated)	2005
	Operational Performance				
	Construction Income	2,287,310	6,301,809	4,837,237	3,623,304
	Costs of Construction	2,183,973	6,047,008	4,623,740	3,365,168
	Administrative expenses	86,107	153,698	161,042	151,349
	Net income (loss)	24,178	117,179	65,896	136,172
	Financial Position				
	Cash and cash equivalents	191,510	195,961	153,774	391,026
	Construction contract debtors – net	878,052	881,839	771,052	507,155
*	Construction contracts in progress	952,753	861,497	1,045,304	670,795
	Withholding tax deducted at source	529,376	467,129	290,935	268,244
	Others	78,351	88,345	58,731	154,110
	Total current assets	2,630,042	2,494,771	2,319,796	1,991,330
*	Restricted deposits	185,372	162,540	139,587	83,840
	Investments in associated and other companies - net	2,818	2,818	2,318	2,218
	Plant and equipment - net	184,711	196,395	168,902	144,639
*	Net assets of discontinued operation units	353,888	327,361	306,740	336,533
	Other non-current assets	121,551	117,612	101,679	99,823
	Total non-current assets	848,340	806,726	719,226	667,053
	Total assets	3,478,382	3,301,497	3,039,022	2,658,383
	Bank overdrafts and short-term bank loans	120,440	36,727	7,135	729



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(Unit: thousand Baht)

		Consolidated Financial Statement			
		Jan-Jun 2008	2007	2006 (Restated)	2005
	Accounts payable and accrued construction costs	1,238,879	1,063,643	1,021,815	709,512
*	Estimated expenses for construction projects	486,825	536,625	389,880	380,915
	Other current liabilities	393,485	412,952	479,491	432,562
	Total current liabilities	2,239,629	2,049,947	1,898,321	1,523,718
	Non-current liabilities	236,219	233,353	207,607	171,790
	Total liabilities	2,475,848	2,283,300	2,105,928	1,695,508
	Share capital	401,163	401,163	401,163	401,163
	Paid up share capital	401,162	401,162	401,162	401,162
*	Revaluation surplus on assets	8,606	8,998	-	342
*	Translation adjustments	(48,915)	(48,225)	(26,531)	30,044
	Retained earnings	655,233	669,814	572,015	544,879
*	Equity attributable to the Company's shareholders	1,016,086	1,031,749	946,646	976,427
*	Own shares held by the subsidiary	(13,552)	(13,552)	(13,552)	(13,552)
	Total shareholders' equity	1,002,534	1,018,197	933,094	962,875
	Cash flows				
	Cash flows from (used in) operating activities	22,819	171,368	(68,265)	23,683
	Cash flows from (used in) investing activities	(65,287)	(106,359)	(68,148)	85,006
	Cash flows from (used in) financing activities	38,705	(1,127)	(44,263)	(20,932)
		Jan-Jun 2008	2007	2006	2005
	<u>Liquidity Ratios</u>				
	Current Ratio (times)	1.17	1.22	1.22	1.31
	Accounts Receivable Turnover Ratio (times)	4.63	6.74	6.30	6.11
	Accounts Payable Turnover Ratio (times)	3.77	5.80	5.34	5.17
	<u>Profitability Ratios</u>				
	Gross Profit Margin	4.52%	4.04%	4.41%	7.12%
	Operating Profit Margin	(0.13%)	1.51%	1.04%	3.70%
	Net Profit Margin	1.06%	1.85%	1.35%	3.69%
	Return on Equity	4.80%	12.01%	6.95%	15.36%



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CNT's financial position and operational performance during 2005-2007 and for the 1st half 2008

Operational Performance year 2005 – 2007

Construction and Gross Profit

The Company and its subsidiaries reported total construction revenue in year 2005 – 2007 of Baht 3,623 million, Baht 4,837 million and Baht 6,302 million, respectively, an increase of Baht 1,214 million or 33.5% from year 2005 and Baht 1,465 million or 30.3% from year 2006 and had the gross profit margin of 7.12%, 4.41% and 4.04%, respectively. The construction revenue increased in year 2006 – 2007 due mainly to an increase in the volume of construction projects of approximately of 30 – 33%, which helped to compensate for soaring oil prices in the market and uncontrollable construction costs, in order to increase gross profit and maintain the same rate of gross profit margin as year 2006. In addition, the Company had set up the full estimated loss from construction projects which occurred from the outside uncontrollable costs.

Costs of Construction

The main construction costs are labour, plant, materials, subcontractors and general expenses, which depend on the state of the market. In year 2006 – 2007, the reported construction costs of the Company and Subsidiaries were Baht 4,624 million and Baht 6,047 million, an increase from year 2005 of Baht 1,259 million, and from year 2006 Baht 1,423 million, which increased in the same proportion as the higher construction revenue volume and the said full estimated loss from construction projects which occurred from outside uncontrollable costs.

Net Profit

The net profit of the Company and its subsidiaries in year 2005 and year 2006 was Baht 136 million and Baht 66 million, a decrease from year 2005 of Baht 70 million. As in year 2006, the Costs of Construction increased mainly due to the soaring oil prices and uncontrollable construction costs in the market. In addition, the Company had set up the full estimated loss from construction projects due to the extended period of the construction contracts which resulted in a decrease of the gross profit of Baht 45 million or decrease from 7.12% to 4.41%. Also, in year 2006, the Subsidiary had a decrease of dividend income from the Other Company from the previous year of Baht 27 million.

In year 2007, the Company and its subsidiaries net profit was Baht 117 million, an increase from year 2006 of Baht 51 million. As in year 2007, the Construction income increased from the previous year by approximately of 30%, which resulted in an increase of the gross profit of Baht 42 million or 19.72%. In year 2007, the subsidiary company had an increase of dividend income from the other company from the previous year of Baht 10 million. The results of discontinued operation units increased from year 2006 by Baht 7 million.



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Administrative Expenses

The administrative expenses of the Company and its subsidiaries in year 2007 was Baht 154 million, a decrease of Baht 7 million or 4.35% due to the decrease of administrative expenses in Jointly Controlled entities.

The 1st half 2008 Operational Performances

For the 1st half 2008, the Company and its subsidiaries had a net profit of Baht 24 million, an increase from the same period in the previous year of Baht 6 million. As in year 2008, the gross profit of the Company and the jointly controlled entities increased from the previous year by Baht 6 million and the results of discontinued operation units increased by Baht 15 million. Other income decreased from year 2007 by Baht 2 million, administrative expenses and interest expenses increased from the previous year by Baht 12 million and Baht 1 million, respectively.

The gross profit margin for the 1st half 2008 was close to the rate of year 2006 and year 2007 which was approximately of 4.0 - 4.5%.

Total Assets

In year 2005 – 2007, the total assets of the Company and its subsidiaries were Baht 2,658 million, Baht 3,039 million and Baht 3,301 million, an increase from year 2005 of Baht 643 million or 24.19% due to the said increase in volume of construction projects that resulted in an increase of construction contract debtors from Baht 507 million in year 2005 to Baht 882 million in year 2007, which mainly were not over 3 months. Construction contracts in progress increased from Baht 671 million in year 2005 to Baht 861 million in year 2007. In addition, the plant and equipment–net increased from year 2005 by Baht 51 million, since the Company had purchased construction machinery and equipment to replace the old ones and to support the high technologies and efficiency improvement of construction.

Total Liabilities

In year 2005 – 2007, the total liabilities of the Company and its subsidiaries were Baht 1,696 million, Baht 2,106 million and Baht 2,283 million, an increase from year 2005 of Baht 587 million or 34.61% due to the increase of account payable and accrued construction costs. In addition, the estimated loss from construction projects increased from year 2005 by Baht 156 million. However, the capacity of payment to the creditors was still maintained according to the Company policy, which for year 2007 the rollover of payment date decreased from 67 – 70 days to 63 days.

Shareholders' equity

Shareholders' equity of the Company and its subsidiaries as of 31 December 2007 was Baht 1,018 million, an increase from year 2005 of Baht 55 million or 5.71%, since the Company and its subsidiaries had the net profit of Baht 66 million in year 2006 and Baht 117 million in year 2007, an increase of revaluation surplus on assets of Baht 9 million, dividend paid to shareholders of Baht 59 million and loss on foreign exchange translation of Baht 78 million according to the strong Thai Baht.



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Liquidity

The Company and its subsidiaries had the sufficiency current ratio in year 2005 – 2007 of 1.31, 1.22 and 1.22 respectively. However, the said ratios had no effect on the company's ability to pay its short-term obligations.

Financial Status as of 30 June 2008

The total assets of the Company and its subsidiaries as of June 30, 2008 were Baht 3,478 million, an increase of Baht 177 million from year 2007, mainly due to an increase of the construction contracts in progress of Baht 91 million and withholding tax deducted at source of Baht 62 million. In addition, due to the good performance of discontinued operation units, the net assets of discontinued operation units increased by Baht 27 million.

The total liabilities of the Company and its subsidiaries as of June 30, 2008 were Baht 2,476 million, an increase of Baht 193 million from year 2007, due to the increase of current liabilities of Baht 190 million and the increase of non current liabilities of Baht 3 million. In the said current liabilities bank overdrafts and short-term bank loans increased from year 2007 by Baht 83 million, and accounts payable and accrued construction costs increased by Baht 175 million.

In the 2nd Quarter 2008, the current ratio was still close to the rate of years 2006 and 2007 which had the ratio of 1.17.

Outlook of future operational performance

The economy for year 2008 has still not expanded due to the lack of new investment due to the political conflict and the unpredictable increase of oil price. The Company's revenue for 2008 is expected to decline compared to the previous year. However, since being in construction business for a long time, the Company has various groups of customers and business alliances resulting in continuous chance to bid for new construction projects. During the past few years, the Company also diversified into the Petrochemical and Oil Business, which is an expanding business in Thailand and the Company has successfully won some construction contracts.

The Company still operates carefully by focusing on projects for which the Company has experience and where customers have a strong financial position. Every project must be estimated correctly together with the best protection and minimization of risks that might occur and all contracts must generate a reasonable rate of margin.

Business operation after completion of the Tender Offer

After the Tender Offer, CPBE has no plan to delist CNT's shares from the SET except in the case if CNT cannot comply with the SET's rules and regulations and the SET delist the CNT's shares.

Following the Tender Offer, CPBE has no plan and policy to change the objective, scope of business, organization structure and capital structure of CNT. CNT will continue its operations on a regular basis and has no plans for liquidating its assets or changing its dividend policy.



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As of December 31, 2007 and June 30, 2008, CNT has connected transactions with CPBE and its related parties as follows:

Unit : Million Baht

Name	Relationship with CPBE	Transaction	2007	Jan – Jun 2008
1. CPBE	-	Revenue from construction services	8.40	0.73
2. The Crown Property Bureau ("CPB")	Major shareholder with 99.99 percent portion	Revenue from construction services	252.80	57.17
		Contract debtor	-	21.25
		Work in process	57.97	20.00

The above connected transactions were concluded on commercial terms and basis agreed upon in the ordinary course of business of the Company. If, in the future, the Company has to enter into any related transactions, the Offeror and the Company will comply with applicable rules and regulations of the SET.

2. Opinions on the accuracy of the Company's information stated in the tender offer

CNT's board of directors views that all information relevant to the Company as shown in the Tender Offer statement (Form 247-4) is accurate.

3. Relationship or any agreements between the Company's director(s), either on his/her/their own behalf or in his/her/their capacity as the Company's director(s) or as representative(s) of the Tender Offeror, and the Tender Offeror, including the shareholding by the director(s) in the Tender Offeror's juristic person and any contracts or agreements made or to be made between them (in such matters as administration, etc.)

3.1 Shareholding, whether directly or indirectly, by the Offeror or its authorized person in the Company (if the Offeror is a juristic person) or the Company's major shareholders (if they are juristic persons)

The Tender Offeror has become the major shareholder of CNT with aggregate shareholding of 71.35% of the total issued and paid up ordinary shares of the Company.

3.2 Shareholding, whether directly or indirectly, by the Offeror or its major shareholders or directors (if the Offeror is a juristic person)

- None –



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3.3 Other Relationship

3.3.1 CPBE and CNT have the same directors as follows:

Name	Position in CPBE	Position in CNT
Mr. Michael David Selby	Director/ Chief Executive Office	Chairman
Mr. Santi Grachangnetara	Director	Director

3.3.2 As of December 31, 2007 and June 30, 2008, CPBE has outstanding business connected transactions with CNT, as follows:

Unit: million Baht

Name	Relationship with CPBE	Transaction	2007	Jan-Jun 2008
1. CPBE	-	Costs from construction services	8.40	0.73
2. The Crown Property Bureau ("CPB")	Major shareholder with 99.99 percent portion	Costs from construction services	252.80	57.17
		Trade Creditor	-	21.25
		Construction contract in progress not yet billed	57.97	20.00

4. Opinions of the board of directors of the Company to the securities holders

The Company held the Board of Directors meeting on August 21, 2008 in order to prepare an opinion to the shareholders on the Tender Offer made by the Tender Offeror to comply with section 3 of the Notification of the Securities and Exchange Commission No. Kor Jor 59/2545 Re: Form and Period to Prepare Opinion of Tender Offer dated August 5, 2008. There were 7 directors of 11 directors attending the meeting. The names of the directors were as follows:

1. Mr. Pratip Wongnirund Independent Director and Chairman of Audit Committee
2. Mr. Pamornsak Suracupt Independent Director and Audit Committee
3. Mr. Vinai Vamvanij Independent Director and Audit Committee
4. Mr. Somchai Jongsirilerd Independent Director
5. Mr. Amnart Intrasuksri Director
6. Mr. Danuch Yontararak Director
7. Mrs. Jurairat Suksawatdi Na Ayudhaya Director & Company Secretary

CNT's board of directors, except those who had a conflict of interest, unanimously resolved to recommend to the shareholders as follows:



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4.1 Reasons to accept and/or reject the Tender Offer

CNT's board of directors, excluding directors who have a conflict of interest, unanimously resolved to recommend that the Shareholders should reject the Tender Offer. This is because the Net Offer Price of Baht 2.4933 (Baht: two point four nine three three) that will be received after the brokerage fee is lower than the valuation range of fair value for CNT shares in the region of Bt 3.33 to 3.89 per share as assessed by the Independent Financial Advisor. However, when considering the appropriateness of the Tender Offer Price, the Shareholders should take into consideration the Company's contingent liabilities of Bt 168 million, which may realised from the forfeiture of a bid guarantee in the future. The effect of this would be a reduction of Bt 0.42 per share to the range of the assessed fair value of CNT shares. Therefore, the fair value of CNT shares after this potential reduction would be in the range of Bt 2.91 to 3.47 per share, which is still higher than the Tender Offer Price. The Shareholders should take into consideration all the issues and opinions given by the Independent Financial Advisor. However, the Shareholders should use their own judgement and discretion to make their decisions regarding this Tender Offer.

**4.2 Opinions and reasons of each director and the number of shares held by each director
(only in case that the opinions of the board of directors in 4.1 are not unanimous)**

-None-

4.3 Benefits or impacts from the plans and policies indicated in the Tender Offer and viability of such plans and policies.

-None-

4.4 Additional opinion from the Board of Directors (In an event that the Tender Offer is for delisting purposes).

-None-

5. Opinion of the Independent Financial Advisor

Details of the Independent Financial Advisor's opinion are shown in the attachment no. 1 (Opinion of the Independent Financial Advisor for the Tender Offer of CNT's Securities).

The Company certifies that the above information is correct, complete and accurate. There is no information contained herein that may lead any persons to misunderstand in any material respect and no concealment is made of any material information.

-Signature-

(Mr. Danuch Yontarak) (Mrs. Jurairat Suksawatdi Na Ayudhaya)
Christiani & Nielsen (Thai) Public Company Limited

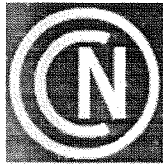
Attachment No. 1

The Opinion of Independent Financial Advisor

In relation to

**The Tender Offer for the Ordinary Shares of
Christiani & Nielsen (Thai) Public Company Limited**

The Opinion of Independent Financial Advisor



Christiani & Nielsen (Thai) Public Company Limited

In relation to

The Tender Offer for the Ordinary Shares of
Christiani & Nielsen (Thai) Public Company Limited by CPB Equity Company Limited

By



Trinity Securities Company Limited

August 21, 2008

- TRANSLATION -

The English Translation of the Independent Financial Advisor's Opinion has been prepared solely for the convenience of foreign shareholders of Christiani & Nielsen (Thailand) Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

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August 21, 2008

Re: Opinion of the Independent Financial Advisor in relation to the Tender Offer for the Ordinary Shares of Christiani & Nielsen (Thai) Public Company Limited

To: Shareholders of Christiani & Nielsen (Thai) Public Company Limited

Pursuant to the prior entrance into a Share Sale and Purchase Agreement by Christiani & Nielsen (Thailand) Public Company Limited ("the Company" or "CNT")'s shareholder, CPB Equity Company Limited ("CPBE" or "the Tender Offeror") on May 16, 2008 to purchase 166,313,259 ordinary shares with par value of Bt 1 per share, accounted for 41.46 of CNT's total paid-up shares, at the price of Bt 2.50 per share, a total of Bt 415,783,147.50 from Siam Commercial Bank Public Company Limited ("SCB"). On July 28, 2008, CPBE serviced the payment to SCB in exchange for the ownership in the said transferred ordinary shares. As a result, CPBE's shareholding in CNT rose from 29.89% to 71.35% of CNT's total paid up shares, resulting in a mandatory tender offer in compliance with the Securities and Exchange Commission ("the SEC")'s Notification No. KorJor 53/2545 Re: Rules and Conditions and Procedures for the Acquisition of Securities for Business Takeover dated November 18, 2002. On August 5, 2008, CNT has received a copy of Tender Offer ("Form 247-4") from CPBE to purchase all remaining ordinary shares, totaling of 114,944,932 shares, or 28.65% of CNT's paid-up shares at the price of Bt 2.50 per share.

Trinity Securities Company Limited ("the IFA" or "We"), a Financial Advisor approved by the SEC, has been appointed by CNT as the Independent Financial Advisor to provide an opinion to the minority shareholders of CNT on the tender offer. In preparation of this report, the IFA has studied the information on the Tender Offeror's Form 247-4, interviews with CNT's management, and documents provided by CNT such as financial statements, annual reports, financial projections as well as other publicly available information. The IFA has based its opinion on the assumptions that the said information is full, complete and correct on which the IFA do not warrant the accuracy and completeness of all information provided by the Company. The IFA's Opinion is further based upon the currently perceivable information. There may be any changes or events that could materially affect the Company's operations and financial projections as well as the judgments of shareholders regarding the Tender Offer.

In rendering this opinion for the shareholders, we have considered the appropriateness of the tender offer price, the reasons to accept the tender offer or reject the tender offer as follows:

In order to consider the reasonableness of the tender offer price, we have compared the offering price with our valuation range of appropriate value for CNT shares at the region of Bt 3.33 to 3.89 per share, derived from the Price to Earnings, EV to EBITDA and Discounted Cash Flow approaches with the adjusted book value as the minimum bound for our price range. Therefore, we develop an opinion that the offering price of Bt 2.50 per share is lower than the appropriate value of CNT shares. However, if we take into consideration the Company's contingent liabilities of

Bt 168 mm, which may result from the forfeiture of a bid guarantee, there might be a total damage of Bt 0.42 per share to the range of our appropriate value for CNT shares. (Please refer to Section 3 "Reasonableness of the Offering Price" for greater details.) Therefore, the appropriate value of CNT shares post-deduction of this potential damage would be at the range of Bt 2.91 to 3.47 per share, which is still higher than the offering price.

The IFA's Opinion is to reject the tender offer, considering major issues, namely, the offering price lower than the range of appropriate share values, whilst CNT's fundamentals and business risks remain unchanged. In addition, CNT stock liquidity is retained pre- or post-share acquisition by CPBE. In contrast, shareholders may contemplate on the impact from the reduced balance of power. As a sole major shareholder with 71.35% shareholding, CPBE can exercise its right in controlling the majority votes. If shareholders significantly accept the Tender Offer, leading to greater than 90% shareholding in CNT, all shareholders' resolution will be led by CPBE. As a consequence, liquidity of CNT shares traded on the Stock Exchange of Thailand ("the SET") shall be even diminished.

Shareholders may consider information, rationale and opinions on various issues stated herein this IFA report in consideration to accept / reject this tender offer. However, shareholders should use their own judgements with their discretion over the decisions regarding this tender offer.

1. Background

1.1 Background of the Tender Offer

On May 16, 2008, the Tender Offeror entered into a Share Sale and Purchase Agreement with SCB to purchase 116,313,259 ordinary shares of the Company, accounted for 41.46% of total paid-up shares at the price of Bt 2.50 per share. Total transaction value was equivalent to Bt 415,783,147.50. The settlement was made on July 28, 2008, leading to the increase in the Tender Offeror's shareholding in CNT from 29.89% to 71.35% of CNT's total paid-up shares. As a result, the Tender Offeror is required to make a tender offer for all of the CNT's remaining securities in accordance with the Notification of the Securities and Exchange Commission No. KorJor. 53/2545 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated November 18, 2002 with details as follows;

Type of Securities Offered to Purchase	Ordinary shares
Number of Securities Offered to Purchase	114,944,932 shares
% of Securities Offered to Purchase	28.65% of total paid-up shares
Voting Right	114,944,932 voting rights
Offering price *	Bt 2.50 per share

* The Offerees are subject to the brokerage fee of 0.25% of the offering price and the Value Added Tax ("VAT") of 7% of the brokerage fee, resulting in a net price of 2.4933 Baht for each ordinary share to be received by the Offerees. This offering price is final which may not be amended or changed, during the offering period from August 6, 2008 to September 10, 2008, totaling 25 business days from 9:00am to 4:00pm, which may not be extended ("Final Period").

The conditions to amend the Tender Offer are as follows;

- The Tender Offeror may reduce the offering price or extend the offering period upon an occurrence of any event or action which causes or may cause a material adverse effect to the assets or status of the Company during the offering period.

The Offeror may cancel the Tender Offer upon the occurrence of one or more of the following events;

- Any event or action occurring, after the submission of the Tender Offer documents to the Securities and Exchange Commission (“the SEC”) but before the end of the Offer Period, which have or may have a material adverse effect on the Company’s status or assets, and where such event or action is not the result of the Offeror’s actions under the responsibility of the Offeror;
- Any actions, conducted by the Company after the SEC’s acceptance of the Tender Offer but still in the Tender Offer period, which have or may have cause a dramatic decrease in the value of the Company’s ordinary shares.

1.2 Major Agreements

CPBE entered into a Share Sale and Purchase Agreement in which SCB agrees to sell 166,313,259 share of CNT or 41.46% of total paid-up shares to CPBE with details as follows;

Involved Parties	CPB Equity Company Limited (“Buyer”) Siam Commercial Bank Public Company Limited (“Seller”)
Signing Date	May 16, 2008
Transaction Date	July 28, 2008
Settlement Date	July 28, 2008
Advisor of Buyer	- None -
Advisor of Seller	Siam Nithi Law Office Company Limited

Terms and Conditions:

1. The Seller agrees to sell 166,313,259 ordinary shares of CNT to the Buyer at Bt 2.50 per share on July 28, 2008.
2. The Buyer agrees to purchase and service the payment to the seller on July 28, 2008.
3. Once the Seller fully receives the payment for the said shares, transfer of ownership shall be made to the buyer on the exact same date.

1.3 Summarized Information of the Tender Offeror

CPBE was founded on October 25, 1994 previously called “173 Rung Ruang Company Limited”, later changed to “CPB Equity Company Limited” on August 4, 2000. CPBE’s nature of businesses include investment and property and financial management services, provided to its major shareholder, the Crown Property Bureau (“CPB”), holding 99.99% of CPBE’s paid-up capital. CPBE’s businesses can be summarized into 2 categories as follows;

Investment

As CPBE’s core business, the principal of managing investment is to optimize the return while balancing associated risks. Presently, it emphasizes equity investment in diversified sectors, both listed and non-listed companies.

Property and Financial Management Services

In addition to the investment, CPBE also provides property and financial management services to companies within CPB group.

Registered and Paid-up Capital

CPBE, as of December 31, 2008, has its registered and paid-up capital at the amount of Baht 11,621.57 million comprising of 1,162.16 million ordinary shares at par value of Baht 10 per share.

List of Shareholders

According to its latest register of shareholders as of April 29, 2008, CPB is the only major shareholder of CPBE holding 1,162.16 million ordinary shares at par value of Baht 10 per share, representing 99.99 percent of total registered and paid-up shares, or 99.99 percent of total voting rights. The list of shareholders is as follows:

Shareholder's Name	Number of shares	Percentage of ownership	Percentage of Voting Right
1. The Crown Property Bureau ¹	1,162,156,998	99.99	99.99
2. Mrs. Amornrat Lohsuwan	1	00.00	00.00
3. Mr. Somboon Chaidejsuriya	1	00.00	00.00
4. Miss. Supaporn Treesaen	1	00.00	00.00
5. Mr. Pipatpong Israsena	1	00.00	00.00
6. Mr. Prayuk Anupansakul	1	00.00	00.00
7. Mr. Songchart Khunnawat	1	00.00	00.00

Source: The Tender Offeror's Form 247-4

Note: ¹ Crown Property Bureau was established under special act and has no shareholders.

Board of Directors

The members of CPBE's Board of Directors as of April 29, 2008

Name	Position
1. Mr. Chirayu Isarangkun Na Ayuthaya	Chairman
2. Mr. Yos Euarchukiati	Director / Chairman of the Executive Board of Directors
3. Mr. Michael David Selby	Director / Chief Executive Office
4. Mr. Santi Grachangnetara	Director
5. Mr. Aviruth Wongbuddhapitak	Director
6. Mr. Van Chansue	Director
7. Mr. Yongswasdi Kridakon	Director
8. Mr. Snoh Unakul	Director
9. Mr. Sivavong Changkasiri	Director
10. Mr. Panas Simasathien	Director
11. Mr. Vichit Suraphongchai	Director
12. Mr. Somboon Chaidejsuriya	Director

Source: The Tender Offeror's Form 247-4

Summary of Financial Status and Operation of the Offeror

Unit: Bt mm

	2005	2006	2007
Total Assets	24,037	26,222	28,452
Total Liabilities	10,002	9,939	9,005
Total Shareholders' Equity	14,035	16,283	19,447
Registered Capital	11,622	11,622	11,622
Paid-Up Capital	11,241	11,622	11,622
Total Revenues	1,556	2,192	4,352
Total Costs And Expenses	1,656	250	470
Net Profit	(100)	1,464	3,395
Earning Per Share (Baht)	(0.09)	1.29	2.92
Book Value Per Share (Baht)	12.49	14.01	16.73

Source: The Tender Offeror's Form 247-4

Material Encumbrance

Details of CPBE's contingent liabilities as of December, 31 2007 are as follows:

- CPBE has obligations from bank guarantee at the amount of Bt 0.1 mm which is for receiving the online information service from a service provider.
- CPBE entered into 2 rent contracts, each with two-year-contract-period ended in 2008. According to the terms and conditions in the contract, CPBE has to pay the guarantee deposit of Baht 0.99 million and rental payment at Bt 3.95 mm per year. The contract can be renewed by giving written notice in six-month period before the expiration.

Criminal Records

-None-

Pending Legal Dispute(s)

Neither CPBE nor its director/management is engaged in any legal dispute which may have a material adverse effect on the financial position or business operations of CPBE.

2. Appropriateness of the Offering Price

The Tender Offeror has proposed to purchase all of the CNT's remaining 114,944,932 shares at the same price it purchased from SCB, Bt 2.50 per share. In the consideration for the appropriateness of the offering price, the IFA conducts share valuation by various methodologies as follows;

2.1 Book Value Approach

Valuation based on the book value approach reflects the accounting value of the Company as it appears on the financial statement at a point in time. As such, it does not take into account the Company's future performance or general trends in the industry or the economy. Based on the Company's reviewed financial statements as at June 30, 2008, the book value per share is as follows:

Book Value per Share as of June 30, 2008 Unit: Bt mm

Total Assets	3,478.38
Less : Total Liabilities	2,475.85
Add : Own shares held by the subsidiary	13.55*
Shareholders' Equity	1,016.09
Paid-up Shares (in Million)	401.16
Book Value per Share (Baht)	2.53

* Indochina Investments Limited, a subsidiary of the Company's subsidiary, holds CNT shares as a result of CNT's capital restructuring plan. The reversal is made based on the cost method of 13.55 million shares, as if the said subsidiary is unrelated to the Company.

With the book value approach, the Company is valued at Bt 2.53 per share. The offering price of Bt 2.50 is therefore Bt 0.03 lower than the book value per share.

2.2 Adjusted Book Value Approach

The valuation is carried out by adjusting the book value presented in the financial statements ended June 30, 2008 with the market values of assets and liabilities including post-financial statement events as well as the increase/decrease in any contingent liabilities (if any). Details are shown below.

(a) Adjustment of the Book Value of Fixed Assets by the Appraised Values

The Company has restated most of its fixed assets shown on 2007 financial statements with reference to the appraisal reports conducted by C.I.T. Appraisal Company Limited, the SEC-approved asset appraiser, ("the Independent Appraiser"). Its two remaining fixed assets, Minburi land and Phoenix Golf Club land, however are left unmodified since no allowances for impairment for both assets were previously made. In conformity with the Accounting standards, the assets can only be restated once their provisions for impairment have previously been set. As a result, the IFA has deliberately adjust the value of both lands to best reflect the market value based upon the appraisal reports, dated February 8, 2005 and December 11, 2007, on Minburi and Phoenix Golf Club land, consecutively. Reference to the reports, the Independent Appraiser, employs the market data approach to value both land, as deemed appropriate by the IFA.

Nonetheless, the IFA has reasonable doubt concerning the appraised value of Minburi land as its value may differ from that presented on the report dated February 8, 2005. The IFA, hence, conducted further due diligence by comparing the market data with the appraisal conducted by the government agency. The Independent Appraiser used the appraisal conducted by the government agency as the reference, to which the said value remains unchanged based on the government agency's appraisal for 2008 – 2012. The appraised value according to the appraisal report dated February 8, 2005, is therefore valid.

Unit: Baht Million

Assets	Book Value as at June 30, 2008 (1)	Appraised Values (2)	Differences (2) – (1)
Minburi Land	29.30	47.25	17.95
Phoenix Golf Club Land	39.84	66.40	26.56
Total	69.14	113.65	44.51

The difference between the appraised and book values of the said fixed assets of 44.51 million Baht shall be adjusted to the Company's shareholder equity as of June 30, 2008.

(b) Adjustment of Estimated Expenses for Construction Projects

The Company's revenue and expenditure recognition policy is conservative. Once running each project, should there be any indicatives of possible expenditures in addition to such project's budget, the Company will set aside the incremental estimated expenses for construction projects ("the Provision") at the amount of 4% of the project value immediately. The financial statements will then reflect the conservative financial position. The estimated expenses will be written down as current liability on balance sheet. Upon the project's completion, the Company's engineering division will assess the projected remaining expenses for the said project during the remaining guarantee period. The unexploited balance will then be reversed, leading to the decline in the current liability on balance sheet.

The IFA has deliberately reversed the Provision to reflect the current value of shareholders' equity based on the projected reversal of estimated expenses for construction projects prepared by the Company's engineering division.

Unit: Bt mm

Estimated Expenses for Construction Projects, Finished Projects as of June 30, 2008	269.53
Estimated Reversal by CNT's Engineering Division	256.13

(c) Adjustment of Own Shares held by the Subsidiary

As of June 30, 2008, Indochina Investments Limited, a subsidiary of the Company's subsidiary, holds 13.55 million shares of the Company, booked under cost method at Bt 1 per share, totaling Bt 13.55 million following the capital restructuring plan. The IFA has adjusted such investment to reflect the market value with reference to average 30-day weighted average close trading price ending August 15, 2008 (the last business day) at Bt 2.42 a share, with details as follows;

	Unit: Bt mm
Own shares held by the subsidiary, book value (1)	13.55
Own shares held by the subsidiary, market value (2)	32.79
Differences (2) – (1)	19.24

Details of Adjustment of Book Value

	Unit: Bt mm
Shareholders' Equity	1,016.09
Adjustments	
Add: Increase in fixed asset revaluation	44.51
Add: Reversal of estimated expenses	256.13
Add: Increase in own shares held by the subsidiary	19.24
Net Book Value, post-adjustment	1,335.97
Paid-up Shares (in Million)	401.16
Adjusted Book Value per Share (Baht)	3.33

With this method, the adjusted book value of the Company is Bt 3.33 per share. Comparing to the offering price of Bt 2.50 per share, the adjusted book value is Bt 0.83 higher.

2.3 Market Comparable Approach

As the IFA refers to the consolidated financial statements of market comparables ended June 30, 2008, the market prices of the said comparables employed in this valuation approach should be most updated accordingly. The IFA uses the latest market price ending August 15, 2008 instead of the last business day prior to the date on which the Company informed the SET of the entrance into a Share Sale and Purchase Agreement between CPBE and SCB on May 16, 2008 or prior to the date on which CPBE submitted its tender offer for CNT shares on August 5, 2008. This is because most, if not all, comparables' financial statements ended June 30, 2008 were made public by August 15, 2008, the date on which the market prices should best reflect the latest financial performance and position of comparables.

2.3.1 Price to Book Value Approach

The price to book value approach is calculated by multiplying the Company's book value per share with the average price to book value per share ratio ("P/BV") of the sector and listed comparable companies.

Using this method, the IFA assessed the Company's value derived from the consolidated financial statements as of June 30, 2008, by multiplying the book value of the

Company with the average P/BV multiples for the Construction/ Property Development sector as well as with those of selected listed comparables in the sector. Selected comparables include Ascon Construction Pcl. ("ASCON"), EMC Pcl. ("EMC"), Nawarat Patanakarn Pcl. ("NWR"), Power Line Engineering Pcl. ("PLE"), Syntec Construction Pcl., ("SYNTEC") and Uniq Engineering and Construction Pcl. ("UNIQ"). These companies are comparable based on their nature of business, size of undertaking projects, and revenue structures. The average P/BV ratios of the property development as well as of the six comparable companies are listed below. P/BV values are based on historical 1 month, 3 months, 6 months, 9 months, and 12 months values ending August 15, 2008, the last business day.

Interval	Average P/BV of Property Development Sector* (x)	CNT Share Value (Bt)	Average P/BV of 6 Comparables (x)	CNT Share Value (Bt)
Retroactive 1 month	1.18	2.98	1.14	2.89
Retroactive 3 months	1.55	3.93	1.60	4.05
Retroactive 6 months	1.77	4.49	1.81	4.59
Retroactive 9 months	1.73	4.37	1.71	4.32
Retroactive 12 months	1.76	4.44	1.72	4.35

Source: Setsmart

* Comprising of ASCON, CK, EMC, ITD, NWR, PLE, STEC, SYNTEC and UNIQ

Nonetheless, of all 6 comparables, the average P/BVs of two particular companies, ASCON and EMC, are outliers, leading to the highly broad range of overall average P/BV and CNT share valuation. The IFA, thus, resorts to only 4 comparables, NWR PLE SYNTEC and UNIQ.

Interval	Average P/BV of Property Development Sector (x)	CNT Share Value (Bt)	Average P/BV of 4 Comparables (x)	CNT Share Value (Bt)
Retroactive 1 month	1.18	2.98	0.68	1.72
Retroactive 3 months	1.55	3.93	0.79	2.00
Retroactive 6 months	1.77	4.49	0.94	2.37
Retroactive 9 months	1.73	4.37	0.96	2.44
Retroactive 12 months	1.76	4.44	1.02	2.57

Source: Setsmart

With reference to the Company's consolidated financial statements ended June 30, 2008, the Company's book value per share was Bt 2.53 a share. With P/BV of Construction/ Property Development sector, CNT share price is Bt 2.98 to 4.49 per share, Bt 0.42 to 1.99 higher than the offering price. Nevertheless, the Construction/ Property Development sector comprises of several companies with significantly different revenue structure and undertaking projects as opposed to CNT. Hence, the IFA deliberately refers to the average P/BV of four selected comparables, deriving CNT share value of Bt 1.72 to 2.57 per share, a range in which the offering price of Bt2.50 per share falls.

2.3.2 Price to Earnings Approach

The price to earning ratio approach is calculated by multiplying the Company's earning per share with the average price to earning per share ratio ("P/E") of the sector and listed comparable companies.

Using this method, the IFA assessed the Company's value derived from the consolidated financial statements trailing twelve months from July 1, 2007 - June 30, 2008, by multiplying the Company's earning per share with the average P/E multiples for the Construction/Property Development sector as well as with those of selected listed comparables in the sector. Selected comparables include Ascon Construction Pcl. ("ASCON"), EMC Pcl. ("EMC"), Nawarat Patanakarn Pcl. ("NWR"), Power Line Engineering Pcl. ("PLE"), Syntec Construction Pcl., ("SYNTEC") and Uniq Engineering and Construction Pcl. ("UNIQ"). These companies are comparable based on their nature of business, size of undertaking projects, and revenue structures. The average P/E ratios of the property development as well as of the six comparable companies are listed below. P/E values are based on historical 1 month, 3 months, 6 months, 9 months, and 12 months values ending August 15, 2008, the last business day.

Interval	Average P/E of Property Development Sector* (x)	CNT Share Value (Bt)	Average P/E of 6 Comparables (x)	CNT Share Value (Bt)
Retroactive 1 month	35.59	10.91	7.21	2.21
Retroactive 3 months	51.30	15.72	11.17	3.42
Retroactive 6 months	94.58	28.98	14.40	4.41
Retroactive 9 months	77.64	23.80	15.66	4.80
Retroactive 12 months	64.83	19.87	17.02	5.22

Source: Setsmart

* Comprising of ASCON, CK, EMC, ITD, NWR, PLE, STEC, SYNTEC and UNIQ

Nonetheless, of all 6 comparables, the average P/BVs of two particular companies, ASCON and EMC, are outliers, leading to the highly broad range of overall average P/BV and CNT share valuation. In addition, NWR has incurred loss during the said twelve-month period, resulting in negative average P/E ratio. The IFA, thus, resorts to only 3 comparables, PLE SYNTEC and UNIQ.

Interval	Average P/E of Property Development Sector (x)	CNT Share Value (Bt)	Average P/E of 3 Comparables (x)	CNT Share Value (Bt)
Retroactive 1 month	35.59	10.91	6.56	2.01
Retroactive 3 months	51.30	15.72	7.94	2.43
Retroactive 6 months	94.58	28.98	9.80	3.00
Retroactive 9 months	77.64	23.80	10.12	3.10
Retroactive 12 months	64.83	19.87	11.56	3.54

Source: Setsmart

With reference to the Company's consolidated financial statements trailing twelve months from July 1, 2007 to June 30, 2008, the Company's earnings per share was Bt 0.31 per share. With P/E of Construction/ Property Development sector, CNT share price is Bt 10.91 to 28.98 per share, Bt 8.41 to 26.48 higher than the offering price. Nevertheless, the Construction/ Property Development sector comprises of several companies with significantly different revenue structure and undertaking projects as opposed to CNT. Hence, the IFA deliberately refers to the average P/E of three selected comparables, deriving CNT share value of Bt 2.01 – 3.54 a share, a range in which the offering price of Bt 2.50 per share falls.

2.3.3 Enterprise Value/Earnings Before Interest, Tax, Depreciation and Amortization Approach

With this approach, the IFA evaluates CNT share price on enterprise value ("EV") by multiplying Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") of comparables in Construction/ Property Development sector and selected companies.

Enterprise Value (EV) is calculated by

$$\begin{aligned} \text{EV} &= \text{Market Value} + \text{Interest Bearing Debts} - \text{Cash} \\ &\quad + \text{Minority Interest} \\ \text{Market Value} &= \text{Share Price} * \text{Total Number of Paid-up Shares} \end{aligned}$$

With reference to the Company's consolidated financial statements, its trailing twelve-month EBITDA (from July 1, 2008 to June 30, 2008) is Bt 174.77 million, while its interest bearing debts and cash are Bt 140.89 million and Bt 191.51 million consecutively.

The average EV/EBITDA ratios of the Construction/ Property Development sector as well as of the selected comparable companies are listed below, based on historical trading information ending August 15, 2008, the last business day.

Interval	Average EV/EBITDA of Property Development Sector* (x)	CNT Share Value (Bt)	Average EV/EBITDA of 6 Comparables (x)	CNT Share Value (Bt)
Retroactive 1 month	40.58	17.81	58.44	25.59
Retroactive 3 months	44.32	19.43	64.31	28.14
Retroactive 6 months	32.53	14.30	44.81	19.65
Retroactive 9 months	22.77	11.35	33.37	14.66
Retroactive 12 months	23.11	10.19	27.90	12.28

Source: Setsmart

* Comprising of ASCON, CK, EMC, ITD, NWR, PLE, STEC, SYNTEC and UNIQ

Nonetheless, of all 6 comparables, the average EV/EBITDAs of two particular companies, ASCON and EMC, are outliers, leading to the highly broad range of overall average EV/EBITDA and CNT share valuation. In addition, NWR has incurred negative EBITDA during the said twelve-month period. The IFA, thus, resorts to only 3 comparables, PLE, SYNTEC and UNIQ.

Interval	Average EV/EBITDA of Property Development Sector (x)	CNT Share Value (Bt)	Average EV/EBITDA of 4 Comparables (x)	CNT Share Value (Bt)
Retroactive 1 month	40.58	17.81	5.85	2.68
Retroactive 3 months	44.32	19.43	5.84	2.67
Retroactive 6 months	32.53	14.30	6.41	2.92
Retroactive 9 months	22.77	11.35	6.76	3.07
Retroactive 12 months	23.11	10.19	7.46	3.38

Source: Setsmart

With EV/EBITDA of Construction/ Property Development sector, CNT share price is Bt 10.19 to 19.43 per share, Bt 7.69 to 16.93 higher than the offering price. Nevertheless, the Construction/ Property Development sector comprises of several companies with significantly different revenue structure and undertaking projects as opposed to CNT. Hence, the IFA deliberately refers to the average EV/EBITDA of three selected comparables, deriving CNT share value of Bt 2.67 to 3.38 per share, Bt 0.17 to 0.88 higher than the offering price.

2.4 Market Value Approach

The market value approach is based on the weighted average prices of the Company's shares traded on the SET. Because of the lack of market perception towards CPBE's entrance into a Share Sale and Purchase Agreement with SCB (the "Transaction"), the IFA considered the weighted average of both the prices and the volumes for the past year ending on May 15, 2008 which the last business day prior to the date on which the Company informed the SET of the Transaction. Such entrance would lead to the increase in CPBE's shareholding from 29.98% to 71.35% of CNT's paid-up shares. Although the ownership of the agreed shares were not yet transferred on the date of contract signing, but one could expect that once the settlement was made on July 28, 2008, CPBE must oblige to make the mandatory tender offer for all remaining shares of CNT at the price of no less than that paid for share acquisition in the past 90 days as a result of acquisition of share crossing/over 50% of the Company's voting rights.

Interval	Weighted Average Close Price (Bt per share)
Retroactive 5 days	2.17
Retroactive 15 days	2.26
Retroactive 30 days	2.28
Retroactive 3 months	2.33
Retroactive 6 months	2.29
Retroactive 9 months	2.32
Retroactive 12 months	2.57

Source: Setsmart

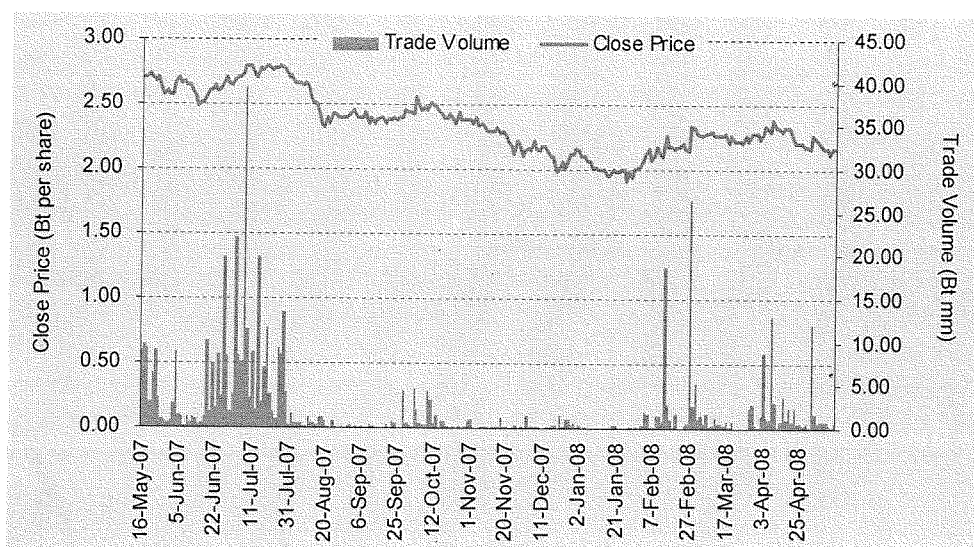


Figure 1: Trading Information of CNT from 16 May 2007 to 15 May 2008

Source: Setsmart

However, the historical trading volumes for the past twelve months up to May 15, 2008 are as follows:

Interval	Average Daily Trading Volume (Share)	% of Average Daily Trading Volume to Total Paid-up Shares
Retroactive 5 days	277,140	0.07
Retroactive 15 days	687,893	0.17
Retroactive 30 days	708,740	0.18
Retroactive 3 months	858,402	0.21
Retroactive 6 months	603,340	0.15
Retroactive 9 months	476,132	0.12
Retroactive 12 months	862,851	0.22

Source: Setsmart

With market valuation method, the Company's share price is Bt 2.17 – 2.57 per share, the range in which the offering price falls. Nonetheless, when considering the Company's average historical trading volume, it is apparent that CNT shares have a relatively low liquidity.

2.5 Discounted Cash Flow Approach (“DCF”)

In this DCF valuation exercise, we shall consider the value of CNT Group with respect to the group structure shown below:

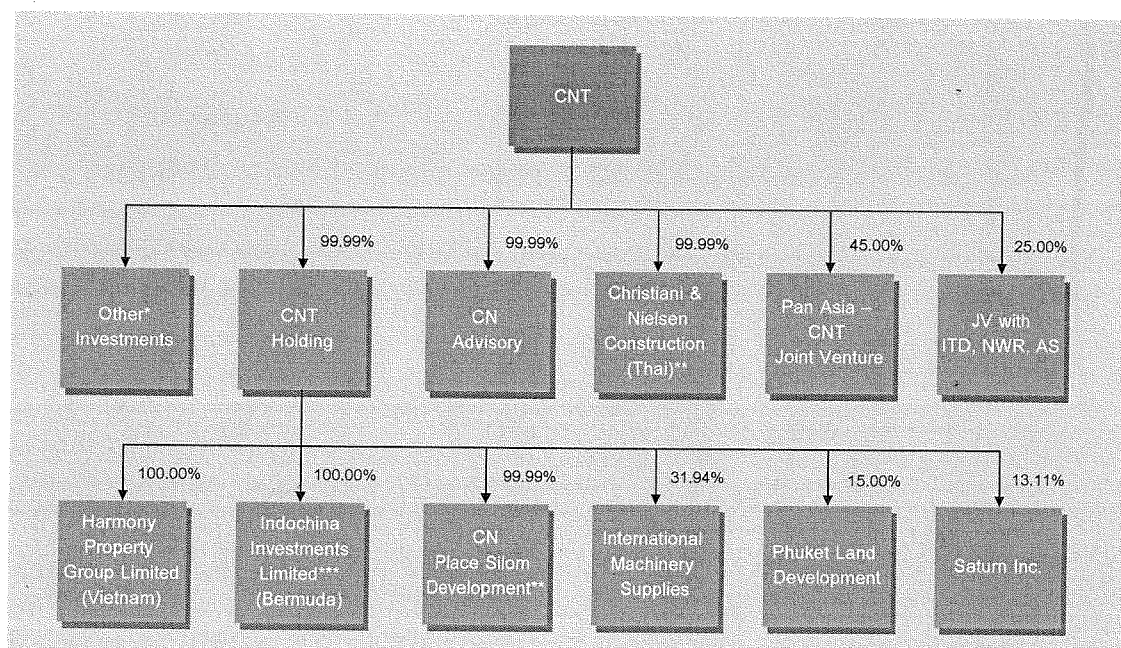


Figure 2: Current CNT Group Structure

* Other investments of CNT include equity investment of 2.94% in Thai Worldwide Contractor Company Limited and 0.20% in Thai Contractors Asset Company Limited

** Operation ceased

*** Currently, Indochina Investments Limited holds CNT at the amount of 13,552,457 shares or equivalent to 3.38% shareholding of total paid up capital of CNT

The valuation of CNT Group of companies according to the group structure shown above will be based on the sum of parts basis. Businesses with ongoing operation will be valued through the DCF approach while other enterprises with discontinued operations or insignificant sizes of assets such as other investments and joint ventures etc. will be appraised by using the book value as at 30 June 2008 in order to assess the consolidated value CNT Group. The valuation approach applied to each business enterprise within the CNT Group can be summarized in the table below:

	Company Name	Shareholding (%)	Valuation Approach
1.	The Company or CNT	99.99	DCF
2.	CNT Holdings Company Limited	99.99	Adjusted Book Value
3.	CN Advisory Company Limited	99.99	Book Value
4.	Christiani & Nielsen Construction (Thai) Company Limited	99.99	Book Value
5.	Other Investment	-**	Cost Method
6.	Pan Asia – CNT Joint Venture	45.00	Book Value
7.	NWR, ITD, CNT & AS Joint Venture	25.00	Book Value

* Currently, CNT Holdings Company Limited ("CNTH") directly holds Harmony Investment Limited, Indochina Investment Limited and CN Place Silom Development Company Limited all at the same shareholding of 99.99%. In addition, CNTH also has investments in International Machinery Supplies, Phuket Land Development, and Saturn Inc. with the shareholding of 31.94%, 15.00% and 13.11% respectively. In valuating CNTH, we will adjust the investment items, accounting for in CNTH's stand alone financial statements under cost method, with the adjusted book value of each respective investments on the accounting period ending 30 June 2008. It should be noted that the financial statements of CNTH's subsidiaries were prepared by the Company and were not reviewed by the Company's auditor.

** Other investments of CNT include equity investment of 2.94% in Thai Worldwide Contractor Company Limited and 0.20% in Thai Contractors Asset Company Limited

In our DCF equity valuation, the present value of the cash flow will be derived to illustrate the enterprise value as well as its profitability in the future. The projected cash flow will be discounted to obtain the present value as at 30 June 2008 with the appropriate discount rate. In this valuation exercise, we have prepared the financial projection of CNT for the next four and a half years accounting for the period of July 2008 to the end of December 2012. Our valuation is based on the interview with the Company's management, financial statements, relative documents and information obtained from the Company as well as its business policy in the future. The valuation is also based on the assumption that the Company pursue the business on a going concern basis under perceivable business policy in this current economic environment and that there will be no significant change in the future. The IFA do not warrant the accuracy and completeness of all information provided by the Company. The purpose of this valuation exercise is solely for the assessment of the appropriate equity value. Should there be any changes in economic conditions and external factors that may adversely affect the business operation and the assumptions stated herein this valuation exercise, the assessed equity value may differ accordingly. As a result, such equity value may not be a reference for purposes other than the appropriateness of the tender offer stated earlier.

2.5.1 Assumptions used for the preparation of the financial statement

A) Revenue Assumptions

The revenue is assumed to be derived from 3 major sources including:

- 1) Backlog projects in 2008
- 2) Projects that are likely to be awarded in the 2nd half of 2008
- 3) Projects that are expected to be awarded annually post-2008

1) Backlog projects in 2008

Current backlog, previously awarded before 2008 until 30 June 2008, are totaling of 30 projects with the total project value of Bt 9,199 mm and the remaining project value of BT 5,383 mm, all of which are expected to be realized from the 2nd half of 2008 to 2009. The project description can be summarized below:

Project Category	# of Project	Project Value (Bt mm)	Remaining Value (Bt mm)	Project Period
1. Building	8	1,675	1,028	2008 - 2010
2. Condominium	1	355	9	2008 – 2010
3. Hotel & Resort	9	4,195	2,271	2008 – 2010
4. Factory	6	1,263	978	2008 – 2010
5. Engineering	3	881	845	2008 – 2010
6. Highway	1	464	205	2008 – 2010
7. Hypermarket	2	365	48	2008 -2010
Total	30	9,199	5,383	

In preparing the revenue projection of each backlog project, the IFA have referred to Forecast to Completion (“FTC”) provided by the Company. The FTC is prepared based on the current project status and it generally illustrates the forecast of cash flows involved in undertaking the projects until they are completely delivered to the clients.

2) Projects that are likely to be awarded in 2008

Projects that are likely to be awarded after June 30, 2008 are totaling of 5 with the total value of BT 2,297 mm, which are likely to be realized during 2008 – 2011. The project description can be summarized below:

Project Category	# of Project	Project Value (Bt mm)	Project Period
1. Building	3	1,499	2008 – 2011
2. Factory	1	124	2008 – 2009
3. Engineering	1	674	2008 – 2010
Total	5	2,297	

3) Projects that are forecasted to be awarded annually post-2008

Our assumption on the projects that are forecasted to be awarded annually post-2008 are referred to the Company's operating statistics during 2005 to 2007 in which the revenue generated annually could reflect the Company's labor's capacity at the level of over 6,000 labors. During 2005 to 2007, the total value of new contracts awarded annually was averaged at the region of Bt 5,300 mm. The project value of Bt 5,300 mm will be used in this projection and will be increased by the inflation rate of 5% according to the Bank of Thailand's Inflation Report published in July 2008.

We have also used the operating statistics during the same period in our revenue recognition assumptions as follows:

- The project revenues will be realized within 2 years
- Approximately 33% of project revenues will be realized in the first year
- The rest of approximately 67% will be realized in the second year

B) Operating Cost Assumptions

The costs are assumed to be from 3 elements including:

1) Equipment and Steelwork are variable costs of the Company as follows:

- With reference to the ratios during the period 2004 to the 1st half of 2008, the equipment cost is assumed to be equal to the average historical ratio at approximately 0.95% of total construction revenues
- With reference to the ratios during the period 2004 to the 1st half of 2008, the steelwork cost is assumed to be equal to the average historical ratio at approximately 0.12% of total construction revenues

2) Costs of construction are derived from 3 major sources including:

- Cost of construction for backlog projects in 2008

The cost projection will be referred to the FTC of each respective project. The cost structures of each project generally vary according to the construction type. The major cost of construction is comprised of direct labor cost, plant cost, materials, subcontractors and general & other expenses. All the backlog projects have gross site margin within the region of -8.44 to 12.38%.

- Cost of construction for projects that are likely to be awarded in 2008

The cost of construction for projects that are likely to be awarded in 2008 are referred to the gross site margin of each respective projects which ranges from 5% to 11%.

- Cost of construction for projects that are awarded annually post-2008

The cost of construction for projects that are awarded annually post-2008 are referred to the gross site margin of 7% according to the pricing policy disclosed in the Company's annual report

3) Project Provisioning Reserve of the Company

We have assumed the project provisioning reserve, a non-cash expenditure, to be approximately 4% of the total project revenue as a reserve provisioning for contingent expenses which will eventually be reversed within 3 years after the projects are completed. The provisioning reserve will be reversed at the ratio of 60%, 37% and 3% in the 1st, 2nd and 3rd year respectively.

C) Assumptions on Administrative Expenses

The administrative expenses are comprised of salary and employee related expenses, land rent, professional fee (i.e. audit fee, legal advisor fee and financial advisory fee etc.), tender expense, fees relating to the Stock Exchange of Thailand ("SET"), traveling & insurance premium, bank fee, remuneration for directors and others. Most items in the administrative expenses are treated as fixed costs. We have annualized the administrative items with the base number shown in the 1st half of 2008 and the expenses that are likely to be incurred in the 2nd half of the year. As for the projected period during 2009 to 2012, we have specified the assumptions on each administrative items as follows:

- Wage and salary are forecasted to inflate at 6% p.a. with reference to the Company's policy according to the management interview
- Other SG&A items such as employee related expenses, professional fee, tender expenses, SET fees, traveling & insurance premium, remuneration for directors are assumed to rise by the inflation rate of 5% p.a. according to the Bank of Thailand's Inflation Report published in July 2008.
- The rent for the land on which the Company's offices and warehouses are situated will be based on the rate agreed in the long-term lease agreement throughout the forecasted period.

D) Capital Expenditure ("Capex") Assumptions

For the forecast period 2008 to 2012, we assume the net Capex will be approximately Bt 30 mm p.a. with reference to the net investment in plant and equipment of the Company in the past.

E) Corporate Income Tax ("CIT")

Currently, the Company has the tax loss carry forward at the amount of approximately Bt 1,691 mm, all of which can be credited against the corporate income tax until the end of the fiscal year 2008. From 2009 onwards, the tax loss carry forward will be fully exploited and the Company will enter into the regular tax regime under which the corporate income tax rate of 30% will apply. However, with reference to the Tax Measure announced by the Ministry of Finance ("MoF") in order to stimulate and rehabilitate the economics, all SET-listed companies will be eligible for the tax deduction whereby the corporate income tax rate of 25% will apply during the fiscal period 2008 to 2010. As such, the Company's corporate income tax during our projection can be exhibited in the table below:

Fiscal Year	Corporate Income Tax Rate (%)	Note
2008	0.00	The Company has tax loss carry forward
2009	25.00	CIT according to the MoF's tax measure
2010	25.00	CIT according to the MoF's tax measure
2011	30.00	Regular tax regime
2012	30.00	Regular tax regime

F) Working Capital Assumptions

The working capital assumptions will be referred to historical ratio during 2003 to 2007 as follows:

- Account receivables turnover at 51 days
- Work in progress turnover at 59 days
- Inventory turnover at 0.4 days
- Account payable and accrued construction cost turnover at 73 days
- Advance from customers at the approximate ratio of 5.31% of construction revenues
- Other working capital such as operating assets and operating liabilities will be referred to historical information

G) Withholding Tax ("WHT") Assumptions

As at June 30, 2008, the Company has the outstanding withholding tax on its balance sheet at the amount of Bt 528.34 mm. Generally, WHT is the advance corporate income tax which is normally deducted from the invoiced revenue at the rate of 3.00% of the billed amount and can later be credited against the corporate income tax paid annually. WHT, deducted at the rate 3%, is very significant when compared to the Company's historical net margin of approximately 2.00% during 2003 to 2007. In addition, the Company has previously paid the WHT at huge amounts, far exceeding its previous corporate income tax paid annually. Therefore, the IFA has included the projection of WHT in this exercise since WHT plays an important role on the Company's cash flows and equity valuation.

In preparation of the WHT projection, we have assumed that WHT would be deducted at the rate of 3% from the invoiced revenues and could be credited against the corporate income tax annually while the balance can be reimbursed within 2 years after deduction. With reference to the reimbursement projection, it is expected that the Company could be reimbursed its WHT paid during 2005 to 2007 at the amount of Bt 97.03 mm and 271.52 mm in 2008 and 2009 respectively.

H) Provisioning Reserve (Estimated Expenses for Construction Projects) Assumptions

We have assumed that the provisioning reserve will be in accordance with the Company's general provisioning practice as mentioned earlier in Section 2.5.1 B) 3)

I) Assumptions on Dividend Payout and Increased Share Capital

We have assumed that the Company will not increase its share capital throughout the financial projection period and that it will payout dividend at the ratio of not less than 40% of net income in each fiscal period according the dividend payout policy stipulated in the Company's Article of Association. During the past 3 years, the Company has paid out dividend consistently at the average ratio of approximately 45.64% of net income.

J) Financial Projections1) Projections of Profit & Loss Statement

Christiani & Nielsen (Thai) Public Company Limited							Unit: Bt./mm				
Profit & Loss Statement (Company Only)	2003A	2004A	2005A	2006A	2007A	1H08A	2008E	2009E	2010E	2011E	2012E
Revenue											
Revenues from Construction	3,295	3,957	3,535	4,826	6,297	2,278	5,718	5,065	6,141	5,750	5,936
Bad Debt Recovery	17	38	2	2	1	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0
Dividend Income	0	0	0	12	2	0	0	0	0	0	0
Interest Income	3	5	8	7	5	2	4	4	5	6	6
Gain on exchange	15	0	0	0	0	0	0	0	0	0	0
Others	121	8	25	9	15	1	0	0	0	0	0
Total Other Income	138	13	33	28	23	4	4	4	5	6	6
Total Revenue	3,450	4,008	3,571	4,856	6,320	2,282	5,722	5,069	6,147	5,756	5,942
Expenses	0	0	0	0	0	0	0	0	0	0	0
Cost of Construction	3,131	3,728	3,292	4,615	6,043	2,180	5,427	4,771	5,752	5,423	5,600
Administrative Expense	144	128	140	155	154	84	171	184	189	201	213
Depreciation	10	19	28	32	43	22	48	45	39	43	46
Others	126	4	19	0	0	1	0	0	0	0	0
Total Expenses	3,411	3,879	3,479	4,802	6,240	2,287	5,646	5,000	5,980	5,666	5,860
Earnings b/f Interest and Corporate Income Tax	39	129	91	54	81	-6	76	69	167	90	82
Interest Expense	20	2	1	2	3	3	6	7	7	7	6
Corporate Income Tax	0	0	0	0	0	0	0	0	34	29	28
XO Item - Gain from Debt Restructuring	833	0	0	0	0	-0	0	0	0	0	0
Net Income	853	128	90	52	78	-8	70	62	126	54	48

2) Projections of Balance Sheet

Christiani & Nielsen (Thai) Public Company Limited							Unit: Bt mil				
Balance Sheet (Company Only)	2003A	2004A	2005A	2006A	2007A	1H08A	2008E	2009E	2010E	2011E	2012E
Assets											
Current Assets											
Cash & Cash Equivalents	354	259	313	88	132	126	191	381	403	496	551
Construction Contract Debtors - Net	542	353	502	771	872	874	794	703	852	798	824
Construction Contracts In Progress	444	527	667	1,045	867	955	927	821	996	932	962
Inventories - Net	3	2	9	1	2	2	6	5	6	6	6
Other Current Assets											
Withholding Tax Deducted at Source	162	278	268	290	467	528	547	402	379	367	368
Advances for Construction	31	17	124	30	42	33	37	33	40	37	39
Others	29	12	15	26	35	37	31	28	33	31	32
Total Current Assets	1,566	1,449	1,899	2,252	2,415	2,556	2,533	2,373	2,710	2,669	2,782
Non-Current Assets											
Restricted Deposits	48	197	84	140	163	185	163	145	175	164	169
Investments in the Subsidiaries - Net	174	350	414	336	336	336	336	336	336	336	336
Investments in the Jointly Controlled Entities	0	0	0	0	2	2	2	2	2	2	2
Investments in the Associate and Other Cos - Net	0	0	0	0	1	1	1	1	1	1	1
Amounts Due from and Loans to the Subsidiaries and Jointly Controlled Entities	40	37	32	4	7	6	6	6	6	6	6
Plant and Equipment - Net	112	163	144	169	196	185	177	163	155	144	129
Other Non-Current Assets											
Investments in Real Estate - Net	97	97	94	94	103	103	103	103	103	103	103
Cash Reserved for Debt Settlement	0	0	4	4	4	4	4	4	4	4	4
Others	5	3	1	3	9	14	20	19	17	15	13
Total Non-Current Assets	476	847	775	750	820	836	812	778	799	775	763
Total Assets	2,042	2,296	2,674	3,002	3,236	3,391	3,345	3,151	3,509	3,444	3,546
Liabilities & Shareholders' Equity											
Current Liabilities											
Bank Overdrafts and Short-Term Bank Loan	75	1	1	7	37	120	120	120	120	120	120
Accounts Payable and Accrued Construction Costs	751	570	699	1,022	1,058	1,243	1,087	956	1,152	1,086	1,122
Advances from Customers	196	203	238	282	192	201	303	269	326	305	315
Amounts Due to and Loans from Other Companies	29	18	3	1	1	1	1	1	1	1	1
Current Portion of Liabilities under Hire Purchase and Financing Lease Agreements	2	5	6	10	10	7	11	7	8	10	10
Other Current Liabilities											
Accrued Expenses	11	7	8	8	8	8	12	11	13	12	12
Estimated Expenses for Construction Projects	128	325	381	390	537	487	418	353	329	341	358
Estimated Liabilities for Guarantee Obligations & Oth	112	109	72	69	69	69	69	69	69	69	69
Provision for Other Expenses	0	38	66	66	66	66	39	39	39	39	39
Others	47	30	33	39	58	34	45	40	48	45	47
Total Current Liabilities	1,351	1,306	1,508	1,894	2,036	2,237	2,105	1,864	2,104	2,029	2,093
Non-Current Liabilities											
Liabilities under Hire Purchase and Financing Lease Agreement - Net of Current Portion	2	12	11	16	13	11	8	12	9	4	0
Excess Losses over Cost of Investment	30	30	31	0	0	0	0	0	0	0	0
Provision for Employees' Benefits	143	138	161	191	220	225	236	250	273	291	310
Total Non-Current Liabilities	176	180	203	208	233	236	244	261	281	296	310
Total Liabilities	1,526	1,486	1,711	2,102	2,269	2,474	2,349	2,125	2,386	2,324	2,403
Shareholders' Equity											
Issued and paid-up share capital	312	401	401	401	401	401	401	401	401	401	401
Revaluation Surplus on Assets	1	1	0	0	9	9	8	8	7	6	6
Translation Adjustments	17	13	30	0	0	0	0	0	0	0	0
Retained Earnings											
Appropriated-legal reserve	0	0	22	25	29	29	33	36	40	40	40
Unappropriated	196	408	523	474	528	479	554	581	675	672	696
Total Shareholders' Equity	526	823	976	900	967	918	996	1,026	1,123	1,119	1,143
Own Shares Held by Subsidiary	-11	-14	-14	0	0	0	0	0	0	0	0
Total Liabilities And Shareholders' Equity	2,042	2,296	2,674	3,002	3,236	3,391	3,345	3,151	3,509	3,444	3,546

3) Projections of Cash Flow Statement

Christiani & Nielsen (Thai) Public Company Limited							Unit: Bt mm				
Balance Sheet (Company Only)	2003A	2004A	2005A	2006A	2007A	1H08A	2H08E	2009E	2010E	2011E	2012E
Cash Flow from Operating Activities											
Net Income							78	63	127	55	49
Depreciation and Amortization							26	45	39	43	46
Increase (Decrease) in Estimated Expenses for Construction Projects							-69	-65	-25	13	16
Income From Operating Activities Before Changes In Operating Assets And Liabilities							35	43	141	110	111
Decrease (Increase) in Operating Assets:											
Construction contract debtors							81	91	-149	54	-26
Construction contract in progress							27	106	-175	63	-30
Inventories							-3	1	-1	0	-0
Withholding Tax Deducted at Source							-18	144	23	12	-1
Advances for Construction							-5	5	-7	2	-1
Others							6	4	-6	2	-1
Increase (Decrease) in Operating Liabilities:											
Accounts payable and accrued construction costs							-156	-131	196	-66	36
Advances from customers							102	-35	57	-21	10
Amounts due to and loans from other companies							0	0	0	0	0
Other current liabilities							-13	-7	10	-3	2
Provision for employees' benefits							10	14	23	18	19
Net Cash Flows Provided by (used in) Operating Activities							67	234	113	173	119
Cash Flow from Investing Activities											
Decrease (Increase) in restricted deposits							22	19	-31	11	-5
Acquisitions of plant and equipment							-19	-30	-30	-30	-30
Decrease (Increase) in other non-current assets							-6	0	0	0	0
Net Cash Flows Provided by (used in) Investing Activities							-3	-11	-61	-19	-35
Cash Flow from Financing Activities											
Increase in bank overdrafts and short-term bank loan							0	0	0	0	0
Cash paid for liabilities under hire-purchase and finance lease agreements							1	-0	-2	-3	-4
Dividend paid							0	-32	-29	-58	-25
Net Cash Flows Provided by (used in) Financing Activities							1	-32	-30	-61	-29
Change of Cash during the year							65	190	22	93	55
Beginning Cash Balance							126	191	381	403	496
Ending Cash Balance							191	381	403	496	551

2.5.2 Assumptions on Discount Rate

In the calculation of the present value of the Company's cash flow, we have used the weighted average cost of capital ("WACC") as the discount rate. Calculation details can be shown below:

WACC	=	$K_d * (1-t) * (D/V) + K_e * (E/V)$	whereby
K_d	=	Average cost of debt of the Company during projected periods	
t	=	Corporate Income Tax Rate	
D	=	Interest bearing debt	
E	=	Shareholders' equity	
V	=	Total capital = $D + E$	
K_e	=	Cost of equity, calculated through the application of the Capital Asset Pricing Model ("CAPM") whereby	
K_e	=	$R_f + \beta_L * (R_m - R_f)$	
R_f	=	Risk free rate at 5.66% which is equal to the rate of the Treasury Bond yield with the time to maturity of 10 years as at 21 July 2008	
β_L	=	$\beta_U + (1 * (1 - t) * (D/E))$	whereby
β_U	=	Unlevered beta equaling to 0.86	
		The unlevered beta is referenced to the average unlevered beta of those of the Company's 5 market comparables including NWR, SYNTEC, PLE, ASCON and UNIQ.	
D/E	=	The ratio of the interest bearing debt to the shareholders' equity	

Since β_L consistently changes in accordance with the capital structure, therefore, K_e of the Company will consequently vary as a result. In this exercise, the K_e will fall in the region from 14.72 to 15.28%. As such, WACC will vary according to the altered K_e and capital structure. The WACC will range from 13.50% to 13.94% throughout the projection. The calculation of WACC can be illustrated in the table below:

	2008	2009	2010	2011	2012
Interest Bearing Debt / Total Capital (%)	13.15	12.29	11.95	10.91	10.73
Cost of Debt (K_d) (%)	5.06	4.94	4.91	4.86	4.78
Cost of Capital (K_e) (%)	15.28	14.90	14.87	14.73	14.72
Corporate Income Tax (%)	0.00	25.00	25.00	30.00	30.00
WACC (%)	13.94	13.52	13.53	13.50	13.50

2.5.3 Terminal Value Assumptions

The terminal value will be based on the perpetual growth basis by using the assumption that the free cash flows of the Company will grow perpetually at 1%.

2.5.4 Equity Valuation of CNT (Company Only)

The DCF valuation of the CNT (Company only) under the DCF approach can be illustrated in the table below:

Christiani & Nielsen (Thai) Public Company Limited (Company Only)		Unit: Bt. mm				
Valuation under Discounted Cash Flow Approach		2H08E	2009E	2010E	2011E	2012E
Free Cash Flow to Firm						
Earnings before Interest & Corporate Income Tax (EBIT)		80	65	162	84	76
Add: Depreciation & Amortization		26	45	39	43	46
Less: Corporate Income Tax		0	-0	-34	-29	-28
Net Changes in Working Capital		32	191	-27	63	7
Add: Non-Cash Expenses		-69	-65	-25	13	16
Less: Capital Expenditure		-19	-30	-30	-30	-30
Less: Restricted Deposit & Other Assets		16	19	-31	11	-5
Free Cash Flow to Firm		66	225	54	154	83
Discount Rate (%)		13.94%	13.52%	13.53%	13.50%	13.50%
		PV as of 30 June 2008				
Present Value of Free Cash Flow to Firm	432	432	395	223	200	73
Present Value of Terminal Value	374					
Less: Interest Bearing Debt	140					
Add: Cash & Cash Equivalent	126					
Present Value of Equity Value	792					
# of Total Outstanding Shares (million shares)	401					
Present Value of Equity Value per share (Bt per share)	1.98					

Under the valuation illustrated above, the equity valuation of CNT on a stand alone basis would be equal to Bt 792 mm or equivalent to Bt 1.98 per share.

2.5.5 Sensitivity Analysis

We have also performed the sensitivity analysis with respect to the valuation exercise of the Company. Our selection of key sensitivity variables was limited to variables relating to the projects that are expected to be awarded post-2009, which will be undertaken consequently after the completion of current in-progress projects and projects awarded during the second half of 2008. Our identified key factors include 1) the total value of projects awarded p.a. post-2008 (the value will be inflated by the forecasted inflation rate of 5% p.a.) and 2) the average project's gross site margin.

We have chosen the average total value of awarded projects p.a. during 2005 to 2007 at the amount of Bt 5,300 p.a. and the projects' average gross site margin of 7% as our base case valuation and performed the sensitivity analysis by altering our selected key variables as follows:

- 1) The total value of awarded projects p.a. of Bt 5,300 mm +/- the variance of 15% of the base case value, representing the approximate range of between Bt 4,300 to 6,100 mm p.a.
- 2) The projects' average gross site margin of 7% +/- the variance margin of 1%

With such chosen range of sensitivity factors, our sensitivity analysis on the shareholders' equity of CNT (Company Only) can be illustrated below:

Unit: Bt mm

Shareholders' Equity of CNT (Company Only)		Total Value of Projects per annum* (Bt mm)		
		4,500	5,300	6,100
Gross Site Margin (%)	6.00	326	488	667
	7.00	568	792	1,017
	8.00	827	1,097	1,366

* The total value of projects will rise by the forecasted inflation rate of 5% p.a.

Unit: Bt per share

Share Value of CNT (Company Only)		Total Value of Projects per annum* (Bt mm)		
		4,500	5,300	6,100
Gross Site Margin (%)	6.00	0.81	1.22	1.66
	7.00	1.42	1.98	2.53
	8.00	2.06	2.73	3.41

* The total value of projects will rise by the forecasted inflation rate of 5% p.a.

As illustrated in the above table, our sensitivity analysis on the total value of projects and the projects' gross site margin indicates the range of stand alone CNT's share value of between Bt 0.81 to 3.41 per share, which is a very wide range of share price. As a result, we chose to select the project's gross site margin as our only key sensitivity variable since we believe that the margin is more sensible to the operating results than the total project value. To narrow the price range, we performed the sensitivity analysis solely on the projects' gross site margin at the total value of projects at Bt 5,300 mm, which resulted in the shareholders' equity of stand alone CNT of between Bt 488 to 1,097 mm or equivalent to the share price of Bt 1.22 to 2.73 per share.

2.5.6 Valuation of CNT Holdings Company Limited under the Adjusted Book Value Approach

In our valuation for CNT Holdings Company Limited ("CNT Holdings"), we will adjust the investment items, accounting for under the cost method in CNT Holdings' financial statements, with the adjusted book value of CNT Holdings' subsidiaries (including Harmony Property Group Limited and Indochina Investment Limited) and the book value of associated companies in the financial statements as at 30 June 2008, which are prepared by the Company and were not audited by the Company's auditor as follow.

- 1) The adjusted book value of Harmony Property Group Limited can be illustrated below:

Description	Unit: Bt mm
Shareholders' Equity as at June 30, 2008	365.21
<u>Adjustment:</u>	
Less: Impairment on loans to and amount due from associated company*	(2.90)
Adjusted Book Value	362.32

* Company with ceased operation, Christiani & Nielsen Construction (Thai) Company Limited

- 2) The adjusted book value of Indochina Investments Limited can be illustrated below:

Description	Unit: Bt mm
Shareholders' Equity as at June 30, 2008	71.42
<u>Adjustment:</u>	
Add: Adjustment of the Investment in CNT by mark to market	22.26
Adjusted Book Value	93.68

** Total 13,552,457 CNT shares held by Indochina Investments Limited are marked to market by using the weighted average market price during July 16 – Aug 15, 2008 at the approximate price of Bt 2.42 per share

3) The adjusted book value of CNT Holdings can be illustrated below:

Unit: Bt mm

Description	Book Value accounted for under Cost Method	Adjusted Book Value
Other Assets (Cash, Note Receivable and Other Assets)	6.04	6.04
Amount due from CN Place Silom Development	0.32	0.00
Investment in Subsidiaries		
- CN Place Silom Development Co., Ltd.	0.00***	0.00
- Indochina Investment Limited	75.05	93.68
- Harmony Property Group Limited	53.09	362.32
Investment in Associated and Other Investments		
- Saturn Inc.	2.22	5.25
- International Machinery Supplies Co., Ltd.	0.00***	0.00
- Phuket Land Development Co., Ltd.	0.00***	0.00
Total Assets	136.72	467.29
Less: Total Liabilities	10.60	10.60
Shareholders' Equity	126.12	456.69
Contribution Equity Value to CNT per share	0.31	1.14

*** Net value of investment after the allowance of impairment

+ Contribution equity value per share is averaged by the total issued and paid up 401,161,682 share capital.

In conclusion, the valuation of CNT Holdings under the adjusted book value approach would be equal to Bt 456.69 mm or equivalent to the contribution equity value per share of approximately Bt 1.14 per share.

2.5.7 Summary of DCF valuation

With the sum of parts valuation of companies in CNT Group, we can summarize the value of the consolidated CNT as follows:

Name	Share holding %	Value (Bt mm)	Contributing Value (Bt mm)	Share Value (Bt per share)	Valuation Approach
CNT	100.00	488 – 1,097	488 – 1,097	1.22 – 2.73	DCF
CNT Holdings	99.99	456.69	456.69	1.14	Adjusted Book value
CN Advisory	99.99	1.66	1.66	0.004	Book value
Christiani Nielsen & Construction (Thai)	99.99	0	0	0.000	Book value
Other Investments	-	0.60	0.60	0.001	Cost Method
Pan Asia – CNT JV	45.00	5.72	2.58	0.006	Book value
NWR, ITD, CNT and AS JV	25.00	3.17	0.79	0.002	Book value
		Total	950 – 1,559	2.37 – 3.89	

In conclusion, the valuation of CNT shares under DCF approach and the sum of parts of CNT's investments in subsidiaries, affiliates, joint ventures and other investments will result in the shareholders' equity of Consolidated CNT of Bt 1,255 mm, or equivalent to Bt 3.13 per share in the base-case scenario, while the IFA's sensitivity analysis derives the shareholders' equity of Bt 950 to 1,559 mm or equivalent to the price range of Bt 2.37 to 3.89 per share.

2.6 Conclusion of Valuation

The valuation of the CNT share through various methodologies can be summarized below:

Valuation Approach	Share Price (Bt per share)
1. Book Value Approach	2.53
2. Adjusted Book Value Approach	3.33
3. Market Comparables Approach	
▪ Price to Book Value	1.72 – 2.57
▪ Price to Earnings	2.01 – 3.54
▪ EV/EBITDA	2.67 – 3.38
4. Market Value Approach	2.17 – 2.57
5. DCF Approach	2.37 – 3.89

3. Reasonableness of the Offering Price

We have considered the reasonableness of the tender offer price based on comparison with our valuation derived by various methodologies for which we have the opinion as follows:

- Although the book value approach and the price to book value approach may reflect the current financial status of the Company, such approaches fail to exhibit the Company's competitiveness and profitability in the future. Therefore, we believe that such approaches are not appropriate towards the implication of the valuation range of the Company's share price.
- The adjusted book value may indicate the net asset value with respect to the current market price. However, this approach does not account for the Company's operation and its profitability in the future. We, therefore, believe that the adjusted book value approach should be regarded as the minimum bound for the valuation range of CNT's share price.
- The market share price, derived by the weighted average calculation of previous trading information, may imply the share price from the market perspective. Due to the share illiquidity, the market price may, however, not fully reflect the market perception towards the fundamental, the profitability and the risk factors of the Company.
- Price to Earnings and EV to EBITDA approaches are appropriate methodologies to assess the equity price range of CNT share since it reasonably reflect the market perspective towards the profitability of the Company in the future when compared to Price to Earnings and EV to EBITDA ratios of other listed comparable construction enterprises.
- The Discounted Cash Flow approach is an appropriate methodology to appraise the range of appropriate price of CNT shares since it can reasonably illustrate the business competency as well as profitability of the Company in the future while accounting for major factors that may affect the business operation such as the capital structure, the working capital and the competitiveness of the Company. In this regard, we believe that the financial projection can be sufficiently done by referring to the Company's historical operating information as well as publicly disclosed information of comparable firms listed in the SET

In summary, the appropriate approaches for determining CNT's share value include Price to Earnings, EV to EBITDA and Discounted Cash Flow approaches. By using the value derived by the Adjusted Book Value approach as the minimum share price, the appropriate price range would fall in the region of Bt 3.33 to 3.89 per share, which is still higher than the tender offer price of Bt 2.50 per share at the range of between Bt 0.83 to 1.39 per share. Therefore, we believe that the tender offer price of Bt 2.50 per share is lower than the appropriate share value.

As a supplement to the consideration of the appropriate share price determined by the IFA, we would also recommend that shareholders take into account the Company's contingent liabilities that may arise in the future. According to the auditors' notes relevant to contingent liabilities in the Company's financial statements as at June 30, 2008, it is stated that the Company's bid guarantee of Bt 168 mm retained for a construction project of a certain government authority may tend to be forfeited as a result of the Company's incompliance with certain bidding conditions. However, the Company already made a countercharge to the Central Administration Court to repeal an order to retain such bid guarantee. Currently, we are informed that the charge is still pending under the Central Administration Court. In the case where the court rules out that the Company surrender

the bid guarantee to the authority, the damage incurred to the Company would be Bt 168 mm or equivalent to Bt 0.42 per share, which would lower the range of appropriate share value. Nonetheless, the range of the share value post-deduction of the total damage would still be within the range of Bt 2.91 to 3.47 per share, which is still higher than the tender offer price of Bt 2.50 per share.

It should be noted that the range of the appropriate share value, determined by the IFA, is derived by referring to the information obtained from the interview with the management and its relating parties, the financial statements and the information and documents given by the Company. Other information also includes publicly disclosed information of other listed comparable companies in the SET. Our opinion is based on the assumption that the information and documents obtained are correct and complete. This rendering opinion rests on the consideration of the currently perceivable information. Any significant changes in the economic conditions as well as other external factors that may affect the Company in the future, might have an impact on the range of appropriate share value as well as our rendering opinion.

4. Reasons for Acceptance and/or Rejection of the Tender Offer

4.1 The IFA's Opinion on Rejecting the Tender Offer with Rationale as follows;

The offering price is lower than the range of appropriate share values of the Company's share determined by the IFA

We have determined the range of appropriate share value of CNT by employing Price to Earnings, EV to EBITDA and Discounted Cash Flow approaches with the use of the adjusted book value as the minimum bound for the appropriate price range as described in Section 3 "Reasonableness of the Offering Price". The range of the appropriate share value of CNT is in the region of Bt 3.33 to 3.89 per share, which is higher than the tender offer price at the range of between Bt 0.83 to 1.39 per share. Therefore, we believe that the tender offer price of Bt 2.50 per share is lower than the appropriate share value.

However, we also recommend that shareholders contemplate on the Company's contingent liabilities in addition to the range of the appropriate share value. Possibility of the forfeiture of Bt 168 mm bid guarantee from a government authority (explained in Section 3 "Reasonableness of the Offering Price") may cause the damage of approximately Bt 0.42 per share. If so, the range of appropriate share value post-deduction of such potential damage would fall in the area of Bt 2.91 to 3.47 per share, which is still higher than the tender offer price.

The range of the appropriate share value is derived by referring to the information obtained from the interview with the management and relative parties, the financial statements and the information and documents given by the Company. Other information also includes publicly disclosed information of other listed comparable companies in the SET. Our opinion is based on the assumption that the information and documents obtained are correct and complete. This rendering opinion rests on the consideration of the currently perceivable information. Any significant changes in the economic conditions as well as other external factors that may affect the Company in the future might have an impact on the range of appropriate share value as well as our rendering opinion.

With respect to the reasonableness of the tender offer price, we have considered and analyzed the impact that CBPE has on the Company before the Transaction when CPBE had the total shareholding of 29.89% (119,903,491 shares) and after the Transaction when CPBE possesses the shareholding of 71.35% (286,216,750 shares), which can be summarized as follows:

- Based on our interview with the management of CPBE regarding the potential change to the Company after the Transaction which made CPBE become a major shareholder with 71.35% shareholding, we were informed that CPBE did not have any policy to change business, management and dividend payout policies of the Company. Moreover, we also believe that CPBE would still retain its shareholder position as a financial partner rather than a strategic partner, which would be supplementary to CPBE's plan to maintain the Company's policies on a status quo basis. Therefore, the fundamental of the Company should still be the same.
- The liquidity of the Company's share will still be as low as it is before the Transaction.

Trading Information of the Company before Announcement of the Transaction on May 16, 2008:

Interval	Average Daily Trading Volume (Share)	% of Average Daily Trading Volume to Total Paid-up Shares
Retroactive 5 days	277,140	0.07
Retroactive 15 days	687,893	0.17
Retroactive 30 days	708,740	0.18
Retroactive 3 months	858,402	0.21
Retroactive 6 months	603,340	0.15
Retroactive 9 months	476,132	0.12
Retroactive 12 months	862,851	0.22

Note: * This period refers to the period backward from 15 May 2008, the date before the announcement of the share purchase agreement between CPBE and SCB.

Trading Information of the Company after Announcement of the Transaction:

Period*	Daily Trading Value (Bt)	Daily Trading Volume (shares)	Trading Volume / Total Paid up shares (%)
16 May – 15 Aug 2008	2,728,345	1,129,398	0.29

The trading information above exhibits that the Company's share liquidity has been low before and after the announcement of the Transaction. However, if a lot of shareholders accept this tender offer, the liquidity of the Company's shares may even be lower than it was. As a result, shareholders who decide to reject this tender offer may be impacted by the lack of share liquidity and may not be able to sell their shares at the price and the time desired.

- The number of minority shareholders should not affect the Company in maintaining the status of listed company in the SET.

After the Transaction, the number of minority shareholders should not vary as much from that before the Transaction since the Transaction was only a shift of share ownership from 2 major shareholders to a single major shareholder, CPBE. In the event where there are less than 150 remaining minority shareholders and their shareholding in aggregate is less than 15%, a SET threshold to maintain the listing

status, after the end of the tender offer period, the Company will still be able to amend the listing qualification by requesting the SET for a waiver. Within 12 months from the end of the period which the listed company shall submit the share distribution report in accordance with the guidelines stipulated by the SET, Company must distribute shares to full number of minority shareholders required. CPBE has disclosed in the tender document that there will not be any change in the shareholding structure within 12 months from the end of the tender period. Therefore, the Company should still be able to maintain its listing qualification with respect to share distribution stipulated by the SET.

Nonetheless, the IFA raises a crucial matter on the balance of power as follows:

Prior to CPBE's entrance into a Share Sale & Purchase Agreement with SCB (the "Transaction"), CPBE held a total of 119,903,491 shares in CNT or equivalent to 29.89% of its total paid up capital. After CPBE purchased 166,313,259 shares, equivalent to 41.46% of shareholding in CNT, from SCB on 28 July 2008, CPBE became the largest shareholder with total shareholding 286,216,750 shares or equivalent to 71.35% of total paid up capital of CNT. With its majority vote in the entity, CPBE will be able to control virtually most of the shareholders' resolutions i.e. appointment of directors or resolutions requiring majority vote of the shareholders. In the event where shareholders of more than 14,642,401 shares, equivalent to 3.65% of total paid up shares, accept this tender offer, CPBE would then gain more than three fourths of the total votes of shareholders and would be able to control all the shareholders' resolutions. In addition, if CPBE has more than 90% shareholding in CNT after the completion of this tender offer, the minority shareholders will lose their veto right as stipulated in the Public Company Act and/or the SET regulation such as the veto right of 10% of issued and paid up capital of the Company against the delisting. However, this concern may not take place thereafter. The impact to the shareholders regarding the balance of power may be lessened if there are certain events and/or situations that trigger CPBE to divest its certain share portion to other parties.

4.2 Benefit or impact from CPBE's policies and administration plans as disclosed in the tender document, the possibility of such policies and administration plans

With reference to the interview with CPBE's management, the IFA develops an opinion that the Company should still be able to pursue its business continuously. CPBE retains its role as a financial partner, refraining from influencing on CNT's business policy, whether pre- or post-share acquisition from SCB. After the tender period, the business tends to remain the same according to policies and administration plans stated in the tender document as follows:

The Company' Status:

The Company will continue its listing status on the SET except in the event that the Company cannot maintain its listing qualification stipulated by the SET and that the SET demand the delisting of CNT's ordinary shares from the SET.

Policies and Administration Plans:

The Tender Offeror has no plan or policies to change the business goal, the nature of business, the organization and capital structure of the Company after this offering. The Company will still pursue its business on an ordinary basis. The Tender Offeror does not plan to divest the Company's core assets or change the dividend payout policy.

Connected Transactions:

The Tender Offeror has stated on the Tender Offer that should there be any connected transactions executed between the Tender Offeror and the Company, both parties will follow the protocols of the SET.

Regardless, the Tender Offeror may consider changes in policies and plans stated herein, including changes in personnel to appropriately improve its competitiveness in response to changing economic conditions and market environments in the future.

5. Conclusion of the Opinion of the Advisor of Shareholders

We have the opinion that shareholders should reject this tender offer because the tender offer at Bt 2.50 per share is lower than our range of the appropriate price of the CNT's shares at between Bt 3.33 and 3.89 per share. In our conclusion to reject this tender offer, we have also considered the following factors including:

- In addition to the reasonableness of the tender offer price, we also considered the fundamental of the Company after the Transaction was executed and CPBE became 71.35% shareholder of CNT. We believe that the fundamental of the Company does not change from the one existed when CPBE held 29.89% of total shareholding. Moreover, CPBE does not have any policy to change the administration plans, business policies and dividend payout policy of the Company within 12 months after the completion of the tender period as CPBE disclosed in the tender document. (Please refer to Section 4.1 "The IFA's Opinion on Rejecting the Tender Offer")
- Impact on liquidity of CNT shares traded on the SET, yet there is noticeably no significant changes. (Please refer to Section 4.1 "The IFA's Opinion on Rejecting the Tender Offer")
- The number of minority shareholders should not affect the Company's listing qualification on the SET. (Please refer to 4.1 "The IFA's Opinion on Rejecting the Tender Offer")

However, if we consider the Company's contingent liabilities of Bt 168 mm, resulting from forfeiture of a bid guarantee, which may arise in the future, the total damage, would be approximately Bt 0.42 per share. (Please refer to more details in Section 3 "Reasonableness of the offering price") The range of appropriate value post-deduction of the total forfeiture damage would be Bt 2.91 and 3.47 per share, which will still be higher than the tender offer price.

In consideration to accept or reject this tender offer, shareholders should also review information, rationales and opinions in various issues stated herein this report. However, shareholders should use their own discretion in making decisions to accept or reject this tender offer.

We hereby certify that we have exercised careful consideration in accordance to the professional standard in rendering the above opinion by taking into account the sole benefit for the shareholders.

Mr. Pises Sethsathira
Advisor to the shareholders
Trinity Securities Company Limited