



CHRISTIANI & NIELSEN

(TRANSLATION)

Ref: CNT/SEC/007/2012

10 August 2012

Subject: Explanation of the 2<sup>nd</sup> quarter 2012's operating result which has varied by 20 % over or under that of the preceding year

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

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

The Company would like to inform that for the three-month period ended 30 June 2012, the Separate Financial Statement net profit of Baht 71 million increased from the same quarter in the previous year by Baht 32 million. This was mainly because the Company was awarded several new construction projects, and, as a result, the construction revenue increased from the same quarter in the previous year of Baht 618 million or equivalent to 62%, which resulted in an increase of the gross profit of Baht 69 million. However, in year 2012 dividends received from its subsidiary decreased by Baht 11 million and corporate income tax increased by Baht 27 million.

For the six-month period ended 30 June 2012, the Separate Financial Statement shows net profit of Baht 163 million, an increase from the same quarter in the previous year of Baht 69 million. This was due to the increase of construction revenue from the same quarter in the previous year for the reasons mentioned above of Baht 1,433 million or equivalent to 77% which resulted in the gross profit increased by Baht 124 million. Furthermore administrative expenses and finance cost decreased by Baht 2 million. However, in year 2012, the Company had a decrease of other income of dividends from its subsidiary and reversal of allowance for doubtful accounts from the previous year of Baht 19 million and Baht 8 million, respectively, and corporate income tax increased by Baht 30 million.

For the three-month period ended 30 June 2012, the Consolidated net profit of Baht 72 million increased from the same quarter in previous year by Baht 44 million, due to an increase of the gross profit of Baht 70 million and corporate income tax increased by Baht 27 million.

For the Consolidated Financial Statement, the net profit for the six-month period ended 30 June 2012 of Baht 165 million, an increase compared from the same quarter in the previous year of Baht 90 million, due to a gross margin increased from the last year for the reasons mentioned above, resulting in gross margins increased from year 2011 of Baht 125 million. Furthermore, administrative expenses and financial expenses declined from year 2011 by Baht 3 million, but in year 2012, the Company had decrease of other income from a reversal of allowance for doubtful accounts of Baht 8 million and corporate income tax increased by Baht 30 million.

Please be informed accordingly.

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

– Signature –

(Mr. Surasak Osathanugraha)  
Director and Company Secretary

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