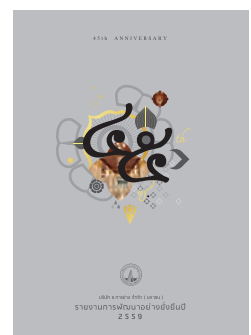
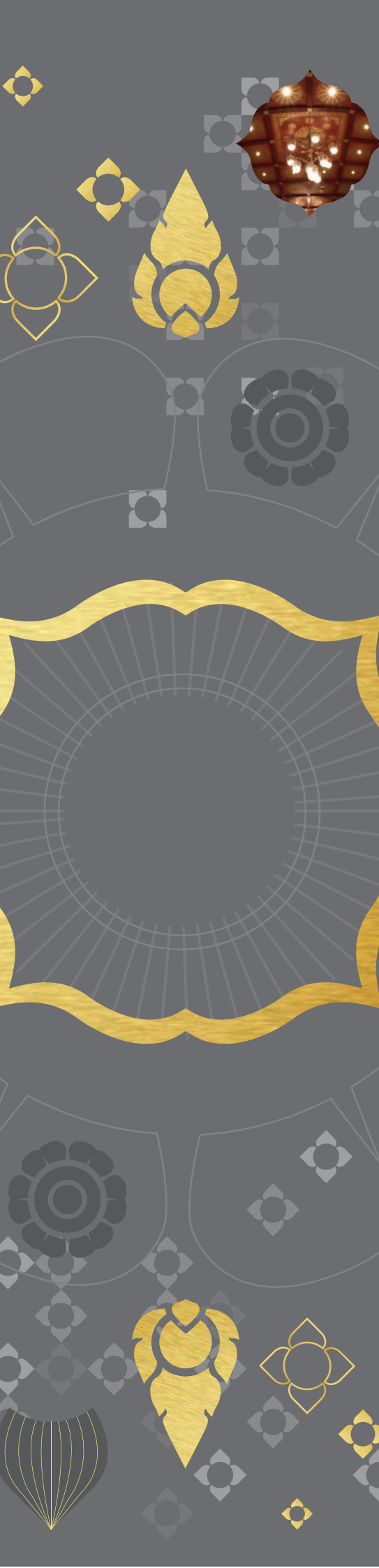


45th ANNIVERSARY



CH. KARNCHANG PUBLIC COMPANY LIMITED
ANNUAL REPORT
2016




รายงานการพัฒนาอย่างยั่งยืนปี 2559
SUSTAINABLE DEVELOPMENT REPORT 2016



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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Thailand's economic outlook in 2016, according to the Fiscal Policy Office's forecast, would expand by 3.3 percent (ranging between 3.0 - 3.5 percent), an increase from 2.8 percent of the previous year, due to the factors which included not only the public sector expenditure and investments, but also the government's measures expediting drawdown of investment in various projects, particularly due to the continued investment in infrastructure projects, let alone the fact that the tourism sector started having a tendency to be improved; the private consumption was likely to continuously expand from that of the previous year resulting from the government's economic stimulus measures, including the low interest rate, and most importantly, the political stability helped give rise to the improved growth of Thailand's economy, despite the global economic fluctuations. In addition, the construction industry expanded well in 2016 and tended to continuously expand during 2017 - 2018, mainly due to the public sector

investment in infrastructure projects which have been constantly accelerated and carried out earnestly to ensure the concrete results throughout the previous year. CH. Karnchang has beenfully prepared to participate in these major projects.

Our operational results in 2016 was satisfactory, namely, our net profit in the consolidated financial statements was Baht 2,002 Million; and as at the end of 2016, our backlog was worth Baht 56,736 Million. In this regard, operations in all projects progressed as planned and certain projects were completed and were opened for service, such as, the Si Rat - Outer Ring Road Expressway Project and the MRT Purple Line Project, Bang Yai - Bang Sue Section, as completed ahead of schedule and already opened for service in the past year. For all other projects under our responsibility, they could be implemented as targeted to our great satisfaction. Moreover, in early 2017, we have signed as contractor the MRT Orange Line Project

(East Section) with the Mass Rapid Transit Authority of Thailand, totaling three contracts, with the total value of Baht 46,971,243,222, and also executed the EPC Contract as contractor for the Modification Works of Booster Pump Stations to be Water Distribution Stations and Construction Works as the Permission Conditions with TTW Public Company Limited, with the value of Baht 302,890,687. As for various projects scheduled to be opened for bids in 2017, for instance, double tracks railway projects, motorway projects, etc., the Company is well-prepared in terms of personnel, technology and investment to bid for such projects.

Our management in 2016 continued to realize and focus on management in compliance with the good corporate governance principles, as clearly evidenced by our “Excellent” corporate governance rating (CGR) in 2016 from the Thai Institute of Directors (IOD), the highest score and the maintained rating at “Excellent” from 2015, despite greater stringent scoring criteria as usual. However, other than the management under the good corporate governance principles, we give priority to our policies on contributing benefits and values to society, communities and environment through the Corporate Social and Environmental Responsibility Program or CSR activities, as main policies which we are determined to regularly develop. The Corporate Social and Environmental Responsibility Committee remained committed to setting up policies and organizing CSR activities in the best interest to society to ensure the concrete results with sustainability. In 2016, we continued to organize various CSR activities that were beneficial to society, such as, blood donation and various sponsorships, for instance, budget sponsorships for the literature for childhood life development program, which was first launched at Wat Chai Sisa-at Child Development Center, Tambon Donrat, Amphoe Rattanaaburi, Surin Province, etc. For the first time in 2016, we introduced the “DVE Career Choices” campaign

in response to the government’s policy through the “Competitive Workforce” agreement made with 13 national leading organizations, with the main aim of improving the quality of vocational-level students as well as providing them opportunity and jointly enhancing capability of students to answer the needs and meet the requirements of the business premises and private sector. In so doing, the Company selected the vocational college students who obtained vocational certificates and passed the test, as well as possessing suitable qualifications, to further study at the high vocational certificate level for two years, and also accepted students to be educated and trained by our technicians and engineers, not to mention the fact that the students were given opportunity to make on-the-job tryouts. This campaign is a good chance for us to share competency and knowledge of our personnel to be part of development of “youths of new generation” to ensure that they have knowledge and expertise needed by the business sector to truly serve the national development.

On behalf of the Board of Directors, I would like to thank shareholders, management, all staff, public and private partners, as well as all stakeholders, for your support and trust in the Company, and playing the key role in helping push forward the Company to enter the 45th year with stability and dignity. Our business operations remain committed to the guidelines which will take the Company to achieve the growth and additional strategies so as to add value to and lead the Company to the stability and sustainability under management mainly based on the corporate governance and responsibilities towards society, communities and environment for the utmost interest of stakeholders, society and country.

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD AND THE PRESIDENT



With our vision and business philosophy to emphasize implementation of beneficial projects and play a part of the national and social development, CH. Karnchang then become recognized as the leader in construction business and as the comprehensive local and regional basic infrastructure developer and investor. For this reason, CH. Karnchang remains committed to the business operations focusing on such beneficial projects and management under the concept of the Power of Synergy on a continuous basis in order to lead the organization to the sustainable and stable growth. Over the past several years, we have carried out the business restructuring in CK Group, namely, the transportation business by Bangkok Expressway and Metro Public Company Limited, and the tap water business by TTW Public Company Limited, and the energy business by CK Power Public Company Limited, to ensure the efficiency and readiness to accommodate the demand for various aspects of basic infrastructure both in Thailand and the region, as evidently proven by the concerted efforts in the manner of synergy with strength and efficiency, allowing for the potential growth and generating good returns with fairness to all of us.

With respect to administration of CH. Karnchang Public Company Limited, we further restructured the top management in 2016 to allow personnel of new generation in both main functions and supporting functions to make the concerted efforts through the synergy with our senior executives to employ knowledge and accumulated experience of more than 40 years for expanding with the concept and innovations to enhance our competitiveness and capability to ensure our preparedness for the ongoing change in the world of new era. Yet, we have continued to emphasize the concept of the Synergy for Transformation and to prepare for our approach to the 45th business anniversary with greater pride, confidence and strength.

CH. Karnchang Public Company Limited's operational results for 2016 were satisfactory, with the signed contract value in 2016 of more than Baht 25,300 Million and the backlog to be recognized as revenue in the amount of Baht 56,736 Million. Among these projects were, for example, energy projects, namely, the Xayaburi Hydroelectric Power Project, the Small Power Producer Project (SPP), the cogeneration power project, the Project for Improvement of Voltage

and Construction of the Nabong Substation in the Lao People's Democratic Republic (Lao PDR), all of which have progressed according to schedule; the transportation projects, namely, various MRT line projects, such as, the MRT Purple Line Project, the MRT Blue Line Extension Project, the MRT Green Line Project, the Construction Project of Highway No. 7, Pattaya - Map Ta Phut Section, the Construction Project of Double Track Railroad, Chira Junction - Khon Kaen Section, and other projects, such as, Construction Project of Diagnosis and Treatment Building and Facilities with Mae Fah Luang University, etc., all of which have also progressed according to schedule. Furthermore, in 2016, we were able to complete construction of the Si Rat - Outer Ring Road Expressway Project and the MRT Purple Line Project, Bang Yai - Bang Sue Section, ahead of schedule, therefore, we were able to open such projects for service to the public four months earlier than planned, which helped alleviate traffic problems in many areas of Bangkok to a certain degree.

In respect of the MRT Blue Line Extension Project, Sanam Chai - Tha Phra Section, the construction was 100 percent completed, the finishing work included. This project becomes enormously popular among the people, due to the Sanam Chai Station's location adjacent to the area of the Rattanakosin Island and near many historical and cultural landmarks, with the approval of the Mass Rapid Transit Authority of Thailand as the project owner. Fortunately, Associate Professor Dr. Pinyo Suwankiri, National Artist in Visual Arts, did us the honor of designing the concourse floor area with the creative thinking and decorating the station to make it smoothly blended with the art and culture in the Rattanakosin Island, but meantime still completely using the engineering and design technology to ensure the highest safety, including functional uses in accordance with modern engineering requirements; thus, it is regarded as a model project of perfect combination between the state-of-the-art technology and the existing art and culture. Other than the prominent design and decoration arts in respect of the Sanam Chai

Station, the MRT Blue Line Extension Project employed not only high-technology of engineering: Tunnel Boring Machine, to drill the tunnel with 5.7 meters in diameter and 12-38 meters in depth, as Thailand's first tunnel drilling project under the Chao Phraya River, but also employed construction technique without topsoil excavation but excavation of ways up and down only, by which enabled us to conduct the construction in the underground area without excavating topsoil, let alone a little impact on the traffic surface. This project represents that the cutting-edge infrastructure of this modern era can be absolutely co-exist with conservation of our cultural identity and society in such manner that Engineer Meets Arts.

Moreover, in February 2017, we have executed a total three contracts for the MRT Orange Line Project (East), that is, Contract 1: Underground Construction, Thailand Cultural Centre - Ramkhamhaeng 12 Section, with the value of Baht 20,633,000,000; Contract 2: Underground Construction, Ramkhamhaeng 12 - Hua Mak Section, with the value of Baht 21,507,000,000; and Contract 5: Construction of Depot and Park & Ride Facilities, with the value of Baht 4,831,243,222, totaling more than Baht 46,900 Million. In 2016, CH. Karnchang's operational results were satisfying, with the total revenues of Baht 47,019 Million; the total expenses of Baht 44,311 Million; the total assets of Baht 94,928 Million; the total liabilities of Baht 73,074 Million; and the consolidated net profit of Baht 2,002 Million.

Thailand's construction industry in 2017 is likely to remain bright thanks to the government policy which continues to realize the significance of investment in the country's large-scale basic infrastructure. The growth rate of the public and private investment in the construction industry, according to the Office of the National Economic and Social Development Board's forecast, would still be able to expand further after being in deficit in 2014 and started to become positive in 2015, with the growth exceeding 10 percent; and in 2016, it was expected to rise by 7-8 percent. Meanwhile,

during 2017-2018, Krungsri Research, Bank of Ayudhya Public Company Limited, anticipated that investment in the construction industry would grow in the range of 8-11 percent. Over the past two years, the government did approve and open for bidding for many mega projects and also plan to gradually push forward and start to open for bidding for a lot of significant projects in the second half of 2017, such as, double track railway projects, including motorway projects, and many line projects. At this point, we are well-prepared to participate in bidding for all such projects. In the meanwhile, the construction industry, particularly in the Asean Economic Community (AEC) and CLMV, is also likely to look positive, growing at the economic growth rates of many countries in the region. CH. Karnchang is likewise well-prepared to study and seek additional opportunities to bid for the constructive projects in the region.

Apart from our management of the construction business to ensure efficiency and effectiveness to generate the good operational results, CH. Karnchang Public Company Limited is also determined to operate the business based on the proper and moral guidelines to implement projects which are beneficial for the society and the country with our commitment to the highest responsibility towards the society, communities and environment. As a result, we continue to give priority to and support CSR activities, that is, in 2016, we organized a variety of CSR activities to benefit the society, such as, blood donation and various sponsorships, etc. One of the activities as a source of our pride was the "DVE Career Choices" campaign, which was introduced for the first time in 2016 to support the government's policy through the "Competitive Workforce" agreement with the private sector. In so doing, we selected the vocational college students who obtained vocational certificates and passed the test, as well as possessing suitable qualifications, to further study at the high vocational certificate level for two years. In the first year, we provided 10 students with opportunities and scholarships, including all related expenses, and they, upon completion of their education, would be allowed to work with and be part of CH. Karnchang to join hands in developing the Company and the country.

Another key principle we have realized and will have to make it efficiently integrated with the management for good

returns based on the corporate social and environmental responsibility is the business operations based on the Principles of Good Corporate Governance. In 2016, we received an "Excellent" rating in the corporate governance rating (CGR) of Thai listed companies from the Thai Institute of Directors Association (IOD) for two years in a row, signifying our commitment and real action to become the organization with good corporate governance, with an aim of ensuring transparency, auditability as well as continuously generating concrete benefits to all of our stakeholders.

2017 marks CH. Karnchang's 45th business anniversary, we remain committed to the business philosophy to implement projects which are beneficial for the society and the country, to generate good returns, to fairly treat all shareholders and stakeholders based on the economical, social and environmental responsibility to bring about the sustainable development and growth of the business, the society and the nation, not to mention the fact that we have adhered to the principle of the synergy with companies in CK group, including with business alliances, to enhance the business competency to become robust and comprehensive, and to add opportunity to expand the business in pursuit of common fair benefits for all related parties. Furthermore, we have emphasized the synergy in the organization by synchronizing knowledge, experience and capability of our executives of diverse generations to pave the way for our approach to the new era, which continued context adaptation of the business operations is required in terms of vision, strategies and engineering and construction technology, management, including personnel development. So far, with the successful growth of CH. Karnchang Public Company Limited originating from great support of all shareholders, executives and staff, public and private partners, including all stakeholders, please rest assured that we have committed ourselves to further operating the business to ensure the growth and stability for sustainable future.



MR. PLEW TRIVISVAVET
Chairman of the Executive Board



DR. SUPAMAS TRIVISVAVET
President





BOARD OF DIRECTORS



1. MR. ASWIN KONGSIRI

- Chairman of the Board of directors
- Independent Director

2. MR. PLEW TRIVISVAVET

- Director
- Chairman of the Executive Board
- Nomination and Remuneration Committee Member
- Corporate Governance and Risk Management Committee Member

3. MR. VITON TEJATUSSANASOONTORN

- Director
- Chairman of the Audit Committee
- Chairman of the Nomination and Remuneration Committee
- Chairman of the Corporate Governance and Risk Management Committee
- Independent Director

4. MR. THAWANSAK SUKHAWUN

- Director
- Audit Committee Member
- Nomination and Remuneration Committee Member
- Corporate Governance and Risk Management Committee Member
- Independent Director

5. MR. PAVICH TONGROACH

- Director
- Audit Committee Member
- Chairman of the Corporate Social and Environmental Responsibility Committee
- Independent Director





6. MISS SUPAMAS TRIVISVAVET

- Director
- Executive Director
- President

7. MR. NARONG SANGSURIYA

- Director
- Executive Director
- Nomination and Remuneration Committee Member
- Corporate Governance and Risk Management Committee Member

8. MR. PRASERT MARITTANAPORN

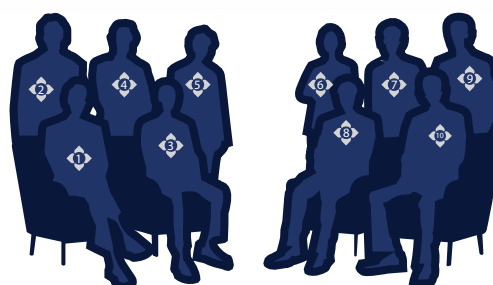
- Director
- Executive Director
- Corporate Social and Environmental Responsibility Committee

9. MR. RATN SANTAANNOP

- Director
- Executive Director

10. MR. ANUKOOL TUNTIMAS

- Director
- Executive Director
- Corporate Social and Environmental Responsibility Committee



EXECUTIVE BOARD



4

3

1

2

5

6

1. MR. PLEW TRIVISVAVET

• Chairman of the Executive Board

4. MR. PRASERT MARITTANAPORN

• Executive Director

2. MISS SUPAMAS TRIVISVAVET

• Executive Director

5. MR. RATN SANTAANNOP

• Executive Director

3. MR. NARONG SANGSURIYA

• Executive Director

6. MR. ANUKOOL TUNTIMAS

• Executive Director



SENIOR MANAGEMENT TEAM



1

1. MR. NARONG SANGSURIYA

• Senior Executive

4

2

2. MR. PRASERT MARITTANAPORN

• Senior Executive

3

3. MR. RATN SANTAANNOP

• Senior Executive

4. MR. VIBOON MONGKOLPIYATHANA

• Senior Executive

MANAGEMENT TEAM



1. MISS SUPAMAS TRIVISVAVET

- President

2. MR. PHONGSARIT TANTISUVANITCHKUL

- Senior Executive Vice President : Operation Group

3. MR. SITIDEJ TRIVISVAVET

- Senior Executive Vice President : Administration Group

4. MR. ANUKOOL TUNTIMAS

- Executive Vice President : Human
Resource and General Administration

5. MR. THAMMANOON SURARAT

- Executive Vice President : Construction 4

6. MR. PORNNARONG SIRIYOTHIN

- Executive Vice President : Construction 1



7. MR. PRAPON CHANPRADUBFA

• Executive Vice President : Construction 2

8. MR. PHAIRAT PROM-IN

• Executive Vice President : Construction 3

**9. MR. WATCHARA
SANGHATTAWATTANA**

• Executive Vice President : Engineering

10. MR. PICHAI CHOEIBAMRUNG

• Executive Vice President : Purchasing

11. MRS. RINRADA TANGTRONGKID

• Executive Vice President : Accounting and Financial

12. MR. WIBOON UNGAPIPATHANACHAI

• Executive Vice President : Internal Audit office

ADVISORY COMMITTEE FOR BOARD OF DIRECTOR AND THE EXECUTIVE BOARD



**1. POL. GENERAL NARONG
MAHANONDA**

- Chairman of the Advisory Committee

**2. POL. MAJOR GENERAL
SAWAT VIJARANAKORN**

- Senior Executive Advisor

3. MR. PRASERT TRIVISVAVET

- Advisory Committee for Executive Board

4. MR. THEP TRIVISVAVET

- Advisory Committee for Executive Board

5. MR. YIM TRIVISVAVET

- Advisory Committee for Executive Board

6. MR. CHARN CHONGCHIT

- Legal Advisor

COMPANY SECRETARY



MR. NATTAVUT TRIVISVAVET

Company Secretary



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BUSINESS POLICY AND OVERVIEW



CH. Karnchang Public Company Limited was incorporated on November 27, 1972 to operate the business as construction contractor given the opportunity for the construction business expansion while Thailand was focusing on national development, by initiating a number of various construction projects. It is the Company's policy from the outset to focus on construction works which are beneficial for the society and the country and to carry on its operations under the business philosophy based on integrity, justice and utmost interest of all stakeholders as well as to always give priority to the social and environmental responsibility. Initially, the Company's scope of work covered construction of buildings and general civil works, mostly for the Royal Thai Army and the government sector.

Subsequently in 1981, the Company entered into a joint venture with Tokyu Construction Co., Ltd., one of Japan's top ten construction contractors, to jointly establish CH. Karnchang-Tokyu Construction Co., Ltd. for the purpose of expansion of the scope of business operations and learning and acceptance of construction technology transfer, as well as formation of a business alliance.



Thereafter, the Company was converted into a public limited company on October 10, 1994 and the Company's ordinary shares were listed and began trading on the Stock Exchange of Thailand on August 3, 1995, at which time, the Company was rapidly growing and improving its capabilities and potential in all aspects, including work management and development of human resources, as well as construction technology development through its joint ventures with foreign companies which possess expertise to enhance its potential for more efficient operations. This has enabled the Company to expand its scope of engagements to various fields to the point at which the Company has become one of the construction contractors which are sufficiently capable to carry out sophisticated construction requiring advanced construction technology, such as, construction of large scale infrastructure projects, namely, construction of expressways, subways or dams, etc. With the Company's continued development of its capabilities in terms of both engineering and management, the Company is thus able to handle projects on a design and construction or turnkey basis.



Moreover, based on the vision and policy of the management team which realizes the need to enlarge the scope of business operations; create a prominent role and a sustainable and stable growth for the Company, the Company has changed its role to become an investor in regional, comprehensive infrastructure project development. Currently, the Company has invested in small, medium and large concession projects which cover all systems, namely, transportation, mass rapid transit, infrastructure, and hydropower systems. Among these projects include, for instance, investment in Bangkok Expressway Public Company Limited, which constructs and operates the Si Rat Expressway (the Second Stage Expressway), and various extension projects; investment in the M.R.T. Chaloem Ratchamongkhon Line Project of Bangkok Metro Public Company Limited (on December 30, 2015, Bangkok Expressway Public Company Limited amalgamated with Bangkok Metro Public Company Limited into Bangkok Expressway and Metro Public Company Limited); investment in the Tap Water Production Project of TTW Public Company Limited for sale of tap water to the Provincial Waterworks Authority in the vicinities of Nakhon Pathom Province and

Samut Sakhon Province; and investment in CK Power Public Company Limited which operates the core business as holding company in the electricity production and distribution business from energy resources of various types, namely, investment in the Hydroelectric Power Project (Nam Ngum 2) for electricity generation and distribution to the Electricity Generating Authority of Thailand, investment in the Small Power Producers (SPP), with a production capacity of 120 MW, by the cogeneration system for electricity generation and distribution to the Electricity Generating Authority of Thailand and industrial operators in Bang Pa-in Industrial Estate, and projects in progress, such as, investment in the Xayaburi Hydroelectric Power Project for electricity generation and distribution to the Electricity Generating Authority of Thailand and the Government of the Lao People's Democratic Republic, etc. The Company's business operations in this manner demonstrate the results when the group companies whose shares are held by the Company have successfully achieved good operational results, and the Company has received returns on investment in those companies in the form of dividend, including gains on sales of investments, which generate regular income and profit for the Company.

Based on the policies and far-sighted vision in business operations, the Company is able to become a construction contractor, investor and concessionaire, which has distinguished the Company from other leading construction companies in Thailand, and generates revenues for the Company from construction services for both the government sector and the private sector, including income from investment in basic infrastructure project development business. Moreover, the Company is able to more efficiently manage risks in the construction business due to the Company's chance to initiate its own works from its roles as full-scale developer, investor, and manager of concessions. These policies and strategies in management can result in good business returns and stable growth for the Company and its group companies, which make the Company strong and distinctive, and afford an opportunity and have the potential beyond being a construction company alone. This is a prominent factor which empowers the Company to become successful in its business operations for over 40 years

1.1 The Company's Overall Operational Policy

To ensure the accomplishment of the Company's operations for the utmost benefits of all stakeholders, the Company has thus adopted the operational policies subject to the principles as follows:

Vision

“To be the leader in construction business and the pre-eminent and comprehensive basic infrastructure developer in the region”

Missions

- **Deliver quality work for our customers while committed to creating work that contributes to the society and country with good returns to our shareholders and providing fair treatment to all our stakeholders**
- **Manage our business with professionalism and in accordance with the guidelines of good Corporate Governance**
- **Be responsible to the community, society and the country**
- **Develop human capital and organization on a continuous and consistent basis**

Corporate (Q-C-I-S-T)

- **Quality of Services**
- **Customer Satisfaction**
- **Integrity**
- **Social and Environmental**
- **Responsibilities**
- **Teamwork**

Strategies: Sustainable Growth

- Select projects with good contribution to the society and our country and with fair business returns
- Manage construction projects under the principles of effective cost management, timeliness and quality of work
- Build the business synergy in construction business and investment in basic infrastructure projects that contribute to the country's development for the purpose of risk management and increase in long-term returns to shareholders
- Expand to regional market with an emphasis on Southeast Asia
- Develop organizational capacity - human capital and management structure - to increase the company's competitiveness
- Manage and develop advanced technology, including knowledge to ensure the company's comparative advantage

To ensure the Company's business operations in compliance with the policies, the Company has complied with the strategies and action plans in 2016 as follows:

1. The Company carried out construction and performed various related works, with progress according to schedule;
2. The Company followed the procedures under every project agreement;
3. The Company conducted feasibility studies and made preparations for investments in various projects;
4. The Company maintained its liquidity and efficiently managed short-term and long-term investments to generate more revenues, as well as used various financial instruments for risk management, including reduction of finance cost;
5. The Company maintained an efficient, transparent, and auditable management system subject to the good corporate governance principles, including the Quality Management System (ISO 9001), and developed the information system with updated technology to enhance performance.

1.2 Significant Changes and Development

According to the aforesaid business policy and overview of the Company, details of the Company's significant changes and development can be summarized as follows:

PROJECT GALLERY

1972 - 2017



The Journey of Precious Experience

1972

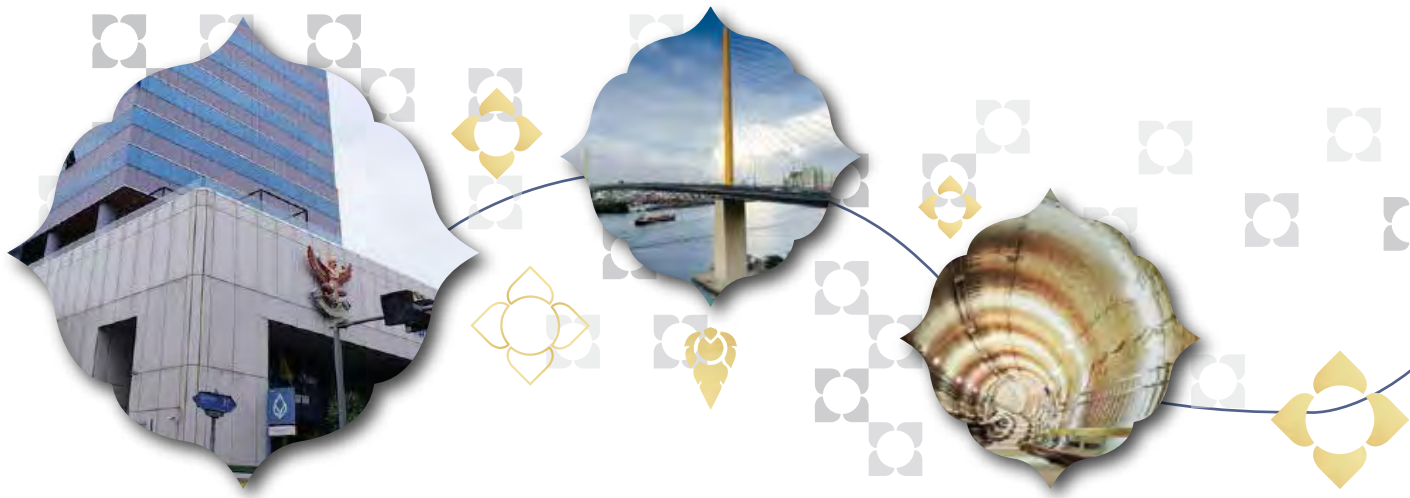
The Company was incorporated as a limited company with the initial registered capital of Baht 1.40 Million to engage in general construction business. Initially, the Company's scope of work covered construction of buildings and general civil works and its major clients were government agencies, such as, the Royal Thai Army and the Royal Thai Air Force. The achievements bringing reputation to the Company included, for example, the Chulachomklao Royal Military Academy, various buildings, hospitals and public utilities for the Royal Thai Army and the television station building for the Mass Communication Organization of Thailand (MCOT), etc.

1981

The Company realized the need to enlarge the scope of its business operations for long-term prosperity. In this respect, the Company entered into a joint venture with Tokyu Construction Co., Ltd., one of Japan's top ten construction contractors, for the purpose of construction business and management, as well as potential business alliance.

1994

The Company expanded its scope of business operations and increased the registered capital to accommodate the continued business expansion. On October 10, 1994, the Company was converted into a public limited company, resulting in an increase in its registered capital to Baht 700 Million, and then became a listed company on the Stock Exchange of Thailand on August 3, 1995.



1996

The Company increased its registered capital from Baht 700 Million to Baht 1,050 Million, at which time, the Company was rapidly growing and improving its capabilities by both work management and development of human resources, as well as construction technology development through its joint ventures with foreign companies which possess expertise, e.g., Bilfinger AG from Germany, Thames Water International Limited from England. This enabled the Company to

expand its scope of engagements to the point at which the Company became one of a few construction contractors which were sufficiently well-prepared to carry out sophisticated construction requiring advanced construction technology, such as, construction of large scale infrastructure projects. The Company also developed its capabilities in terms of both engineering and management, allowing the Company to operate projects on a design and construction basis or the so-called turnkey,

concession projects on a build-transfer-operate (BTO), build-operate-transfer (BOT), build-own-operate (BOO) and acquire-operate-transfer (AOT) basis, as well as other small, medium and large scale projects.

2004

The Company established SouthEast Asia Energy Limited to serve as the developer of the Nam Ngum 2 Hydroelectric Power Project in the Lao People's Democratic Republic (Lao PDR).

2006

The Company commenced the construction of the Nam Ngum 2 Hydroelectric Power Project, with a project value of more than Baht 22,000 Million, with a production capacity of 615 MW, for production and distribution of electricity to the Electricity Generating Authority of Thailand. This project is regarded as a source of clean and renewable energy, which is low-priced and stable; and as an international investment which helps create jobs and revenue to the Lao PDR, together with improvement of the quality of life of local people in the long run, strengthen friendship and create partnership and good investment opportunity on a national level.

2009

In addition to the hydropower investment, the Company expanded its investments to other energy businesses, such as, investments in natural gas power project, thermal power technology (cogeneration), and solar power projects, etc. The Company then established Bangpa-in Cogeneration Limited for operation of the Small Power Producer (SPP) construction and management, with a production capacity of 120 MW, by the cogeneration system within Bang Pa-in Industrial Estate to generate and distribute electricity to the Electricity Generating Authority of Thailand and industrial operators in Bang Pa-in Industrial Estate.



2010

The Company established Xayaburi Power Company Limited to operate the electricity generation concession granted by the Lao PDR.

2011

The Company established Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited, and Bangkhengchai Company Limited to carry out construction and operation of solar power projects to generate and distribute electricity to the Provincial Electricity Authority. Moreover, the Company established CK Power Limited as a holding company with its core business in SouthEast Asia Energy Limited, the major shareholder of the Nam Ngum 2

Hydroelectric Power Project, with the objectives for investment and shareholding in energy business, starting from its shareholding in energy business under development by the Company group. It has a vision to invest in good energy business, including alternative and clean energy, either projects initiated by the Company group or by other groups of business partners, in order to boost the business prospects in this field.

2012

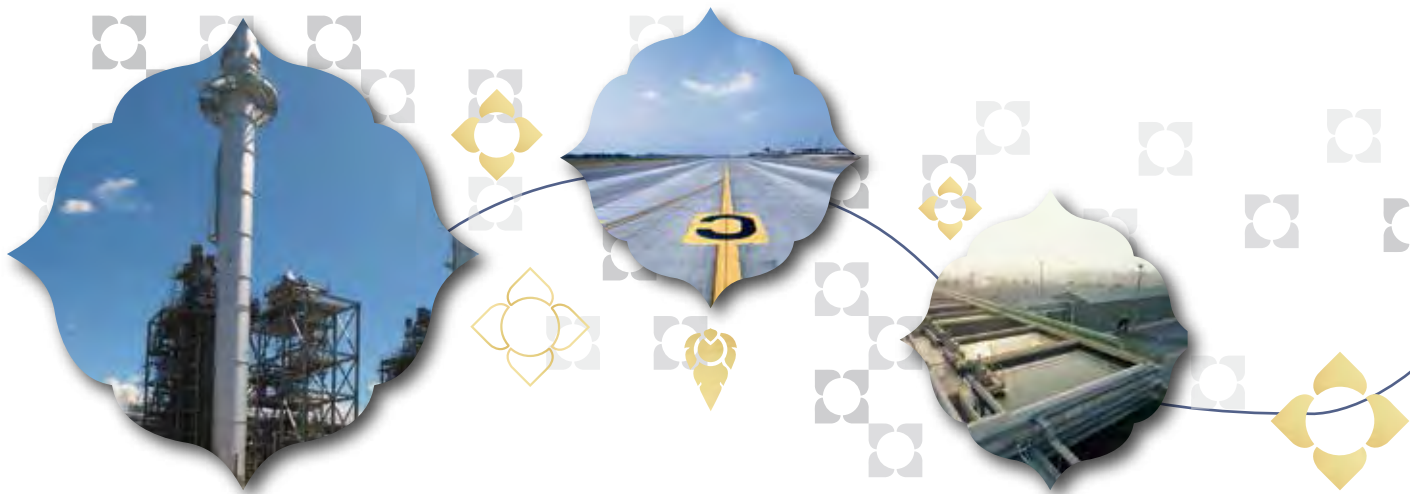
The Company commenced construction of the Xayaburi Run-of-River Project, a 1,285 MW hydropower plant, with a construction project value of more than Baht 76,000 Million, for production and distribution of electricity to the Electricity Generating Authority of Thailand and the Electricité du Laos, which is expected to complete in 2019.

2013

CK Power Limited converted into a public limited company on February 6, 2013 and has been listed on the Stock Exchange of Thailand since July 18, 2013.

2014

The Company acquired 700,000 capital increase ordinary shares in Construction Material Supply Co., Ltd. (its subsidiary) according to its shareholding percentage, at the price of Baht 100 per share, totaling Baht 70 Million, to maintain its shareholding percentage in Construction Material Supply Co., Ltd. at 99.99 percent of its registered capital. Exercising of the right to subscribe for such shares caused the Company to hold 999,992 shares in Construction Material Supply Co., Ltd. or representing 99.99 percent of the total of 1,000,000 shares.



2015

The Company supported the amalgamation between Bangkok Expressway Public Company Limited ("BECL") and Bangkok Metro Public Company Limited ("BMCL") since the amalgamation was considered a strategy to integrate the strengths of both companies in order to diversify services; strengthen business competitiveness and create investment opportunities in the future; and promote image of securities of the new company from the amalgamation. The Joint Shareholders' Meeting between shareholders of Bangkok Metro Public Company Limited and shareholders

of Bangkok Expressway Public Company Limited resolved to approve various matters of the new company from the amalgamation as stipulated by the Public Limited Companies Act B.E. 2535 (1992) and its amendments. In this regard, the public limited company registrar, Department of Business Development, Ministry of Commerce, accepted the registration of the amalgamation on December 30, 2015, and as a result, Bangkok Metro Public Company Limited and Bangkok Expressway Public Company Limited became defunct and amalgamated into Bangkok Expressway and

Metro Public Company Limited or BEM, with its registered and paid-up capital equal to Baht 15,285,000,000, divided into a total of 15,285,000,000 ordinary shares, at the par value of Baht One per share. Therefore, such new company has assumed all assets, debts, rights, duties and responsibilities of Bangkok Metro Public Company Limited and Bangkok Expressway Public Company Limited by operation of law from the date of the public limited company registrar's acceptance of registration of the amalgamation onwards.

Significant Changes in 2016

❖ 31 MARCH

On March 31, 2016, the Company signed the Construction Agreement of Highway No. 7, Bangkok - Ban Chang, Pattaya - Map Ta Phut Section, Phase 5, between km. 13+900.000 - km. 16+150.000, for a distance of approximately 2.250 kilometers, including highway lighting installation in Amphoe Bang Lamung, Chonburi Province, with the Department of Highways, for a construction period of approximately 900 days and with the contract value worth approximately Baht 778,371,000, inclusive of value added tax.

❖ 20 APRIL

On April 20, 2016, CH. Karnchang (Lao) Co., Ltd., as the Company's subsidiary, signed the Engagement Agreement for Improvement of Voltage and Construction of the 230/500 kV Nabong Substation with Nam Ngum 2 Power Company Limited, for a completion period of approximately 26 months and with the contract value worth approximately Baht 799,850,000 and USD 39,113,320 (exclusive of value added tax).



❖ 6 JULY

On July 6, 2016, CH. Karnchang (Lao) Co., Ltd., as the Company's subsidiary, signed the Amendment to Engineering, Procurement and Construction Contract (EPC Contract) for First Stage Works and Second Stage Works for the Xayaburi Hydroelectric Power Project with Xayaburi Power Company Limited, divided into two additional construction work phases, which can be materially summarized as follows:

► **Phase 1** : The construction value amounts to Baht 14,650 Million for improvement of the Project construction for the right-hand

side of the Mekong River carried out during 2011 - 2015 for addition and improvement of necessary characteristics to meet the requirements relating to the environmental and engineering standards, at the government of the Lao PDR's request, namely, adding the sediment flushing outlets and lowering the height of the Spillway's threshold, adding the fish passage system, as well as additionally reinforcing the steel structure, etc.; and

► **Phase 2**: The construction value amounts to Baht 4,750 Million for revisions and modifications of the construction design,

components of the Project for the left-hand side of the Mekong river to be carried out during 2016 - 2019, namely, modifying the fish passage system, reducing the sludge drain channels underneath the powerhouse and reducing the length of the powerhouse and installation site, including works relating to the mechanical and electrical system, etc.

It is expected to be completed in and around October 2019, with the contract value worth approximately Baht 19,400,000,000.

❖ 8 AUGUST

On August 8, 2016, the Company signed the Construction Agreement of Motorway, Bang Pa-in - Saraburi - Nakhon Ratchasima Section, km. 27+500.000 - km. 37+700.000 (including Hinkong Interchange), for a distance of approximately 10.200 kilometers, with the Department of Highways, for a construction period of approximately 1,080 days and with the contract value worth approximately Baht 1,945,500,000, inclusive of value added tax.

❖ 26 SEPTEMBER

On September 26, 2016, the Company signed the contract of the repair of the Si Rat Expressway: Periodic 3 Phase 5, Sector D (Asoke - Srinagarindra) with Bangkok Expressway and Metro Public Company Limited, for a completion period of approximately 10 months and with the contract value worth approximately Baht 32,341,810, exclusive of value added tax.



❖ 14 DECEMBER

On December 14, 2016, the Company signed as the Contractor for additional maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project (the improvement and repair of the Civil Infrastructure and E&M Systems, including supply of equipment and tools for operation and maintenance for the MRT Purple Line Project in addition to the scope of work from the existing Agreement in which the Company is a project manager for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project) with Bangkok Expressway and Metro Public Company Limited, for a completion period in and around October 2023 and with the contract value worth approximately Baht 155,000,000, exclusive of value added tax.



The Company has executed a Joint Venture Agreement with Sino-Thai Engineering & Construction Public Company Limited under the name CKST Joint Venture, with the purpose for bidding under the announcement and terms for bidding of the MRT Orange Line Project (East Section), Thailand Cultural Centre - Min Buri Section, and with the investment ratio as follows:

1. CH. Karnchang Public Company Limited 60 percent;
2. Sino-Thai Engineering & Construction Public Company Limited 40 percent.

On February 9, 2017, CKST Joint Venture has signed as the Contractor for three Contracts of the MRT Orange Line Project (East Section) with Mass Rapid Transit Authority of Thailand, as follows:

1. Contract E1: Underground Civil Works, Thailand Cultural Centre - Ram Khamhaeng 12 Section, for a completion period of approximately 1,980 days and with the contract value worth approximately Baht 20,633 Million, inclusive of value added tax;
2. Contract E2: Underground Civil Works, Ram Khamhaeng 12 - Hua Mak Section, for a completion period of approximately 1,980 days and with the contract value worth approximately Baht 21,507 Million, inclusive of value added tax;
- Contract E5: Depot and Park & Ride Facilities, for a completion period of approximately 1,980 days and with the contract value worth approximately Baht 4,831.24 Million, inclusive of value added tax.

1.3 Shareholding Structure of Company Group

1.3.1 Policy on Business Grouping among Companies in the Group

The business operations of group companies are divided into two categories as follows:

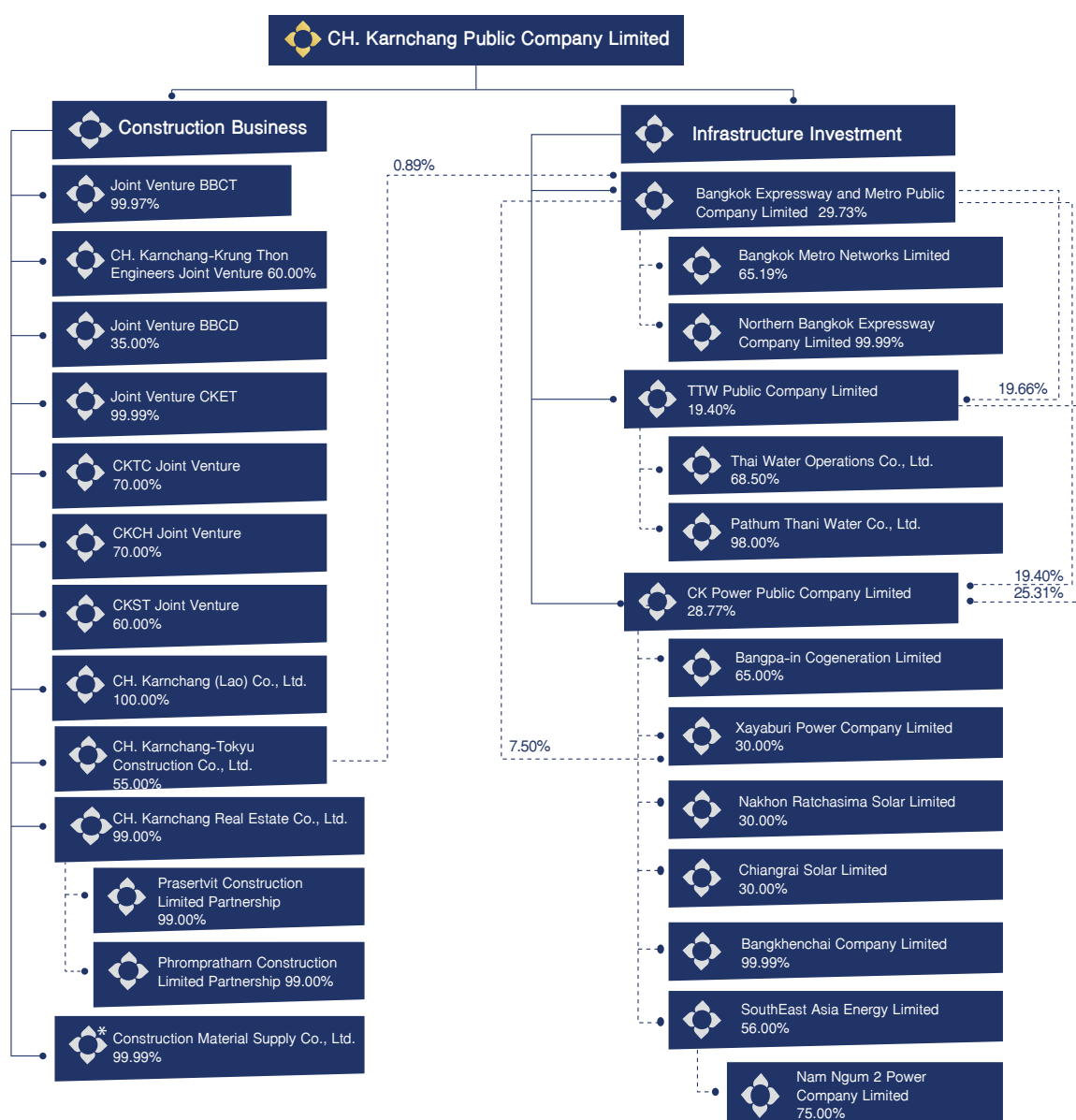
- 1) Construction Business; 2) Infrastructure Investment;

1.3.2 Information on Shareholding Structure of Company Group

Business Operations of the Company, Subsidiaries and Associated Companies, divided into:

Organization Chart of CH. Karnchang Public Company Limited

(As at December 31, 2016)



Remark *On February 24, 2017, CH. Karnchang Public Company Limited sold all of its 999,992 shares in Construction Material Supply Co., Ltd. to a legal entity having no connection with the Company, and as a result, Construction Material Supply Co., Ltd. ceased to be the Company's subsidiary.

Details of Business Operations of the Company, Subsidiaries, Associated Companies and Joint Ventures

Joint Venture/Company Name	Shareholding Ratio	Nature of Work
Construction Business		
1. CH. Karnchang (Lao) Co., Ltd.	100.00%	Construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project
2. CH. Karnchang Real Estate Co., Ltd.	99.00%	Trading of Land, Allocation of Land and Residential Buildings
3. Construction Material Supply Co., Ltd.	99.99%	Sale of Construction Materials
4. Prasertvit Construction Limited Partnership	99.00% of shares held by CH. Karnchang Real Estate Co., Ltd.	Construction
5. Phrompratharn Construction Limited Partnership	99.00% of shares held by CH. Karnchang Real Estate Co., Ltd.	Construction
6. CH. Karnchang-Tokyu Construction Co., Ltd.	55.00%	Construction of All Kinds
7. Joint Venture BBCT comprising CH. Karnchang Public Company Limited, Bilfinger + Berger Bauaktiengesellschaft, Tokyu Construction Co., Ltd. and CH. Karnchang-Tokyu Construction Co., Ltd.	99.97%	(Sectors D and C1A) Construction of the Second Stage Expressway, Sector C+, Chaeng Watthana Bang Phun - Bang Sai, Sector D, Asoke - Srinagarindra, and Sector C1A, Ngam Wong Wan - Chaeng Watthana
8. Joint Venture CKET comprising CH. Karnchang Public Company Limited and Expert Transport Co., Ltd.	99.99%	Project Operation and Management under the Agreement for Concession for Design, Manufacture, Delivery, Installation, Testing and Commissioning of M&E Equipment and for Operation and Maintenance of the MRTA Initial System, Chaloem Ratchamongkhon Line
9. CKTC Joint Venture comprising CH. Karnchang Public Company Limited and Tokyu Construction Co., Ltd.	70.00%	Operations for Construction Project of the Purple Line, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section; Contract 1: Elevated Structures (East)
10. CH. Karnchang-Krung Thon Engineers Joint Venture comprising CH. Karnchang Public Company Limited and Krung Thon Engineers Company Limited	60.00%	Operations for Construction of Phra Ong Chao Chaiyanuchit Canal Conduit System - Bang Phra Reservoir and Appurtenant Structures Contract 1 Project, Project for Diversion of Water from Eastern Chao Phraya River Basin - Bang Phra Reservoir, Chon Buri Province
11. Joint Venture BBCE comprising Bilfinger + Berger AG, CH. Karnchang Public Company Limited and Walter Bau AG	35.00%	Construction of the (Bang Na - Bang Pli - Bang Pakong) Expressway
12. CKCH Joint Venture comprising CH. Karnchang Public Company Limited and Ch. Tawee Construction Co., Ltd.	70.00%	Construction of Double Track Railroad, Chira Junction - Khon Kaen Section
13. CKST Joint Venture comprising CH. Karnchang Public Company Limited and Sino-Thai Engineering & Construction Public Company Limited	60.00%	Construction of the MRT Orange Line Project (East Section), Thailand Cultural Centre - Min Buri Section



Joint Venture/Company Name	Shareholding Ratio	Nature of Work
Infrastructure Investment		
1. Bangkok Expressway and Metro Public Company Limited	29.73%	Expressway and Metro Services, including Commercial Development in connection with the Metro and Expressway Systems
2. Bangkok Metro Networks Limited	65.19% of shares held by Bangkok Expressway and Metro Public Company Limited	Commercial Development Business
3. TTW Public Company Limited	19.40%	Tap Water Production and Distribution for the Provincial Waterworks Authority in Nakhon Pathom Province and Samut Sakhon Province
4. Pathum Thani Water Co., Ltd.	98.00% of shares held by TTW Public Company Limited	Tap Water Production and Distribution in Pathum Thani and Rangsit
5. Thai Water Operations Co., Ltd.	68.50% of shares held by TTW Public Company Limited and 31.50% of shares held by Pathum Thani Water Co., Ltd.	Administration and Management of Tap Water Production and Distribution Systems and Wastewater Treatment System
6. CK Power Public Company Limited	28.77%	Holding Company by holding shares in other companies engaging in electricity production and distribution businesses
7. Bangpa-in Cogeneration Limited	65.00% of shares held by CK Power Public Company Limited	Operation of the Small Power Producers (SPP) Construction and Management, with the production capacity of 120 MW, by the cogeneration system within Bang Pa-in Industrial Estate to generate and distribute electricity to EGAT and industrial operators in Bang Pa-in Industrial Estate
8. Xayaburi Power Company Limited	30.00% of shares held by CK Power Public Company	Construction and Operation of the Xayaburi Hydroelectric Power Project
9. Nakhon Ratchasima Solar Limited	30.00% of shares held by CK Power Public Company Limited	Construction and Operation of the Project for Electricity Generation by Solar Energy, with a production capacity of 6 MW, to generate and distribute electricity to the Provincial Electricity Authority (PEA)
10. Chiangrai Solar Limited	30.00% of shares held by CK Power Public Company Limited	Construction and Operation of the Project for Electricity Generation by Solar Energy, with a production capacity of 8 MW, to generate and distribute electricity to PEA
11. Bangkhenchai Company Limited	99.99% of shares held by CK Power Public Company Limited	Construction and Operation of the Project for Electricity Generation by Solar Energy, with a production capacity of 8 MW, to generate and distribute electricity to PEA
12. SouthEast Asia Energy Limited	56.00% of shares held by CK Power Public Company Limited	Investment and Development of Power Production Business in the Lao People's Democratic Republic (Lao PDR)
13. Nam Ngum 2 Power Company Limited	75.00% of shares held by SouthEast Asia Energy Limited	Production and Distribution of Electricity from the Hydroelectric Power Project, as the concessionaire from the government of the Lao PDR under the concession for the Nam Ngum 2 Hydroelectric Power Project, with a production capacity of 615 MW

1.4 Relationship with Business Group of Major Shareholders

The Company's core business operations have no material relationship or connection with other business operations of the major shareholders.

NATURE OF BUSINESS OPERATIONS

CH. Karnchang Public Company Limited is operating the primary business of construction by accepting engagements from government agencies, state enterprises and private entities, in the form of main contractor or sub-contractor, and in collaboration with foreign contractor companies in the form of joint ventures for construction projects which cannot be separated into work portions or volumes for the respective joint venture members. Each joint venture member is responsible for profit or loss in accordance with the ratio as agreed upon in respect of every work portion. The joint investment may also be in the form of consortium, in case such construction project can be separated into work portions and volumes for the respective members who shall be independently responsible for profit or loss. The works of this nature are mostly various projects of the government.

Main Contractor

The Company directly submits proposals in its own name, as contractor through bidding process or negotiation, to project owners. In case of a large-scale project, which requires specialized foreign companies for joint operation, the Company submits proposals in cooperation with specialized foreign companies in accordance with the requirements of the project owners. In the acceptance of projects in this manner, the Company does not solely carry out the entire construction work, but subcontracts parts of such work. In the nomination of sub-contractor(s), the Company takes into account the creditability and previous achievements of the sub-contractors, without reliance upon or adherence to any particular sub-contractor.

Based on the vision and policy, the Company focuses on personnel development for enhancement of management potential and for business expansion to ensure the Company's sustainable growth, opportunities and superior capabilities beyond being a construction company alone. The Company has thus invested in regional, comprehensive infrastructure project development business, currently, including transportation system, mass rapid transit system, water infrastructure system, energy system, etc. Details of both business operations are as follows:

1) Construction Business

The construction business operations of the Company, its subsidiaries and joint ventures can be divided into two natures, namely:

Sub-contractor

The Company accepts work from other contractors that were awarded the work directly from project owners. The work of this nature would mostly be related to the production process utilizing large sized and sophisticated machinery, usually operated by foreign companies, and requiring construction contractors with various capabilities and fields of experience. A single main contractor does not have adequate experience and skills to proceed with all steps of the work. In this respect, the Company would consider accepting engagement as sub-contractor from main contractors with reputation and good financial standing only, and would accept parts of such subcontract work by taking into account the Company's sufficient capabilities. Such work of this nature allows the Company to have the opportunity to accept transfer of technology in respect of engineering, production process and management, as well as business alliance with sufficient capability and readiness to carry out large-scale projects which require more advanced technology in the future.

2) Infrastructure Investment

In addition to the construction business, the Company also has invested in regional, comprehensive infrastructure project development business, currently, including transportation system, mass rapid transit system, water infrastructure system, and energy system. These projects are differently carried out in the form of build-operate-transfer (BOT) or build-transfer-operate (BTO) or build-own-operate (BOO) or acquire-operate-transfer (AOT), etc. For such projects, with a long concession period and high valued investments, the Company establishes associated

companies and related companies to carry out various arrangements, e.g., Bangkok Expressway and Metro Public Company Limited (incorporated by the amalgamation between Bangkok Metro Public Company Limited, the concessionaire for the MRTA Initial System Project, Chaloem Ratchamongkhon Line and Bangkok Expressway Public Company Limited, the concessionaire for the Second Stage Expressway and extension projects), etc.

Based on the said manner of the infrastructure investment, the definition of each respective form can be described below.



Build Operate and Transfer (BOT)

Private entity shall be granted the right under a concession agreement from the government for investment in construction and implementation to derive returns within a specified period and during the implementation, the ownership of the property shall remain vested in the private entity. After the end of the concession period, the ownership of the invested property shall be transferred to the government in consideration of the grant of the concession. Examples for projects of this nature are Pathum Thani Water Co., Ltd., which has a concession period of 25 years, SouthEast Asia Energy Limited, which has a concession period of 25 years, and Xayaburi Power Company Limited, which has a concession period of 29 years.



Build Transfer and Operate (BTO)

Private entity shall carry out the design, investment and construction of property, the ownership of which shall be transferred to the government immediately after the construction completion. The private entity shall be granted the right to utilize such invested property under the concession agreement to derive returns within a specified period. During the period the Company is still entitled to utilize such property under the concession period, the Company records such property in the form of the right to utilize, which is amortized throughout the concession period. An example for a project of this nature is Bangkok Expressway and Metro Public Company Limited, which has a concession period of 30 years.



Build Own and Operate (BOO)

Private entity shall carry out construction and management by its own investment. The ownership of the invested property is vested in the private entity. However, the private entity shall have an agreement with the government to guarantee revenue on a long term basis, whereby the government agency shall purchase goods during the term of the agreement and upon expiration of the concession period, such property shall remain vested in the investing company. An example for a project of this nature is TTW Public Company Limited, which has a concession period of 30 years.



Acquire Operate and Transfer (AOT)

In the concession of this nature, private entity shall be granted the concession right from the government and the private entity shall acquire property as its own assets. The private entity shall then be entitled to operate the project to derive returns within a specified period as agreed upon with the government. After the end of the concession agreement, the ownership of the property invested by the private entity shall be transferred to the government. An example for a project of this nature is the MRTA Initial System Project, Chaloem Ratchamongkhon Line, of Bangkok Expressway and Metro Public Company Limited, which has a concession period of 25 years.

Engagement Ratio of CH. Karnchang Public Company Limited
Based on Engagement

Unit: Million Baht

Value of Work	2013		2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Main Contractor	11,832.89	69.99	19,108.45	85.16	23,579.55	86.32	19,575.21	87.64
Sub-contractor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Income (project management income, dividend, etc.)	5,074.45	30.01	3,328.92	14.84	2,450.00	13.68	2,760.31	12.36
Total	16,907.34	100.00	22,437.37	100.00	27,315.82	100.00	22,335.52	100.00

Revenue Structure

Unit: Million Baht

Products	Operated by	% Share holding of the Company	2013		2014		2015		2016	
			Revenues	%	Revenues	%	Revenues	%	Revenues	%
Revenue from	CH. Karnchang Public Company Limited	-	11,576.92	27.56	18,950.78	53.47	23,544.90	61.93	17,179.81	36.54
Construction	CH. Karnchang (Lao) Co., Ltd.	100.00	15,105.28	35.96	10,022.24	28.28	8,834.06	23.24	24,181.04	51.43
	CH. Karnchang-Tokyu Construction Co., Ltd.	55.00	2,771.55	6.60	3,090.10	8.72	2,400.98	6.31	1,948.82	4.15
	CKTC Joint Venture	70.00	2,749.06	6.54	629.80	1.78	5.49	0.01	-	-
	CKCH Joint Venture	70.00	-	-	-	-	-	-	2,392.86	5.09
	CH. Karnchang-Krung Thon Engineers Joint Venture	60.00	367.64	0.88	164.95	0.47	29.16	0.07	2.54	0.01
Total Revenue from Construction			32,570.45	77.54	32,857.87	92.72	34,814.59	91.56	45,705.07	97.22
Construction Revenue from Public Sector			10,307.05	31.65	9,271.13	28.22	6,384.03	18.34	6,556.36	13.94
Construction Revenue from Private Sector			22,263.40	68.35	23,586.74	71.78	28,430.58	81.66	39,148.86	83.26
Revenue from Sales of Construction Materials	Construction Material Supply Co., Ltd.	99.99	20.23	0.05	7.07	0.01	32.35	0.08	62.75	0.13
	CH. Karnchang (Lao) Co., Ltd.	100.00	-	-	-	-	-	-	-	-
	CKTC Joint Venture	70.00	36.29	0.08	0.12	0.00	-	0.00	0.47	0.00
Total Revenue from Sales of Construction Materials			56.52	0.13	7.19	0.01	32.35	0.08	63.22	0.13
Interest Income			56.52	0.13	74.95	0.21	56.59	0.14	355.42	0.75
Dividend Income and Profit Sharing from Jointly Controlled Entities			56.52	0.13	711.71	2.01	900.89	2.37	464.63	0.99
Other Income ⁽¹⁾			56.52	0.13	1,791.64	5.05	2,223.33	5.85	431.20	0.91
TOTAL⁽²⁾			42,009.97	100.00	35,443.36	100.00	38,027.75	100.00	47,019.54	100.00

Remarks: 1) Other income comprises profit sharing from jointly controlled entities and dividend income, gain on sales of investments in subsidiaries and associated companies, reversal of provision for loss on investments in joint ventures, revenue from waiver of accrued interest payable, reversal of provision for doubtful debts, gain on exchange, miscellaneous income, etc.

2) The figures of revenue from the respective companies as indicated in the foregoing table have been net of connected transactions.



2.1 Description of Products and Services

2.1.1 Construction Business

The Company has experience and expertise in engineering and construction of all categories, such as, infrastructure construction work, e.g., roads, bridges, elevated roads, expressways, building and industrial factory construction work, or mechanical and electrical

equipment work, namely, installation of equipment and machinery for various factories, etc. Considering the previous revenue structure and present projects, the construction may be divided into four primary categories as follows:

Building construction



work can be divided into two major categories, namely, medium and high level buildings, with a height of 15 or more stories. The building construction work comprises three major systems, i.e., structure, interior and exterior designs, and system work, including electricity, water supply, air-conditioning, elevator, drainage and fire extinguishing systems. Furthermore, the Company also improves the efficiency and expands the capabilities of the Company in turnkey construction projects. In this regard, the Company shall be responsible for the design and construction of the structural system, decoration as well as the entire system work for the project owner or employer in accordance with the design and period as agreed upon in the contract. The policy to enhance the capabilities for such turnkey projects allows the Company's customers to obtain full scale services.

Road



national highway and other roadwork construction comprise the country's basic infrastructure work owned by the government to accommodate the expansion of the national economy in the future. In the past, various government infrastructure services have not yet grown in line with the private sector requirements, thereby resulting in the increased expansion of the national highway system, as evidenced by a number of new projects, such as, traffic lane expansion projects, interchange construction projects, etc. In this regard, the Company also foresees a good trend for construction work of such nature, therefore, the Company has developed its capabilities and competition strategies to the extent that the Company has presently become one of the leading company groups in the construction of such special highways as construction of expressway projects and elevated roads, etc.

Infrastructure construction



work involves the development of the national infrastructure system, which was included in the National Economic Development Plan No. 7 (1992-1996) and continued in the National Economic Development Plans No. 8 (1997-2001), No. 9 (2002-2006), No. 10 (2007-2011), No. 11 (2012-2016), and No. 12 (2017-2021). The Company plays a role in collaboration with the public sector for investment in the expansion of infrastructure system, which serves as a fundamental requirement to the national development. The development of various infrastructure systems may be divided into such categories as transportation, energy, communications, water system and other infrastructure systems. With the Company's long experience and work achievements, the Company always has advantages and opportunities to accept a variety of infrastructure construction projects.

Such construction



which could not be categorized comprises other construction work outside of the foregoing categories, namely, medium to small-sized construction projects, which, due to the Company's experience and previous quality performance, were awarded to the Company, e.g., project for land improvement phase 1 in Suvarnabhumi Airport, the Ground Improvement for the 1st Midfield Satellite Aprons and the 3rd Runway Project of New Bangkok International Airport Company Limited, the Construction of Drainage Canal and Road with Facilities Phase 1 Project, Drainage System Project in Suvarnabhumi Airport, Samut Prakan Province, and the Construction of Phra Ong Chao Chaiyanuchit Canal Conduit System - Bang Phra Reservoir and Appurtenant Structures Contract 1 Project, etc.

In the participation in the bidding for government construction works, bidders are generally required to complete the registration as permitted contractors prior to participating in any bidding for projects of such government agencies as the Department of Highways, the Department of Royal Irrigation, etc. The registration of contractors also involves the rating of the capabilities of the respective contractors to identify the size of projects in which these contractors would be qualified to participate. At present, the Company has already registered as contractor with various agencies and is rated as type 1 contractor. As for the initial qualifications for such registration, the government agencies shall take into account three primary requirements, namely, experience and achievements; financial position; including the number and qualifications of personnel. The government agencies generally categorize the preliminary qualifications into five levels, and each level shall be eligible to submit bids for construction at different project values. However, when the Company is rated as type 1 contractor, the Company is then eligible to bid for all types of projects. In the past, the Company has not been restricted to participate in bidding for various construction projects since the Company is fully qualified under the requirements in all respects.

2.1.2 Infrastructure Investment

The Company has invested in infrastructure project development business by participating in bidding for various concession projects of the government, which involve the infrastructure systems, and has also established various companies for investment in and management of such projects, as follows:

1. Bangkok Expressway and Metro Public Company Limited (BEM)

(incorporated by the amalgamation between Bangkok Expressway Public Company Limited (BECL) and Bangkok Metro Public Company Limited (BMCL), which started trading on the Stock Exchange of Thailand on January 5, 2016) operates a BTO project by way of investment in the design, construction and operation of the Si Rat Expressway (Second Stage Expressway) and various extension projects,

provided that the ownership of the permanent construction work shall be vested in the Expressway Authority of Thailand, and BEM is granted the right to operate and receive toll revenue sharing. This project is a result of the cooperation among the public sector, the Company and other private companies. In addition, BEM also operates a project which involves the design, manufacture, supply, installation, testing and commissioning of the mechanical and electrical equipment and to operate and maintain the MRTA Initial System, Chaloem Ratchamongkhon Line. This project is being operated on an AOT basis, by way of joint investment in construction of the MRTA Initial System, Chaloem Ratchamongkhon Line, between the public sector, namely, the Mass Rapid Transit Authority of Thailand or the MRTA, and BEM with a concession period of 25 years. BEM agrees to share revenue from fares with the Mass Rapid Transit Authority of Thailand on a yearly basis, commencing the eleventh year after the occurrence of the Revenue Service until the end of the contract period, totaling Baht 43,567 Million, and also agrees to share revenue from Commercial Development on a yearly basis throughout the contract period, totaling Baht 930 Million. In this regard, BEM would be required to make payment in respect of profits in excess of the specified rate as well as portions of benefits derived from loans as a result of lower interest rate than that specified in the agreement. The concession period shall commence when BEM has officially derived revenue from ridership and shall end after the first day of ridership for a period of 25 years.

2. TTW Public Company Limited (TTW)

operates a BOO project to produce and distribute water to the Provincial Waterworks Authority in the vicinities of Nakhon Pathom Province and Samut Sakhon Province, initially through a joint investment between the company and Thames Water International (Thailand) Limited, with a concession period of 30 years. The minimum volume of water to be purchased by the Provincial Waterworks Authority in the initial stage is 200,000 cubic meters per day, commencing on July 21, 2004, and such minimum volume shall be increased to 250,000 cubic meters per day within two years from the commencement date of



water purchase, and to 300,000 cubic meters per day within four years from the commencement date of water purchase. Upon expiration of the concession period, TTW is not required to transfer the water production and distribution system to the Provincial Waterworks Authority. The concession period commences on July 21, 2004 and would expire on July 21, 2034.

Pathum Thani Water Co., Ltd. (PTW), whose 98 percent of shares are held by TTW, operates a BOT project to produce and distribute all water to the Provincial Waterworks Authority for further distribution to the public in the vicinity of Pathum Thani Province, with a concession period of 25 years. The contract also specifies the minimum volume of water to be purchased by the Provincial Waterworks Authority from the company, namely 140,000 cubic meters per day, and such minimum volume shall be increased to 288,000 cubic meters per day depending on the demand for water supply in the vicinity of Pathum Thani, which shall be notified by the Provincial Waterworks Authority to PTW. Currently, the maximum production capacity is 388,000 cubic meters per day and the minimum volume of water to be purchased by the Provincial Waterworks Authority is 330,000 cubic meters per day, representing 85 percent of the maximum production capacity. Upon expiration of the concession period, PTW shall transfer the ownership of all assets in respect of the water production to the Provincial Waterworks Authority for continued water production. The concession period commences on October 15, 1998 and would expire on October 15, 2023. At the end of the contract period, PTW is entitled to renew the contract period.

3. CK Power Public Company Limited (CKP)

operates its main business by holding shares in other companies operating the business of production and distribution of electricity from various kinds of energy and/or being owners of power plants for production and distribution of electricity from various kinds of energy. CKP's core revenue then is derived from the dividend income from investment by holding shares in its subsidiaries and associated companies. At present, CKP invests by

holding shares in other companies operating the business of production and distribution of electricity from various kinds of energy, e.g., hydroelectric power plant, solar power plant and cogeneration power plant, with the total production capacity of 754.5 MW (excluding the production capacity of BIC's second project and the Xayaburi Hydroelectric Power Project which are pending construction). CKP holds shares in the following companies:

3.1 SouthEast Asia Energy Limited (SEAN)

operates the business of investment and development of power production business in the Lao PDR and provides consulting, including other services relating to the power production project. Currently, SEAN holds 660,675,000 shares in Nam Ngum 2 Power Company Limited (NN2), representing 75 percent of its registered and paid-up capital. Therefore, SEAN's core revenue is derived from the dividend from investment by holding shares in NN2.

Nam Ngum 2 Power Company Limited (NN2) is a generator and distributor of electricity from the Nam Ngum 2 Hydroelectric Power Plant, whereby NN2 is the concessionaire under the Nam Ngum 2 Hydroelectric Power Project Concession (the "Concession Agreement") granted by the Government of the Lao PDR. Such Concession Agreement is being operated on a BOOT (Build-Own-Operate-Transfer) basis, that is, NN2 will design, develop, construct and operate the hydroelectric power project from the Nam Ngum 2 Hydroelectric Power Plant, with the production capacity of 615 MW, and with a concession period of 25 years from the Commercial Operation Date ("COD", namely, on January 1, 2013). Upon expiration of the concession period, NN2 shall deliver such Nam Ngum 2 Hydroelectric Power Project to the Government of the Lao PDR. In this regard, NN2 has the right under the agreement to request an extension of time for the Concession Agreement, subject to the terms and conditions to be agreed upon. Under the Concession Agreement, NN2 is obliged to pay the consideration for the concession and taxes to the Government of the Lao PDR according to the schedule and at the rate as specified in the Concession Agreement.

NN2's main business is to produce and distribute electricity from the Nam Ngum 2 Hydroelectric Power Plant to the Electricity Generating Authority of Thailand ("EGAT") under the Power Purchase Agreement, with the supply targets to be purchased by EGAT from NN2 of 2,310 million units (GWh) per year at the fixed tariff, and with a concession period of 25 years from the Commercial Operation Date (COD). Under the Power Purchase Agreement executed by NN2 with EGAT, the electricity will be delivered for distribution in Thailand through EGAT's transmission system. NN2 initially commenced the electricity production and distribution (Initial Operation Date ("IOD")) to EGAT on March 26, 2011 and the COD was January 1, 2013.

3.2 Bangpa-in Cogeneration Limited (BIC)

operates the business of production and distribution of electricity and steam from the cogeneration power plant by using natural gas as fuel, with a production capacity of 117.5 MW for electricity and 19.6 tons per hour for steam. BIC accepted the transfer of the right to execute the Power Purchase Agreement with EGAT from Bang Pa-in Land Development Co., Ltd. on April 8, 2010. According to such Power Purchase Agreement, EGAT will purchase 90 MW of electricity from BIC for a period of 25 years from the Commercial Operation Date. BIC will sell the remaining electricity and steam to the industrial operators in the Bang Pa-in Industrial Estate. The power plant is located in the Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province. BIC commenced to commercially produce and distribute electricity and steam in June 2013.

In addition, BIC executed the Power Purchase Agreement for the second Cogeneration Power Project with EGAT on September 13, 2011. Such power plant uses natural gas as fuel for production of electricity and steam and is located in the same vicinity as the first power plant project, with a production capacity of 120 MW for electricity and approximately 20 tons per hour for steam. Such power plant will produce and distribute 90 MW of electricity to EGAT. The Power Purchase Agreement has a term of 25

years from the Commercial Operation Date. BIC will sell the remaining electricity and approximately 20 tons per hour of steam to the industrial operators in the Bang Pa-in Industrial Estate. Such Power Purchase Agreement will commence on June 1, 2017. Furthermore, such project will use the investments of approximately Baht 5,340 Million (Project Cost).

In 2014, BIC signed an Engineering, Procurement and Construction Contract for 120 MW Gas Fired Combined Cycle Cogeneration Power Plant for Bangpa-in Cogeneration Phase II SPP Project to engage the Company as EPC Contractor for construction of the Cogeneration Power Plant No. 2 (BIC-2) to engineer, manufacture, procure, supply, install and commission BIC-2, for a period of approximately 29 months, with a project value of approximately Baht 4,310 Million.

3.3 Nakhon Ratchasima Solar Limited (NRS)

produces and distributes electricity from solar power, having its solar power plant located in Amphoe Dan Khun Thot, Nakhon Ratchasima Province, with a production capacity of 6 MW. NRS accepted the transfer of the rights in the Power Purchase Agreement for the Very Small Power Producer with PEA from Pacific Solar (Thailand) Co., Ltd. on March 15, 2011. The execution of the Power Purchase Agreement with PEA was in accordance with the resolution of the National Energy Policy Council dated March 9, 2009 determining the adder for the renewable energy from the Very Small Power Producer ("VSPP"), i.e., the solar power generator would receive the adder at the rate of Baht 8 per unit (kilowatt-hour) for a period of 10 years from the Commercial Operation Date.

According to the Power Purchase Agreement, NRS agrees to produce and distribute 6 MW of electricity to PEA at 22 kilovolts, for a period of five years which is automatically renewable for another five years each, and which remains enforceable until the Agreement is terminated. In this regard, NRS commenced the production and distribution of electricity to PEA on March 8, 2012.

3.4 Chiangrai Solar Limited (CRS)

produces and distributes electricity from solar power, having its solar power plant located in Amphoe Mae Chan, Chiang Rai Province, with a production capacity of 8 MW. CRS accepted the transfer of the rights in the Power Purchase Agreement for the Very Small Power Producer with PEA from Pacific Solar (Thailand) Co., Ltd. on March 27, 2011. The execution of the Power Purchase Agreement with PEA was in accordance with the resolution of the National Energy Policy Council dated March 9, 2009 determining the adder for the renewable energy from the Very Small Power Producer ("VSPP"), i.e., the solar power generator would receive the adder at the rate of Baht 8 per unit (kilowatt-hour) for a period of 10 years from the Commercial Operation Date.

According to the Power Purchase Agreement, CRS agrees to produce and distribute 8 MW of electricity to PEA at 22 kilovolts, for a period of five years which is automatically renewable for another five years each, and which remains enforceable until the Agreement is terminated. In this regard, CRS commenced the production and distribution of electricity to PEA on January 17, 2013.

3.5 Bangkhengchai Company Limited (BKC)

produces and distributes electricity from solar power, having its solar power plant located in Amphoe Pak Thong Chai, Nakhon Ratchasima Province, with a production capacity of 8 MW. BKC executed the Power Purchase Agreement with the Provincial Electricity Authority ("PEA") in accordance with the resolution of the National Energy Policy Council dated March 9, 2009 determining the adder for the renewable energy from the Very Small Power Producer ("VSPP"), i.e., the solar power generator would receive the adder at the rate of Baht 8 per unit (kilowatt-hour) for a period of 10 years from the Commercial Operation Date.

According to the Power Purchase Agreement, BKC agrees to produce and distribute 8 MW of electricity to PEA at 22 kilovolts, for a period of five years which is automatically renewable for another five years each, and which remains

enforceable until the Agreement is terminated. In this regard, BKC commenced the production and distribution of electricity to PEA on August 10, 2012.

3.6 Xayaburi Power Company Limited (XPCL)

operates a BOT project to design, develop, construct and operate the Xayaburi Hydroelectric Power Project for generation and distribution of electricity to the Electricity Generating Authority of Thailand for further distribution to the public in Thailand, with a concession period of 29 years commencing from the Commercial Operation Date, with the conditions of the Power Purchase Agreement of approximately 7,070 GWh. per year or at a production capacity of 1,220 MW with the Electricity Generating Authority of Thailand, and the Power Purchase Agreement of approximately 300 GWh. per year or at a production capacity of 60 MW with the Electricité du Laos. Upon expiration of the concession period, XPCL shall transfer the ownership of all assets in respect of the electricity generation to the Government of the Lao PDR for continued electricity generation.

2.2 Marketing and Competition

Thailand's construction industry in 2016 grew more than that in 2015 due to the government policy to propel the economy forward by expediting diverse projects, particularly the national transportation infrastructure development projects, in which the Ministry of Transport formulated the Transport Action Plan covering a total of 36 transportation projects, with the total value of approximately Baht 895,757,000,000, divided into two project groups, as follows:

No.	Project Group	Amount (Million Baht)
1	Ready-to-implement project group in the budget year 2017	871,708
2	Compelling-need project group	24,049

The Company has continued to express an interest in and follow up projects of other types, such as, energy, irrigation, building, etc., which are within normal budgets of various agencies, both government agencies and state enterprises, varied ministries or reliable private sector. At this point, the Company has potential to participate in bidding for projects of all types by mainly selecting projects which

have quality in terms feasibility and price.

The Company is ready in terms of experience, personnel and investment to bid for and implement every project of both the government and private sectors. The Company thus sets its policies and strategies to enhance its competitiveness as follows:

2.2.1 Significant Policies and Marketing for Products or Services

A. Competition Strategies

Use of Advanced and Highly Efficient Construction Technology:



At present, the construction techniques have remarkably developed, introducing choices for use of appropriate technology to save time, minimize production costs and control the work efficiency and quality. In this respect, the Company continues to select and use appropriate, modern and safe technology, as well as the Company's work experience which is an essential factor minimize the production costs and increase profits. For example, in the expressway and elevated road construction projects, the Company utilized the technology of pre-casting system of concrete segments from such countries as Germany and the United States of America.

Appropriate Revenue Structure Management:



The Company has policies to manage its revenue structure and affiliated companies to be in line with the fluctuations of the economy as the construction work of the public and private sectors would usually expand at a fluctuating rate. In other words, during a highly growing economy with high demand for private sector construction, the government would minimize the inflation rate by way of restrictions on the expenditure budgets of the government agencies. During the economic downturn, the government would increase expenditure budgets to stimulate the economic expansion. In this regard, the Company sets policies to focus on various types of construction projects in line with the economic circumstances. In the construction business, the Company would focus on large-scale projects of the government and private entities, while the affiliated companies would focus on small to medium-scale projects of the government and private entities. The joint ventures would focus on large-scale construction projects from the government, which require use of advanced construction technology. Furthermore, the Company also additionally invested in various infrastructure concession projects, such as, TTW Public Company Limited (formerly Thai Tap Water Supply Public Company Limited), Pathum Thani Water Co., Ltd., Bangkok Expressway and Metro Public Company Limited, CK Power Public Company Limited (CK Power Public Company Limited invests by holding shares in SouthEast Asia Energy Limited, Bangpa-in Cogeneration Limited, Xayaburi Power Company Limited, Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited, and Bangkhenchai Company Limited). The Company derived dividends from these companies, which serve to minimize risks from the fluctuation of economic circumstances due to the fact that the nature of construction works of the government and private entities usually grow at a fluctuating rate and the Company's revenue solely relies on construction business, and also serve to render the Company's revenue to become more constant.

Provision of Service to Maximum Benefits to Customers:



The Company promotes policies for development of personnel and teamwork, including study, research and development on advanced technology on a regular basis so as to achieve safe and highly efficient work and management system in response and giving rise to benefits to customers in terms of quality and satisfaction, and timely work completion.

Regular Personnel Quality and Management System Development:



The Company emphasizes the policies for development of personnel and management procedures to ensure versatile and flexible work structures, including procedures in response to the fluctuating business circumstances. This also gives rise to the opportunity to exchange advanced technology with foreign investors to render the management flexible and develop personnel to have more knowledge and skills.

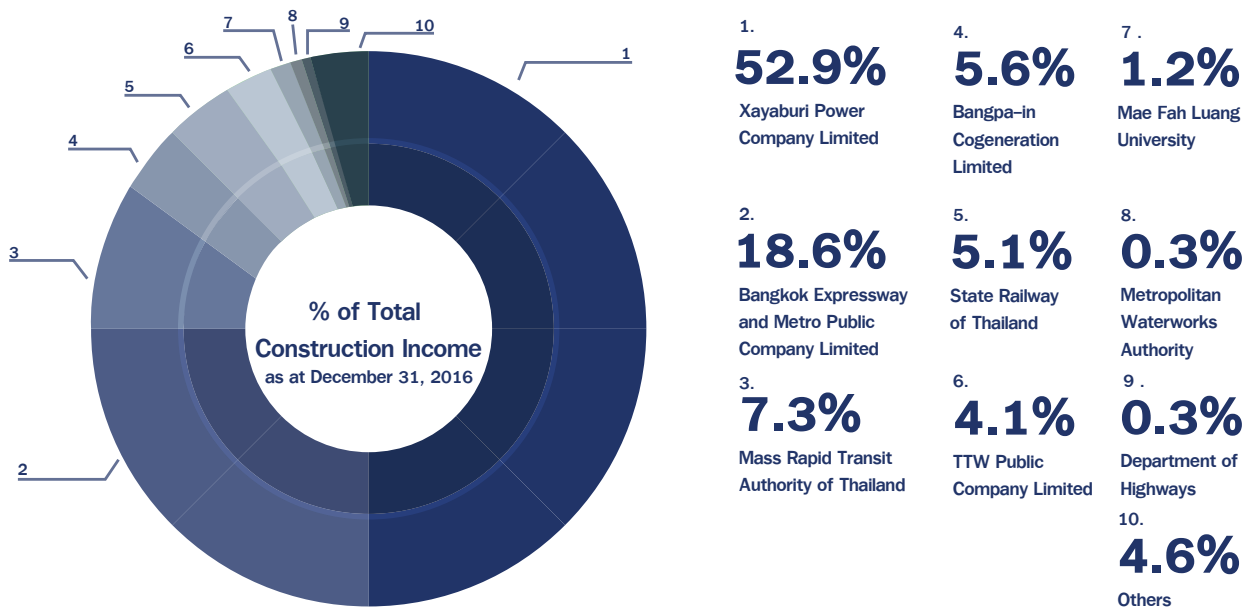
B. Characteristics of Customers and Relationships among Customers, the Company and Subsidiaries

The construction clientele of the Company and its subsidiaries can be divided into two groups, namely government agencies or state enterprises, and private sector. The characteristics of the Company's customers could not be divided into definite ratios given the fact that the customers are different in terms of periods and nature of their projects. However, considering the projects in the past, most of the Company's customers are the government agencies and state enterprises in the country. During the previous year, the Company was engaged for a construction project in a neighboring country in order to expand its investment in the upcoming overseas projects, which mostly are the mega projects and have high amount of investments for which the Company has sufficient potential to operate such projects. In addition, the Company, its subsidiaries and associated companies also continuously maintain good relationships with customers, as can be seen from the previous achievements of the Company in the various projects awarded by either public sector or private entities for large-sized construction projects over the past period. In this respect, the Company's clientele has significantly expanded. The target customer group of the Company and its subsidiaries at present include the government

agencies, state enterprises and large-sized private entities. As at the end of 2015, more than 30 percent of the Company group's revenue structure in the future for projects on hand represent the works for the public sector. Accordingly, the work from the private sector constituted extension projects from the government concession operation.

Concession Business: This business depends on concession contracts of associated companies and joint ventures. The customer under the concessions granted to TTW Public Company Limited (formerly Thai Tap Water Supply Public Company Limited) and Pathum Thani Water Co., Ltd. is the Provincial Waterworks Authority, as a government agency, and the customers under the concessions granted to Bangkok Expressway and Metro Public Company Limited are the public using the services, as well as the customer under the concessions granted to SouthEast Asia Energy Limited, Xayaburi Power Company Limited, Bangpa-in Cogeneration Limited is the Electricity Generating Authority of Thailand, and the customer under the concessions granted to Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited, and Bangkhengchai Company Limited, is the Provincial Electricity Authority.

Summary of Top 10 Major Customers as at December 31, 2016



C. Distribution and Channels

Given that the construction business mainly entails direct approach to customers, the Company thus establishes a Business Development Department to be in charge of the monitoring and follow up on information and details in respect of investment plans for new projects of the public and private sectors by planning and setting up strategies to access the information of the target groups and competitors in the same industry, as well as establishing good relationship with government agencies and private entities. The fact that the Company focuses on bidding for construction and concession projects from government agencies, whether in the form of main contractor or sub-contractor, and that the Company's previous achievements, which have been acceptable and satisfactory to customers, serve as a channel to approach and be recognized by all target customers, for which the Company participated in bidding for their projects, and some construction projects were awarded to the Company through the recommendation by the Company's existing customers.

2.2.2 Competition in Construction Industry

A. Trend of Growth and Development of Construction Industry

According to the GSB Research Center, Grassroots Economic and Business, Sector-Based Economy, the situation and trend of the business and construction industry in 2016 were reported well expanding, due to the significant supporting factor from acceleration of investment in the government sector's 20 basic infrastructure projects, with the investment value of Baht 1.79 Trillion, which commenced bid from early 2016, and as a result, Thailand's construction industry in 2016 expanded more than that in 2015. Furthermore, the Ministry of Transport formulated the Transport Action Plan Year 2017 covering the transportation infrastructure investment projects as an urgent priority, for example, double track railway and new railway development projects, construction projects for roads, airports and ports, etc. However, the approach to the ASEAN Economic Community (AEC) caused Thai government policies to involve construction of transportation systems to link with the neighboring countries, such as,

hi-speed train and road network, East-West Economic Corridor (EWEC) or Route No. 9 (R9), in accordance with the government's strategy for Thailand's utmost benefits from the ASEAN Economic Community (AEC), thereby resulting in continued growth of the construction industry, particularly investment in the government's basic infrastructure. In this regard, the Company is expanding investment to other countries; whereby with regard to the foreign investment policy, the Company would focus on bidding for infrastructure development projects in various forms, whether single contractor or joint venture, subject to the conditions of each such project. The Company's main focus shall be those countries in Asia.

B. Industrial Structure Relating to Competition

In general, construction contractors may be divided into three groups as follows:

1) Small and medium-sized contractors: The contractors in this group shall have the capacity to accept construction work projects with low value, the majority of these works shall be derived from private entities or small-sized projects of the public sector, which requires moderate technology and investment funds. This group includes a number of contractors, thereby resulting in a rather high competition in pricing and being highly vulnerable to impacts from fluctuation in the industry.

2) Large-sized contractors: The contractors in this group have goals in respect of their acceptance of various large-scale projects, requiring a rather high construction technology, from the public and private sectors, and have capabilities to carry out various types of works in such projects. Certain contractors also have companies in the same group serving as producers of construction materials to be used in such projects, and are well prepared in terms of their personnel's expertise and experience in diversified works and high professional standard, including tools and machinery. This group includes a small number of contractors and the competition in this group is moderate. Certain contractors also accept work overseas, including creation of works by way of investment for concession, namely,

CH. Karnchang Public Company Limited, Italian-Thai Development Public Company Limited and Sino-Thai Engineering and Construction Public Company Limited.

Company	As at December 31, 2016 (Unit: Million Baht) (Consolidated Financial Statements)	
	Total Assets	Total Income
1. CH. Karnchang Public Company Limited	94,928	47,597
2. Italian-Thai Development Public Company Limited	78,120	48,389
3. Sino-Thai Engineering and Construction Public Company Limited	24,999	18,650

3) Foreign contractors: The contractors in this group are large-sized companies with advanced technology, mostly comprising companies from Japan, China and Europe, such as, Kajima Corporation, Obayashi, Kumagai, Siemens, Bilfinger, and China State. The business operations of these companies focus on accepting large-scale projects, requiring a rather high construction technology, in cooperation with large-sized construction companies in Thailand. Such cooperation is neither certain nor specific to establish a long-term business alliance, but the cooperation shall be selective on a case by case basis.

2.2.3 Market Share

From various projects mentioned above, there was higher foreign competition in the construction industry during 2016, due to the fact that many such projects required considerable high investment and advanced construction technology, including management, for achievement; and that many of the aforesaid projects would be implemented on a Public-Private Partnership (PPP) basis. For this reason, Thai small- and medium-sized companies might not have adequate potential or participate as joint venture

with foreign companies. At this point, CH. Karnchang Public Company Limited has experience, potential and resources sufficient in competition therewith at all levels. In this regard, the Company sets a goal for its market share in various projects at not less than 30 percent of all types.

Characteristics of Customers and Relationships

More than 90 percent of the Company's customers are government agencies and another 10 percent of which is from reputable private customers with financial stability. In this regard, the Company's results of the customer satisfaction assessment would be in the range of good to very good.

2.3 Procurement of Products or Services

2.3.1 Construction Materials, Products and Services

Significant construction materials and products produced in Thailand comprise cement, steel rods, structural steel, stones, sands, etc. The materials in architecture are, for example, sanitary ware, ceramic, granite, ceiling and wall, glass steel doors and windows, aluminum doors and windows, wood doors and windows, PVC and equipment, as specified in the details of the construction contract. The Thailand Industrial Standards of the project owner shall be taken into account. The Company does not purchase construction materials exclusively from any particular distributor since the procurement procedure requires checking of price, quality, delivery of goods and reliability at all times to ensure obtaining the best distributor, both in respect of quality, price and service. The Company shall conduct evaluation of the distributor at least twice a year. Each procurement and engagement requires approval of the project owner and supervisor. The Company is also required to execute a procurement contract to ensure the best conditions and the price can be valid until the project completion. As for the service, the Company shall be responsible for the quality of the goods and service for a period of at least two years or under a contract with the project owner.

Construction materials and products from overseas import: The Company has a policy to purchase this type of materials via a local distributor, by taking into account the after sale service and experience of an agent. In case the materials are required to be directly purchased from overseas, the Company shall open letters of credit (L/C). Such materials from overseas shall meet the standard per the requirements of the project owner, such as, ASTM, BS, JIS, API, etc. In this regard, the terms and conditions of the L/C shall be carefully specified to minimize risks.

The Company has procured products and services under the quality management system, including the criteria for selection of manufacturers, suppliers and contractors, as well as regular review and inspection of product quality based on the performance of current manufacturers, suppliers and contractors, in order to confirm and assure at all times that the products and services after delivery to project owners are correct and complete in accordance with the agreed terms and conditions.

In procuring goods, products and services for use in various construction projects, the Company has selected suppliers/contractors with potential, experience, performance and qualifications for each work and checked prices, quality and delivery of goods that meet standards as required by owners in purchase orders for such goods, products and services.

The Company gives priority to raw materials which cause environmental impact, for example, materials made of asbestos. The Company avoids using such materials and uses other materials which cause no environmental impact instead. Moreover, the Company arranges for whistle-blowing channels relating to violation of environmental laws in order to mitigate environmental impact. In the past, the Company never receives any report or complaint relating to violation of environmental laws.

In procuring goods, products and services for construction in various projects of the Company based on categories of both domestic and overseas products, the Company has benefited from cooperation from various potential

business partners which are major and retail manufacturers and suppliers of construction materials. Given the Company's improved operational results and continued business growth, the Company has more channels to procure and select goods, products and equipment in the construction from higher quality standard and qualified manufacturers and suppliers in line with the growth of the manufacturing industry. As a result, the Company is confident in its ability to supply quality goods, products and services in accordance with the requirements and objectives of project owners.

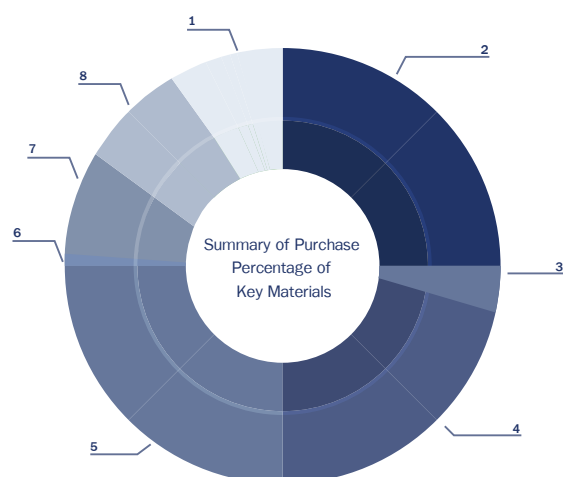
In addition, the Company has enhanced its potentials in respect of procurement of products and services, by introducing the ERP (Enterprise Resource Planning) system since 2009, to ensure that the procurement of

products and services is improved, with a more systematic control and recording process, for example, process for issuance of purchase orders and inventory management, thereby resulting in an efficient inventory management and reduction of waste materials in construction projects.

In early 2016, there was a slowdown in Thailand's economy so purchase volume of key materials of certain categories during such period decreased. Nevertheless, until mid-2016 to 2017, the country's economy had started to be likely to improve, namely, prices of key materials of certain categories slightly increased, such as, steel, oil, etc., due to the government's stimulus policy and new projects which were continuously launched. As for the production capacity for goods and key materials, it is expected to remain sufficient for domestic utilization since the private sector works are slowing down or are likely to improve but slowly.

Summary of Purchase Value of Key Materials in 2012 - 2016:

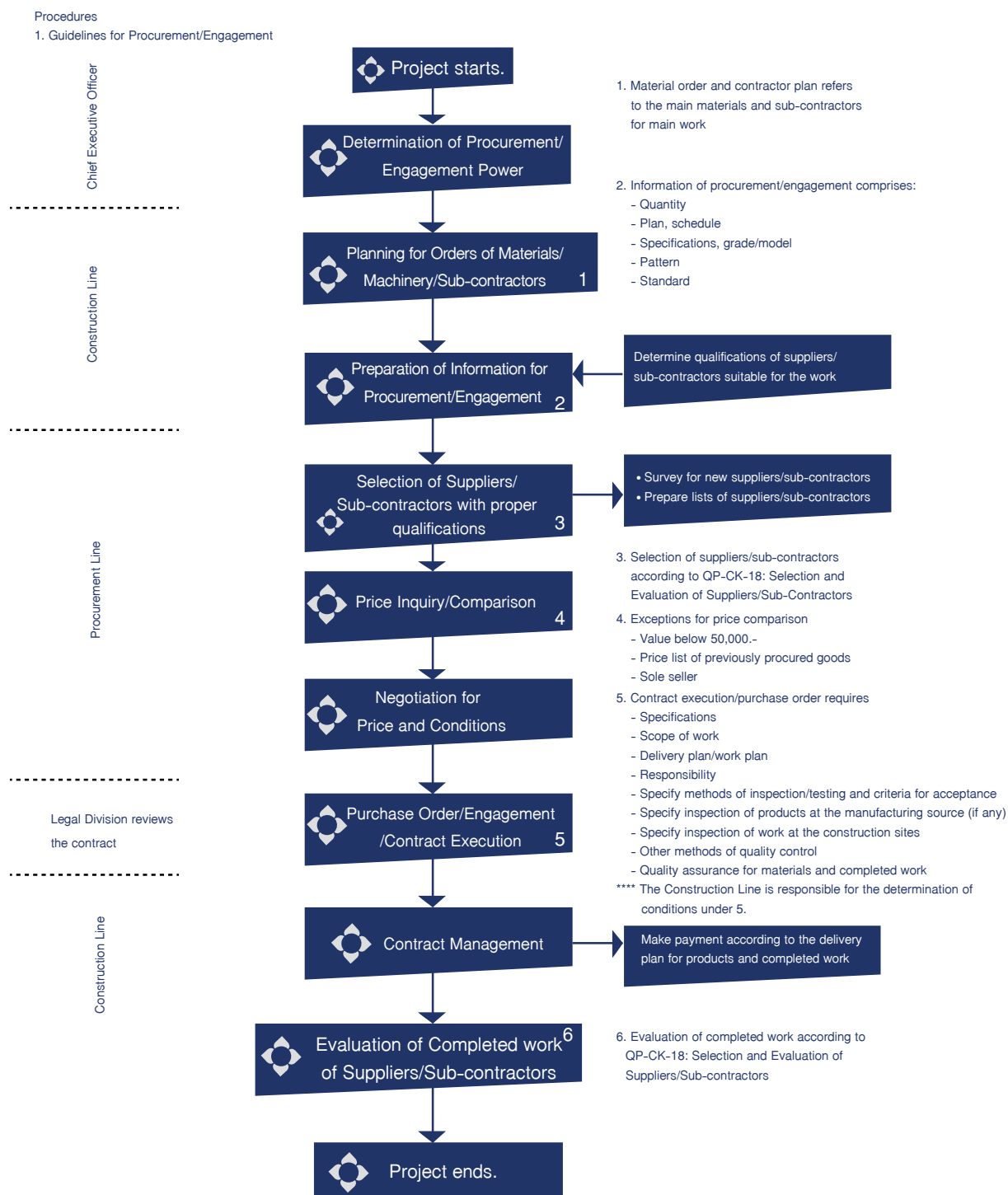
No.	Description	2016 (Baht)	2015 (Baht)	2014 (Baht)	2013 (Baht)	2012 (Baht)
1	Oil	119,756,427.34	94,016,984.81	142,024,965.30	279,607,521.19	97,395,056.58
2	Ready Mixed Concrete	724,799,236.14	852,533,053.26	764,989,383.95	1,119,354,827.94	959,658,373.32
3	Cement	32,191,648.64	26,734,284.91	40,096,796.70	46,636,459.00	8,507,537.00
4	Structural Steel	562,437,885.71	44,160,396.50	134,187,391.00	167,740,605.11	80,620,244.75
5	Steel Rods	690,385,167.31	1,086,817,592.23	1,375,252,684.18	975,076,478.86	654,848,808.28
6	Foundation Piles	3,101,995.00	19,091,163.00	66,399,919.84	7,244,088.00	53,396,020.00
7	Segment-Girder	242,896,939.87	10,836,977.49	19,457,281.00	7,570,931.00	3,701,526,700.00
8	Concrete Sleeper	227,849,792.00	133,500.00	43,428,630.00	-	86,692,970.00
Total		2,603,419,092.01	2,134,323,952.20	2,585,837,051.97	2,603,230,911.10	5,642,645,709.93



- | | | | |
|-------------------------|---------------|---------------------|---------------|
| 1. Oil | 4.60% | 5. Steel Rods | 26.52% |
| 2. Ready Mixed Concrete | 27.84% | 6. Foundation Piles | 0.12% |
| 3. Cement | 1.24% | 7. Segment | 9.33% |
| 4. Structural Steel | 21.60% | 8. Concrete Sleeper | 8.75% |

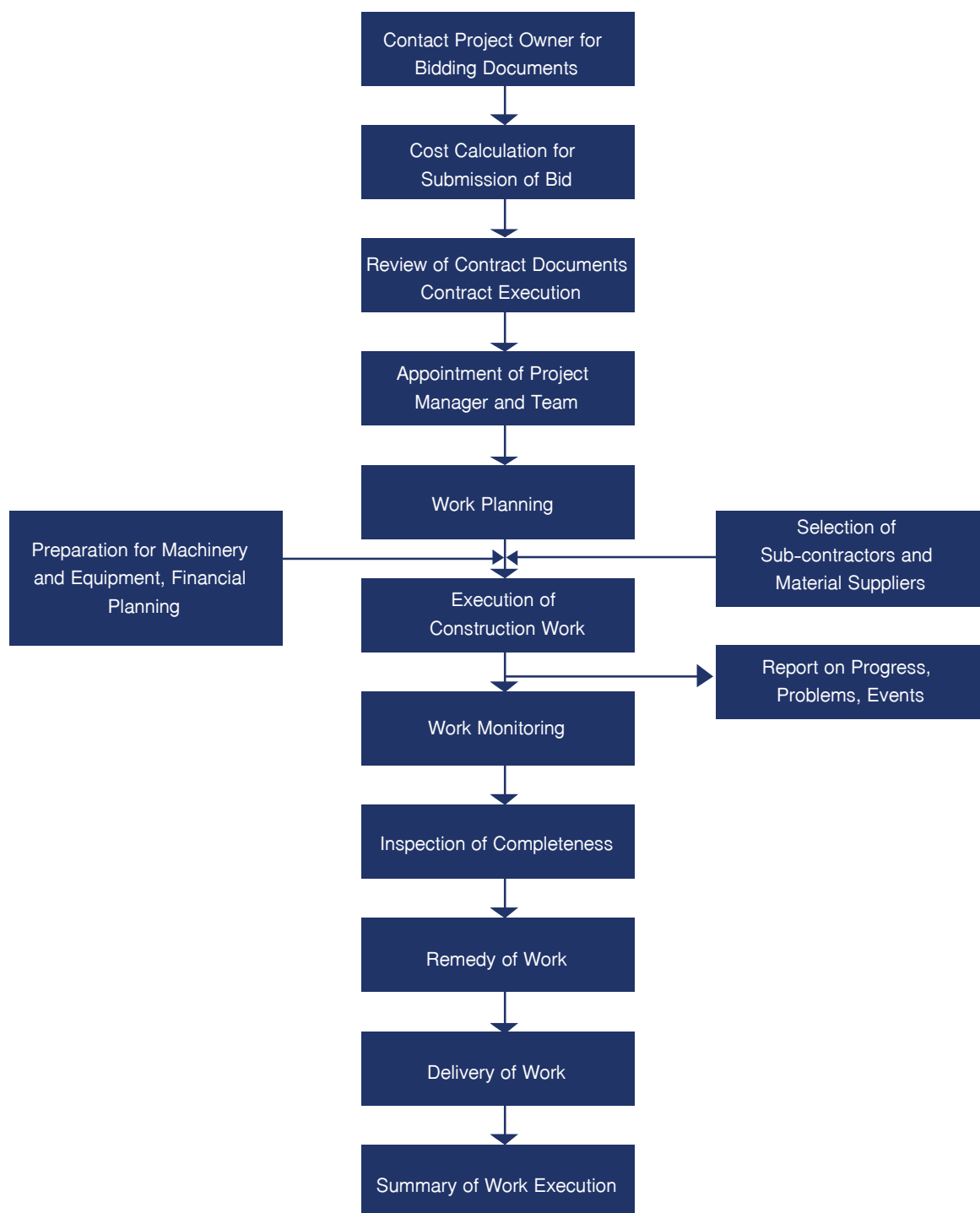
Description of Procurement of Raw Materials

The Company procures raw materials from local and overseas sources as described above. The guidelines for procurement are as per the detailed procurement flow chart as follows:



2.3.2 Procedures for Production and Disposal of Unused Raw Materials

(1) The production procedures for construction work can be summarized as follows:



A. Procedures for Acceptance of Work:

The Business Development Department shall be responsible to contact and procure construction work, which can be done in two manners, namely, direct contact from customers or submission of proposals to customers. Such information shall be derived from updates and news from various sources. Normally, the Company shall accept construction works by two methods as follows:

- **Negotiation:** The Company shall accept construction work through negotiation process without bid submission. The acceptance of construction work in this manner may be a result of either direct contact from customers or the Company's direct proposal of work to customers. The majority of work accepted by this method is usually such work from the existing customers with good relationships with the Company or those recognizing the Company's previous achievements or new customers with recommendation from the Company's existing customers.
- **Bidding:** The Company shall be informed of news regarding invitation to bid from various sources and participate in the bidding process in accordance with the following procedures:
 - Purchase of drawing and specifications and the bidding documents, as well as downloading documents in case of e-bidding;
 - Cost estimation;
 - Bidding.

The signing of a construction contract would take place after conclusion of prices and conditions.

B. Procedures during Implementation:

After the Company has signed a construction contract, it shall be the duty and responsibility of the Construction Project Department to proceed as follows:

Appointment of Project Manager:

The project manager shall serve as the project management center, and shall be responsible for the project in all respects, e.g., supervision of work to ensure timely completion and control of expenses within the specified budget, etc.

Planning and Preparations for Construction by Project Manager:

- **Construction Schedule Planning:** The work schedule should be planned in line with the conditions and delivery schedule;
- **Resource Planning:** Employment of staff should be prepared in line with the nature and volume of work, including engagement of minor contractors, procurement of material suppliers and planning for utilization of materials and machinery;
- **Preparation of Temporary Office:** During the construction, the production and delivery of work shall take place at the site of the customer or project owner, and it is the duty of the project manager to prepare various public utilities required for the work performance, such as, water, electricity, and staff quarters, etc.
- **Preparation of Detailed Work Plan:** The project manager shall prepare step by step work plans in line with timeframe to facilitate the work supervision so as to progress in accordance with the schedule and meet the standards required by the project owner.

Construction:

During the construction, supervisors and foremen in the respective divisions shall jointly monitor and supervise the quality and progress of work to be in accordance with the schedule and timeframe, as well as ensure safety for operating staff and the public.

Monitoring and Inspection:

The progress of work, costs, various overheads and budgets used in the construction must be verified, and the project manager shall receive reports from the relevant divisions.

Report on Progress of Work:

This is a report on the details of the work performed, utilization of construction materials, costs, quality, quantity and progress of work, including various problems, which would be reported by the project manager to supervisor at the Head Office. In case there are problems, the supervisor will provide assistance and support to solve such problems.

Inspection of Work Completeness:

This is the final inspection of work completeness prior to delivery. Generally, during the execution, the work would be inspected on a monthly basis. If any stage of such work fails to pass the inspection, the re-inspection would be scheduled. When the work passes the inspection, the completeness of the corrected work would be inspected prior to delivery of the work to the employer.

C. Post-Completion Procedures:

At this stage, the Company would provide training to the employer, deliver necessary documents, e.g., As-Built Drawings, material quality and workmanship warranty documents, and other documents as specified in the contract to the employer. The employer would inspect the work completeness before returning the retention money and the performance bond to the Company after the expiration of the warranty period.

(2) Disposal of Unused Raw Materials

The Company greatly emphasizes the significance of the environment and social development, along with the operations with work safety standard and environment in line with the relevant laws and regulations.

The Company and the subsidiaries have arranged for work safety and environmental standards for every project in line with the regulations, rules, laws and international standards, which renders the Company to receive the ISO 9001:2015.

Based on the aforesaid activities, the carrying out of various projects does not cause any impact on the society and environment, as well as reducing work-related accident

statistics to an acceptable level. For instance, wastewater and effluents have been properly treated to ensure the sanitary condition before emission; unused materials and wastes from construction have been regularly collected and properly disposed of, i.e., hazardous materials shall be disposed of or handled by specialist. Unused materials, such as, steel rods, structural steel, sanitary ware, office equipment, shall be returned at the Company's central store for further use in other projects. Scrap of materials, such as, iron scraps, metal scraps, used tyres, in good condition, used engine oil, shall be put for sale to those wishing to recycle them for further use in proper work. This includes ongoing training for staff on safety and environment. Expenses in carrying out such various activities are considered one of the Company's costs. The Company has obtained various prizes, for example:

❖ In 2000

- outstanding award for minimizing environmental impact from the Mass Rapid Transit Authority of Thailand for Lumpini Station, Joint Venture BCKT;
- honorable award for minimizing environmental impact from the Mass Rapid Transit Authority of Thailand for Sukhumvit Station, Joint Venture BCKT;

❖ In 2001

outstanding award for minimizing environmental impact from the Mass Rapid Transit Authority of Thailand for Sam Yan Station, Joint Venture BCKT;

❖ In 2003

maximum construction work safety achievement with 5,000,000 working hours without lost time accident in Nakhon Pathom - Samut Sakhon Water Project, Joint Venture TWCK;

❖ In 2015

outstanding award for administration and management of safety, occupational health and working environment from the Mass Rapid Transit Authority of Thailand for construction of the MRT Green Line Project, Bearing - Samutprakan Section, Contract 1;

❖ In 2016

TCA Concrete Practice Award 2016: Silver Medal from Thailand Concrete Association for construction of the Xayaburi Run-of-River Project.

Project Name	Nature of Work	Project Value (Million Baht)	Expected Year of Project Completion	% of Undelivered Work	Value of Undelivered Work (Million Baht)
CH. Karnchang (Lao) Co., Ltd.					
1. Engineering, Procurement and Construction Contract for the Xayaburi Hydroelectric Power Project in The Lao People's Democratic Republic	Xayaburi Hydroelectric Power Plant	94,340	2019	28.7	27,075.58
CKCH Joint Venture					
1. Construction of the Double Track Railroad Construction Project, Chira Junction - Khon Kaen Section	Trackwork	21,897	2022	85	18,612.45
CKST Joint Venture					
• Contract E1: Underground Civil Works, Thailand Cultural Centre - Ram Khamhaeng 12 Section, the MRT Orange Line (East Section) Project	MRT	19,283	2022	100	19,283
• Contract E2: Underground Civil Works, R a m K h a m h a e n g 12 - Hua Mak Section, the MRT Orange Line (East Section) Project	MRT	20,000	2022	100	20,100
• Contract E5 : Depot and Pack & Ride the MRT Orange Line (East Section) Project	MRT	4,515	2022	100	4,515



RISK FACTORS

CH. Karnchang Public Company Limited has a vision of becoming the leader in construction business and basic infrastructure developer, and considers it necessary to manage risks in its business under the changes in internal and external factors which might affect its operations. Risk management is considered a key instrument in the business administration to ensure efficient achievement, and is also regarded as a key factor in the good corporate governance. Therefore, the Company arranges for systematic risk management, monitoring and measures to continuously minimize risks. The Corporate Governance and Risk Management Committee is appointed to consider at the policy level, while management manages the overall risk management process of the organization, with a working team to perform daily routine works on behalf of the Corporate Governance and Risk Management Committee, in order to monitor and assess risks as well as prepare the risk management report at the unit level for submission to the Board of Directors for acknowledgement.

The Company has prepared a handbook on risk management and risk management plan as guidelines in the operations, as well as monitoring, assessment, and review of risks in line with both internal and external circumstances. The risk factors which might give rise to investors' investment risks are as follows:

3.1 Risk from Major Shareholders Exceeding 25 Percent

As at November 9, 2016, the Company's major shareholder group was the Trivisvavet Group, holding shares in aggregate representing 36.88 percent of its registered and paid-up capital. Such shareholding percentage might enable the Trivisvavet Group to make material decisions in shareholders' meetings, as well as to seek resolutions on any other matters that require a majority vote of the shareholders' meeting, except

such matters which shall be passed by three-fourths of votes of the shareholders' meeting under the laws or the Company's Articles of Association. Therefore, other shareholders of the Company might be at the risk being unable to collect votes to counterbalance and inspect such matters proposed by the major shareholders.

However, the Company realized the significance of power counterbalancing, and then clearly and transparently determined a scope of authority and responsibilities of various committees, as well as formulated measures for execution of connected transactions with directors, major shareholders, executives, controllers, including persons who might have a conflict of interests, whereby such persons shall not have the right to vote on such transactions. The Company also appointed the Audit Committee to independently serve the Board of Directors to ensure transparency and shareholders' confidence in their ability to review performance and counterbalance in the capacity as minor shareholders' representative, as well as help scrutinizing various matters for submission of the same to shareholders' meetings. The Company discloses information and complies with applicable rules and regulations of the SEC Office and the Stock Exchange, such as, connected transactions and transactions on acquisition and disposition of assets of the Company, etc., for the utmost benefit of the Company and all shareholders.

3.2 Risk from Reliance on Customers in the Company Group Invested by the Company

The Company not only operates the construction business, but also invests in basic infrastructure development business on a regional level. Currently, the Company has invested in transportation and mass rapid transit systems, namely, Bangkok Expressway and Metro Public Company Limited ("BEM"), water infrastructure system, namely,

TTW Public Company Limited (“TTW”), and power system, namely, CK Power Public Company Limited (“CKP”), a newly established company, whose shares are partially owned by the Company.

Therefore, in the Company’s revenue structure, other than works for public and external private sectors, the Company has also accepted construction works from the companies invested by the Company. In 2016, the Company’s revenue from BEM, Xayaburi Power Company Limited (whose shares were held by CKP and BEM), Bangpa-in Cogeneration Limited (whose shares were held by CKP), and TTW Public Company Limited, represented 81.36 percent of the revenue structure. In addition, revenues from construction services are strategically responsible for the Company’s sustainable and stable growth by integrating the construction business with investments in basic infrastructure projects for the national development, along with risk management and increase in long-term returns to shareholders from dividend. Moreover, the Company is a construction company with capabilities and competency to complete works at reasonable prices. The Company’s acceptance of works from companies in the group then represented risk diversification in response to decreasing works for public or private sector, which would enable the Company to generate revenues from construction services from the company group invested by the Company in various projects. Furthermore, the approval of transactions on engagement of companies and company group comply with the regulations of the Stock Exchange of Thailand.

3.3 Risk from Management and Risk from Delays in Projects

The Company realized the risk from management and therefore, determined guidelines to prevent any flaws which might occur, by implementing the quality management system of ISO 9001:2015

to maintain the operation standards both in projects and in the Company’s head office, taking into account the continued improvement of quality management system. The Company group also set out guidelines for staff improvement to ensure that staff have knowledge, skills, ethics and accountability towards the organization, including all stakeholders, so as to minimize and prevent damage which might be caused by such risk.

The Company obtained the international quality system standard accreditation of ISO 9001:2000 in 2002 and ISO 9001:2008 in 2010 from two institutions, namely, UKAS and NAC Thailand, which was upgraded to ISO 9001:2015 in 2017, with the accreditation of total 13 scopes of works, namely, the business of construction work design and management for buildings, roads, bridges, underground structure and tunneling, piping work and aviation fueling hydrant control system, fuel depot and control system, expressway, landscape, wastewater treatment plant, cogeneration power plant, hydroelectric power development dam, high voltage transmission line and substation, and rock quarry and mill.

Generally, risks from delays in various projects might be caused by delays on the part of employers or contractors or by events without any liable party.

Delays on the part of employers included, for example, site delivery, review and approval on various matters relating to construction work. These delays might affect the construction period and costs. However, the Company minimized risks from such delays through cooperation and coordination with employers to ensure successful completion of the construction works.

Delays on the part of contractors included, for example, shortages of construction materials. The Company prevented such problem by entering into forward agreements for purchase - sale of

various materials, as evidenced by the signed agreements for purchase – sale of cements and metals to accommodate the Company's projects, of which contracts have already been executed.

Delays caused by any events without any liable party included, for example, natural perils. In the execution of a contract, there generally is a requirement for the contractor to take out insurance for various construction projects.

Based on the Company's past experience, the Company has never encountered any events caused by delays on the part of the Company group, but risks from delays caused by the Company's contractual party, such as, in the Bang Na – Bang Pli – Bang Pakong Expressway Construction Project, and the Company group rectified such circumstance by requiring the employer to promptly resolve such problems and the Company also accelerated the construction to meet the specified schedule.

3.4 Risk from Exchange Rate

Given the fact that the Company group earned income and incurred costs in certain projects in foreign currencies, the fluctuation of the foreign currencies against Baht would affect the Company's costs or performance. The

Company has managed the risk from exchange rate by matching revenue with expenses in foreign currencies, i.e., Foreign Currency Deposit (FCD). When the project incurs any expenses in foreign currencies, the Company shall use funds in the FCD account to pay such expenses. However, at present, there is one project deriving income in foreign currency, namely, the construction of the Xayaburi run-of-river project in Lao; and there are five projects incurring certain costs in foreign currencies, namely, (1) Construction of the Xayaburi run-of-river project in the Lao PDR; (2) the MRT Purple Line Project, Bang Yai – Rat Burana, Bang Yai – Bang Sue Section, Contract 4: Concession for Supply of M&E Systems and O&M Services (Khleng Bang Phai Station – Tao Poon Station); (3) the design and construction of tunnels and underground stations of the MRT Blue Line, Contract 2; (4) the installation of equipment for improvement of the communication system of the MRT Blue Line; and (5) the construction agreements for small power projects (SPPs), which require procurement of certain equipment and services from overseas. The proportion of revenues denominated in foreign currencies as compared to the total revenues in the consolidated financial statements represented 11.1 percent; and the proportion of costs denominated in foreign currencies as compared to the total expenses in the consolidated financial statements represented 16.9 percent as at December 31, 2016.



Details of assets and liabilities denominated in foreign currencies as at December 31, 2016 in the consolidated financial statements can be summarized as follows:

Description	As at December 31, 2016			
	US DOLLARS	YEN	SGD	EURO
Assets				
Bank deposits	39,339,384	-	-	-
Trade accounts receivable and retention money	-	-	-	-
Accounts receivable and loans to related parties	-	-	-	-
Advance payment to subcontractors and other current assets	540,772	-	-	-
Total	39,880,156	-	-	-
Liabilities				
Short-term loans from financial institutions	52,223,811	-	-	2,344,869
Trade accounts payable and retention for construction	19,620,720	-	29,588	422,276
Loans from related companies	-	-	-	-
Total	71,844,531	-	29,588	2,767,145
Assets (Liabilities), net	(31,964,375)	-	(29,588)	(2,767,145)
Assets (Liabilities), net (Baht)*	(1,150,797,409)	-	(741,934)	(105,528,404)

Remark: * Average exchange rate calculated by The Bank of Thailand at the close of December 31, 2016.

3.5 Risk from Construction Material Price, Labor Cost and Fluctuation of Oil Price

The management of construction work contract in each project to gain the gross profit depends on the precise projection of the project cost and the control of the cost actually incurred within the specified projection. The factors of cost projection depend on not only construction material price and labor cost which fluctuate by the demand and supply circumstances, but also oil price, which is indirect cost towards the operating costs.

However, the Company group managed such risk through construction contracts in two manners as follows:

- In case of a construction contract with construction price adjustment in accordance with an escalation (K) factor, such K factor would vary depending on the changing production costs, whereby such adjustment may not cover all increased costs of construction materials and labor, but would cover an increase of the construction material and labor prices beyond the projection, thereby giving rise to only a slight impact on the construction cost. As for the projects of the



Company group, most customers were government sector, as at December 31, 2016, representing 56 percent of the remaining project value to be recognized as revenue in the future;

- In case of a construction contract with fixed costs or lump sum, whereby it does not specify or it is not possible to identify a K factor, which would mostly apply to turnkey projects, provisional sums would also be included to accommodate the case where the construction material costs would be included in the total project value. Most customers in this category were private sector, as at December 31, 2016, representing 44 percent of the remaining project value to be recognized in the future.
- Furthermore, the Company also established a subsidiary for the purpose of manufacturing necessary construction materials so as to minimize risk from shortage of materials and unrealistic price increase, as well as to strengthen its bargaining power with major traders of construction materials under high competition. However, the Company has a policy to prevent such risk by considering and reviewing the construction plan every month, as well as completing the construction of all projects before or within the period of time specified by employers.

3.6 Risk from Changes of Government's Policies

Given the fact that the Company group's revenue structure in the future from the total value of projects in hand which would be recognized as revenue in the future, as at December 31, 2016, representing 56 percent (worth Baht 46,709 Million), involves works for the government sector, the Company group's revenue therefore relates to the national budget spending, which depends on the economic growth rate and investment climate, including the political stability. As for the government projects for which the contracts have already been signed, the Company group did not have any risk from economic and political circumstances since such projects would be supported by the allocated budgets in the form of tied budgets, which represent guarantee of budgets to be spent by the government

in such projects. Nevertheless, in respect of the government projects which were awarded to the Company group, but the contracts have not yet been signed, the government may hold a new bidding for such project based on the justifications of each respective project.

The Company group reengineered to expand its channel of revenue sources by way of project investment and management. The Company group thus expanded its investments to business activities which would derive more definite revenue, such as, the Company's investments in Bangkok Expressway and Metro Public Company Limited, which manages the expressway projects and the M.R.T. Chaloem Ratchamongkhon Line; Pathum Thani Water Co., Ltd., which produces tap water for sale to the Provincial Waterworks Authority for distribution to the public in Pathum Thani Province; TTW Public Company Limited, formerly Thai Tap Water Supply Public Company Limited, which produces tap water for sale to the Provincial Waterworks Authority for distribution to the public in Samut Sakhon Province and Nakhon Pathom Province; CK Power Public Company Limited, which operates a business by holding shares in concession companies, e.g., SouthEast Asia Energy Limited, which generates electricity for distribution to the Electricity Generating Authority of Thailand; Nakhon Ratchasima Solar Limited, which operates a business of power production plant of all types; Chiangrai Solar Limited, which operates a business of power production plant of all types; Bangkhenchai Company Limited, which operates a business of power production plant of all types; Bangpa-in Cogeneration Limited, which operates a business relating to public utilities on energy; and Xayaburi Power Company Limited, which would generate electricity for distribution to the Electricity Generating Authority of Thailand, etc. These projects are long-term concession projects which would not be affected by changes of government's policies.

3.7 Risk from Investments in Subsidiaries, Associated Companies, Jointly Controlled Entities, Related Companies and Other Companies

The Company group's structure comprises several subsidiaries, associated companies, including jointly controlled entities, related companies and other companies which accorded with the Company group's nature of business, namely, investment and construction of several projects, which are being implemented by different groups of investors. However, most jointly controlled entities are established with the objectives to carry out a few projects, and would be dissolved upon completion of the projects.

In this respect, the number of companies or legal entities in the group would decrease accordingly. Risks that might be caused by investments in subsidiaries, associated companies, jointly controlled entities, related companies and other companies would be limited to the investments in each respective organization. In each investment, the Company would carefully conduct feasibility study of each project or company in addition to the consideration of the rate of return to be derived in the future. The Company might appoint third party advisors or specialists to serve in certain projects prior to submission of such matter to the Executive Board and the Board of Directors.

In this regard, the investment portfolios in the Company group generated share of profit and dividend income as follows:

(Unit: Thousand Baht)

Company Name	Consolidated Financial Statements	
	Share of Profit (Loss) from	
	Investments in Associated Companies	
	During the Year	
	2016	2015
Bangkok Metro Public Company Limited and its subsidiary	-	(191,088)
Xayaburi Power Company Limited	-	(5,265)
CK Power Public Company Limited and its subsidiary	(70,709)	173,340
Bangkok Expressway and Metro Public Company Limited and its subsidiary	648,320	3,653
Total	577,611	(19,360)

In 2015, the Company changed its significant accounting policy regarding preparation of separate financial statements in accordance with the Financial Reporting Standard No. 11 "Joint Arrangements", whereby the Company's joint arrangements were joint operations. Therefore, the Company would recognize share of assets, liabilities,

revenues and expenses in the joint operations according to its contractual rights in the separate financial statements. In this regard, the Company's financial statements for the previous year were restated for comparison purpose to reflect the results of the aforesaid change in Note 4 to Financial Statements.



3.8 Risk from Loans to Subsidiaries, Associated Companies, Jointly Controlled Entities, Related Companies and Other Companies

The Company had risks from loans to subsidiaries, associated companies, related companies and jointly controlled entities, namely, loans were provided for use as working capital. As at December 31, 2016, the Company had a balance of loans and accrued interest receivable in respect of subsidiaries, associated companies, related companies and jointly controlled entities in the amount, net of allowance for doubtful accounts, of Baht 14,871.03 Million, representing 16.55 percent of the total assets of the Company's separate financial statements. Such loans were short-term loans for use as working capital subject to interest at the Minimum Loan Rate plus margin (MLR + margin) per annum and certain fixed rates per annum, which shall become due for repayment upon demand.

Moreover, 1) the Company provided financial support by way of security in favor of CK Power Public Company Limited and its subsidiary, namely, SouthEast Asia Energy Limited, in the event of such subsidiary's failure to comply with the borrowing conditions, including any default on payment to lending banks of such subsidiary, in the total amount not exceeding Baht 620 Million. However, in September 2016, such subsidiary executed the long-term loan agreements with new lenders as domestic commercial banks for repayment of the existing long-term loans, and already terminated such security obligation.

2) the Company had obligation relating to additional investments in ordinary shares for capital increase of an associated company (CK Power Public Company Limited).

3) as at December 31, 2016, the Company provided guarantee for two subsidiaries, namely, CH. Karnchang (Lao) Co., Ltd. and Construction Material Supply Co., Ltd., for the purpose of applying for credit facilities from banks and financial institutions in the total amount of Baht 47,020 Million for use in their construction projects. On February 1, 2017, the Company terminated its guarantee obligation

for Construction Material Supply Co., Ltd.'s credit facilities extended by banks and financial institutions in the total amount of Baht 176 Million.

Nevertheless, the Company has policies on management of risks that might occur from loans to subsidiaries, associated companies and jointly controlled entities, by accelerating and closely monitoring the debt repayment and significantly taking into account the necessity and justification of transactions as well as the Company's benefits. Such policies need to be approved by the Company's Audit Committee to scrutinize any possible consequences.

3.9 Financial Liquidity Risk

The financial liquidity is important for the construction business which needs the adequate working capital for procurement of raw materials, including labor costs. Should the Company's liquidity management be inefficient, it may affect its ability to carry out construction of new projects or to complete construction of the existing projects. As at December 31, 2016, the Company's liquidity was in the form of cash, bank deposit, short-term investment, trade and other receivables in the amount of approximately Baht 20,456.78 Million; while the Company's backlogs were approximately Baht 83,379 Million (at the USD/THB exchange rate as at December 31, 2016, the Xayaburi Hydroelectric Power Project's outstanding construction value was approximately Baht 27,075 Million, for the construction period of approximately 8 years). However, the Company realized such risk by maintaining the policy to manage cash on hand to stay at an appropriate level for the construction business by means of bank deposit and short-term investment with reliable financial institutions. Short-term investment represented investment in assets with high liquidity, such as, fixed income fund and government bonds, etc. In addition, all construction projects of both public and private sectors would generate advance payments, and the Company's projects are the essential basic infrastructure projects, with the government as its customer, and then, the projects were always eligible for project finance by financial institutions. As for the Company's investment business, the Company has managed such investment risk since 2011 by restructuring

its investments in energy sector through the establishment of CK Power Limited to operate all energy business, whereby CK Power Limited would invest in the energy business on behalf of the Company. In 2012, the Company sold all of its ordinary shares in Bangkhenchai Company Limited, Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited and Bangpa-in Cogeneration Limited to CK Power Limited. As a result, the Company minimized its burden of investments in energy business. In 2013 and 2014, the Company sold ordinary shares in TTW Public Company Limited (formerly, Thai Tap Water Supply Public Company Limited), Bangkok Metro Public Company Limited and CK Power Public Company Limited, as well as acquired ordinary shares for capital increase in CK Power Public Company Limited, thereby allowing the Company to recognize gains on such transaction which changed the bookkeeping method of the value of investments to reflect market value from the former equity method, and gains derived from construction. In the second quarter of 2015, the Company also sold all ordinary shares in Xayaburi Power Company Limited to CK Power Public Company Limited with the total value of Baht 4,344 Million, and as such, the Company's net debt to equity ratio decreased and stayed below 2 times. The Company would derive cash from sales of such shares, which would be used as working capital for its operations and investments. Furthermore, given the amalgamation between Bangkok Expressway Public Company Limited and Bangkok Metro Public Company Limited into a new company named Bangkok Expressway and Metro Public Company Limited on December 30, 2015, the

Company's debt burden partially decreased accordingly. As at December 31, 2016, the Company had its debts in the form of debt instruments representing 55.12 percent and loans, including hire-purchase, representing 44.88 percent, subject to fixed interest rate accounting for 81.37 percent and floating interest rate for 18.63 percent. In the event that the floating interest rate would increase by one percent, the Company's interest burden would increase by Baht 106.94 Million. In respect of loans and debentures, the conditions for debt to equity ratio and obligations of borrower and debenture issuer were specified, which the Company has fully complied with the specified conditions for the loans and debentures.

3.10 Credit Rating Risk

TRIS Rating Co., Ltd. has maintained the corporate rating and the existing unsubordinated and unsecured debenture rating of the Company at "A-" as at June 24, 2016, which is likely to remain "stable", and rated the Company's new unsubordinated and unsecured debentures at "A-" in the amount not exceeding Baht 7,500 Million. In this regard, the Company plans to use the proceeds from the issuance of the new debentures for debt repayment and for its business expansion. The Company's credit and debenture ratings also reflect its leading position in Thailand's construction industry, proven records in infrastructure and specialized projects, and financial flexibility from strategic investments. However, these strengths are partially offset by the cyclical nature of the construction industry, intense competition, and the Company's high financial leverage.



ASSETS FOR BUSINESS OPERATIONS

4.1 Significant Characteristics of Fixed Assets

The details of significant fixed assets of CH. Karnchang Public Company Limited and its subsidiaries and jointly controlled entities based on the book value as at December 31, 2016 are as follows:

Type of Assets	Ownership	Cost (Thousand Baht)	Net Value* (Thousand Baht)	Security Value with Guaranteed Obligation (Net of Accumulated Depreciation Costs and Provision for Loss from Impairments of Assets)	Obligations
(1) Land and Improvements	Owner	3,385,585	2,944,279	-	N/A
(2) Buildings and Structures	Owner	2,997,832	1,764,537	-	N/A
(3) Building Improvement	Owner	45,818	25,073	-	N/A
(4) Machinery and Equipment	Owner	6,869,071	3,637,769	-	N/A
(5) Equipment, Furniture and Vehicles	Owner	850,309	156,731	-	N/A
(6) Assets under Construction	Owner	81,596	81,596	-	N/A
Total Property, Plant and Equipment		14,230,211	8,609,985		

Remark * Net value refers to the book value at cost less the accumulated depreciation costs and provision for loss from impairments.

Type of Assets	Ownership	Cost (Thousand Baht)	Net Value* (Thousand Baht)	Security Value Net of Accumulated Depreciation Costs and Impairments of Subsidiaries with Guaranteed Obligation	Obligations
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1. Investment Properties,
such as, land and office building
for rent

Owner	499,442	417,260	N/A	N/A
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Remark * Net value refers to the book value at cost less the accumulated depreciation costs and provision for loss from impairments.

The details of significant fixed assets of CH. Karnchang Public Company Limited and its subsidiaries and jointly controlled entities based on the book value as at December 31, 2016 are as follows:

Type of Assets	Ownership	Cost (Thousand Baht)	Net Value* (Thousand Baht)	Security Value with Guaranteed Obligation (Net of Accumulated Depreciation Costs and Provision for Loss from Impairments of Assets)	Obligations
(1) Land and Improvements	Owner	2,199,463	1,765,168	-	N/A
(2) Buildings and Structures	Owner	2,679,007	1,878,439	-	N/A
(3) Building Improvement	Owner	29,699	11,370	-	N/A
(4) Machinery and Equipment	Owner	6,266,956	3,327,586	-	N/A
(5) Equipment, Furniture and Vehicles	Owner	841,479	198,662	-	N/A
(6) Assets under Construction	Owner	148,408	148,408	-	N/A
Total Property, Plant and Equipment		12,165,012	7,329,633		

Remark * Net value refers to the book value at cost less the accumulated depreciation costs and provision for loss from impairments.

Type of Assets	Ownership	Cost (Thousand Baht)	Net Value* (Thousand Baht)	Security Value Net of Accumulated Depreciation Costs and Impairments of Subsidiaries with Guaranteed Obligation	Obligations
1. Investment Properties, such as, land and office building for rent	Owner	471,849	383,974	N/A	N/A

Remark * Net value refers to the book value at cost less the accumulated depreciation costs and provision for loss from impairments.

Details of Land	Number of Title Deeds	Area (Rai-Ngan-Square wah)	Original Cost (Thousand Baht) December 31, 2015	Original Cost** (Thousand Baht) December 31, 2016
1. Bangkok	37	29-3-42.6	547,730	590,931
2. Nonthaburi	4	2-1-48	6,356	6,356
3. Pathum Thani	1	30-0-0	7,844	7,844
4. Samut Prakan	14	410-2-76	915,277	1,506,601
5. Chon Buri	1	0-0-18	2,880	2,880
6. Saraburi	3	38-3-39	64,087	64,087
7. Phra Nakhon Si Ayutthaya	7	106-1-4	96,011	96,011
8. Chachoengsao	4	67-0-15	83,089	83,089
9. Chiang Mai	5	5-0-80	141,191	141,191
10. Krabi	5	434-1-94.6	46,234	46,234
11. Prachin Buri	4	67-3-54	8,966	8,966
12. Prachuap Khiri Khan	3	13-0-76	35,000	35,000
13. Loei	5	29-0-17.5	34,432	34,432
14. Samut Sakhon	5	49-3-2	210,366	761,963
Total			2,199,463	3,385,585

Remark ** The original cost of land refers to the original cost of land, together with cost of land improvement less provision for loss from impairments.

Details of Buildings	Location	Original Cost	Original Cost
		(Thousand Baht) December 31, 2015	(Thousand Baht) December 31, 2016
1. Office building, materials store, canteen, laboratory	Bangkok	432,617	526,713
2. Office building, staff residence, materials store	Phra Nakhon Si Ayutthaya	130,819	130,819
3. Office building, materials store, tool center	Pathum Thani	13,866	21,507
4. Temporary building	Chon Buri	400	400
5. Office building, warehouse building	Loei	22,502	22,502
6. Office building, materials store, canteen, stone mill, concrete mixer plant	Lao PDR	2,047,905	2,059,664
7. Office building, asphalt plant	Samut Prakan	30,898	6,026
8. Office building, residential building, parking area, canteen	Khon Kaen	-	219,814
9. Office building, residential building	Nonthaburi	-	10,387
Total		2,679,007	2,997,832

4.1.1 Real Estate Development Business

The Company and its subsidiaries do not operate any real estate development business.

4.1.2 Major Intangibles Assets as at December 31, 2015 and as at December 31, 2016

Type of Assets	Ownership	Cost	Net Value*	Cost	Net Value*	Obligations
		(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	
		As at December 31, 2015		As at December 31, 2016		
1. Computer software	Owner	151,454	75,978	152,024	58,656	N/A

Remark * Net value refers to the book value at cost less the accumulated depreciation costs and provision for loss from impairments.

4.2 Investment Policy in Subsidiaries and Associated Companies

The Company has a policy to invest in such businesses which are relevant to the Company's primary business as follows:

4.2.1 Business of Production of Construction Materials:
This business supports the production process which is the Company's primary business in terms of costs and quantity control in line with the Company's objectives.

4.2.2 Infrastructure Concession Projects: The Company considers that the results of operation of such business shall result in return, and enhance the Company's long-term cash flow, namely, the water production and distribution concession project in Pathum Thani Province for the Provincial Waterworks Authority, the MRTA Initial System Project, Chaloem Ratchamongkhon Line, and the water production and distribution project in Nakhon Pathom and Samut Sakhon Provinces for the Provincial Waterworks Authority, projects of design, development, construction and operation of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project for production and distribution of electricity to the Electricity

Generating Authority of Thailand, project of design, development, construction and operation of the Small Power Producers (SPP) for production and distribution of electricity and steam to the Electricity Generating Authority of Thailand and industrial operators in Bang Pa-in Industrial Estate, and project of business for production of electricity from solar power, etc.

4.2.3 Construction Business, including Joint Ventures: The Company also jointly invested with other investors with expertise in specific areas in major infrastructure construction projects, namely, expressway construction projects and the MRTA projects, which require specific techniques or know-how. In addition to the financial return to be received by the joint ventures and the Company, the Company will also benefit from new technology transfer from such joint ventures. Furthermore, it is clear that the joint ventures in the Company group earn satisfactory rates of return on investment.

With regard to the management principles, the Company shall appoint its representatives to jointly participate in the management, in cooperation with representatives of major shareholders according to the shareholding ratio. The decisions on various policies shall be mutually agreed upon among the major shareholders. In this regard, the investment ratio shall take into account the suitability and the rate of return of such project, along with other related factors, namely, technology, size of the project, etc. As for investment in subsidiaries, the Company shall appoint its representatives to act as executives. As for investment in joint ventures, the Company shall appoint its representatives to participate in the management and operations, whereby the roles and responsibilities shall be clearly allocated among other joint venture partners. However, the Company does not have any specific criteria as to its representation in the management of the joint ventures. The Company's investments in the business of production of construction materials, infrastructure concession projects, construction business, and other service businesses based on the cost method, as at December 31, 2016, amounted to Baht 99.99 Million, Baht 23,842.52 Million, Baht 279.28 Million, and Baht 54.46 Million, and at the same time, the

Company arranged for the provision for loss from such investments amounting to Baht 1.56 Million, Baht 299.92 Million, Baht 43.75 Million, and unrealized gain on changes in value of such investments amounting to Baht 7,026.89 Million, representing 0.11 percent, 26.53 percent, 0.31 percent, and 0.06 percent of the Company's total assets of the separate financial statements, respectively; and as at December 31, 2015, amounted to Baht 99.99 Million, Baht 21,463.47 Million, Baht 253.04 Million, and Baht 53.75 Million (at the same time, the Company arranged for the provision for loss from such investments amounting to Baht 1.56 Million, Baht 299.92 Million, Baht 43.75 Million, and unrealized gain on changes in value of such investments amounting to Baht 6,872.34 Million), representing 0.12 percent, 24.88 percent, 0.29 percent and 0.06 percent of the Company's total assets of the separate financial statements, respectively.

In 2015, the Company changed its significant accounting policy regarding preparation of separate financial statements in accordance with the Financial Reporting Standard No. 11 "Joint Arrangements", whereby the Company's joint arrangements were made on a joint operation basis. Therefore, the Company would recognize a share of assets, liabilities, revenue and expenses in the joint operation according to its contracted entitlement in the separate financial statements. In this regard, the Company's financial statements for the previous year were restated for comparison purpose to reflect the results of the aforesaid change in Note 4 to Financial Statements.



LEGAL DISPUTES

The Company or the subsidiaries have no legal disputes, to which the Company or the subsidiaries are a party or respondent, and which would give rise to negative impact on the assets of the Company or of the subsidiaries by more than 5 percent of the shareholders' equity as at the most recent accounting year end, and there is no lawsuit which would significantly affect the Company's business operations. In addition, the Company has no material lawsuit which is not resulted from the Company's ordinary course of business.

In 2000, Joint Venture BBCD claimed the increased costs from the Expressway Authority of Thailand (the employer), whereby the employer's consulting engineer considered the Joint Venture's claim and issued a letter confirming and accepting the certification of such increased costs. The Arbitral Tribunal then issued its arbitral award requiring the employer to pay the increased costs, together with interest, to the Joint Venture. Subsequently, the employer issued a letter notifying the Joint Venture that the employer had considered the matter and deemed it appropriate to comply with such arbitral award. On this ground, the Joint Venture recorded such amount as its assets and revenue in the financial statements for 2001 in proportion to the Company group's participation in the Joint Venture, representing approximately Baht 2,500 Million.

Due to the delay in payment of such costs, the Joint Venture filed a lawsuit against the employer with the Civil Court to enforce compliance with the said arbitral award. On December 30, 2003, the Civil Court adjudged enforcing compliance with the arbitral award, by requiring the Expressway Authority of Thailand (the employer) to make such payment to the Joint Venture in accordance with the arbitral award. Later in January 2004, the employer filed an appeal with the Supreme Court.

On February 15, 2007, the Supreme Court adjudicated reversing the Civil Court's judgment which enforced the arbitral award requiring the employer to make such payment to Joint Venture BBCD. The Joint Venture therefore recorded an allowance for doubtful accounts in full for accounts receivable for - claims for additional costs as expenses in profit or loss for 2006 in proportion to the Company group's participation in the Joint Venture, representing approximately Baht 2,500 Million.

Subsequently, after the thorough study of the details of the judgment of the Supreme Court, the Company's management filed a lawsuit against the employer with the Civil Court on February 11, 2008 to claim the costs paid by Joint Venture BBCD from the employer on charge of undue enrichment, bringing the costs included interest calculated until the date of the plaint to approximately Baht 3,400 Million (in proportion to the Company group's participation in the Joint Venture).

On September 15, 2011, the Civil Court adjudged requiring the employer to make payment to Joint Venture BBCD in the amount of Baht 1,750 Million (in proportion to the Company group's participation in the Joint Venture), together with interest at the rate of 7.5 percent per annum from such principal from February 15, 2007 until the employer would make such payment to Joint Venture BBCD in full. The employer and Joint Venture BBCD filed their appeals with the Appeal Court.

On December 27, 2013, the Appeal Court adjudicated reversing the Civil Court's judgment, thereby dismissing Joint Venture BBCD's plaint on the grounds that at the time when the Plaintiff and the Defendant executed the turnkey contract in dispute, both parties were well aware that the Defendant was not yet ready to deliver the construction site under the contract to the Plaintiff, and as a result, several problems subsequently

arose after the date of execution of the contract, which were raised by the Plaintiff to request an extension of time for the construction period and claim the increased costs. Therefore, it must be deemed that the Plaintiff executed the turnkey contract in dispute with the Defendant whereby the Plaintiff agreed to accept potential risks relating to burden of additional costs for design and construction of the expressway project, and as such, the Plaintiff may not demand the Defendant to return the expressway project to the Plaintiff under Section 411 of the Civil and Commercial Code despite the fact that the Defendant had accepted the delivery of the project from the Plaintiff before the Supreme Court rendered the judgment, in which case, it was deemed that the Defendant had accepted the project in good faith. Furthermore, as the Supreme Court did not adjudge that the turnkey contract in dispute was null and void, but only refused to enforce compliance with the arbitral award, and the Court of First Instance

did not have jurisdiction over such issue, it was then no longer required to decide on other issues in the Defendant's appeal, particularly the issues as to whether or not the Plaintiff had power to file its plaint; the Plaintiff's plaint was barred by prescription; and the Plaintiff's plaint was repeated, since the Appeal Court's judgment would not change. Thus, the Defendant was not required to return the expressway project to the Plaintiff on charge of undue enrichment nor pay additional costs, together with interest, nor deliver any interest from toll revenue to the Plaintiff under the plaint. Therefore, the Court of First Instance's judgment was opposed to the Appeal Court's opinion.

Subsequently, in February 2014, Joint Venture BBCD filed an appeal with the Supreme Court to demand the employer to pay all increased costs, together with interest, until the payment would be made in full. At present, such case is pending the consideration of the Supreme Court.



GENERAL INFORMATION AND OTHER SIGNIFICANT INFORMATION

1. General Information

(1) Company Profile	: CH. Karnchang Public Company Limited
Head Office	: 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Telephone	: 66(0)2277-0460, 66(0)2275-0026
Fax	: 66(0)2275-7029
Website	: www.ch-karnchang.co.th
Business Category	: To operate the business of general contract construction for government agencies, state enterprises and private entities, in the form of main contractor, subcontractor or joint venture or consortium.
Registration No.	: 0107537002575
Registered Capital	: Baht 1,693,899,970
Divided into Ordinary Shares	: 1,693,899,970 shares
Par Value	: Baht 1 per share
Paid-up Capital	: Baht 1,693,896,872

(2) The Company invests in each of its subsidiaries as follows:

Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Shareholding Ratio	Type of Shares
1. Construction Material Supply Co., Ltd. The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-0026 Fax 66(0) 2275-7029	Trading of Construction Materials	1,000,000	Baht 100	999,992	99.99%	Ordinary Shares
2. CH. Karnchang Real Estate Co., Ltd. The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-0026 Fax 66(0) 2275-7029	Trading of Land, Allocation of Land and Residential Buildings	1,600,000	Baht 100	1,584,000	99.00%	Ordinary Shares
3. CH. Karnchang-Tokyu Construction Co., Ltd. The head office is located at No. 587, 7 th , 8 th Floors, Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-3651-5 Fax 66(0) 2275-3657	Contract for All Kinds of Construction	1,000,000	Baht 100	549,996	55.00%	Ordinary Shares
4. CH. Karnchang (Lao) Co., Ltd.* The head office is located at Ban Xiang Yuen, Chantaburi District, Vientiane	Operation of Business of Construction of the Nam Ngum 2 Hydroelectric Power Dam					

Remark: * CH. Karnchang (Lao) Co., Ltd. has paid-up share capital of USD 1,000,000, 100% of which is invested by CH. Karnchang Public Company Limited.

(3) The Company also invests in other companies through a shareholding ratio of at least 10 percent of the number of shares sold in each company as follows:

Company Name	Business Category	Total Number	Par Value	Shares Held	Shareholding	Type of
		of Shares		by the Company	Ratio	Shares
1. TTW Public Company Limited The head office is located at No. 30/130 Moo 12, Buddhamonthon 5 Road, Tambon Rai Khing, Amphoe Sam Phran, Nakhon Pathom Province Telephone 66(0) 2811-7526 Fax 66(0) 2811-7687	Supply and Development of Projects for Production and Distribution of Tap Water	3,990,000,000	Baht 1	774,077,400	19.40%	Ordinary Shares
2. Pathum Thani Water Co., Ltd. ¹ The head office is located at No. 43 Moo 3, Chiang Rak Noi - Bang Sai Road, Tambon Ban Pathum, Amphoe Sam Khok, Pathumthani Province 12160 Telephone 66(0) 2979-8530-2 Fax 66(0) 2979- 8533	Supply and Development of Projects for Production and Distribution of Tap Water under Arrangement with the Provincial Waterworks Authority	12,000,000	Baht 100	-	-	Ordinary Shares
3. CK Power Public Company Limited The head office is located at No. 587, 19th Floor, Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2691-9720-2 Fax 66(0) 2691-9723	Operation of Business by Holding Shares in Other Companies (Holding Company)	7,370,000,000	Baht 1	2,120,275,478	28.77%	Ordinary Shares
4. SouthEast Asia Energy Limited ² The head office is located at No. 587, 20th Floor, Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-4873 Fax 66(0) 2691-8307	Operation of Business of All Types of Power Plants and Distribution of Electricity inside and outside Thailand	660,675,000	Baht 10	-	-	Ordinary Shares
5. Bangpa-in Cogeneration Limited ³ The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2275-4364 Fax 66(0) 2691-9951	Operation of Business of Power Plants, including Businesses Relating to Electricity and All Types of Energies	270,500,000	Baht 10	-	-	Ordinary Shares



Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Shareholding Ratio	Type of Shares
6. Bangkhenchai Company Limited ⁴ The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2691-9720-2 Fax 66(0) 2691-9723	Operation of Business of All Types of Power Plants	2,342,500	Baht 100	-	-	Ordinary Shares
7. Nakhon Ratchasima Solar Limited ⁵ The head office is located at No. 23/30, 14th Floor, Sorachai Building, Soi Sukhumvit 63, Sukhumvit Road, North Klongton Subdistrict, Wattana District, Bangkok Telephone 66(0) 2714-2400 Fax 66(0) 2714-2401	Operation of Business of All Types of Power Plants	2,215,000	Baht 100	-	-	Ordinary Shares
8. Chiangrai Solar Limited ⁶ The head office is located at No. 23/30, 14th Floor, Sorachai Building, Soi Sukhumvit 63, Sukhumvit Road, North Klongton Subdistrict, Wattana District, Bangkok Telephone 66(0) 2714-2400 Fax 66(0) 2714-2401	Operation of Business of All Types of Power Plants	2,917,500	Baht 100	-	-	Ordinary Shares
9. Xayaburi Power Company Limited ⁷ The head office is located at Ban Xiang Yuen, Chantaburi District, Vientiane	Construction, Operation of the Xayaburi Hydroelectric Power Project	2,686,100,000	Baht 10	-	-	Ordinary Shares
10. Bangkok Expressway and Metro Public Company Limited The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2354-2000 Fax 66(0) 2354-2000	Provision of Services of Expressways and Mass Rapid Transit Railway System, and Commercial Development relating to Metro and Expressway Systems	15,285,000,000	Baht 1	4,544,912,129	29.73%	Ordinary Shares
11. Northern Bangkok Expressway Company Limited ⁸ The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2641-4611 Fax 66(0) 2641-4610	Construction and Management of the Udon Ratthaya Expressway	600,000,000	Baht 10	-	-	Ordinary Shares
12. Bangkok Metro Networks Limited ⁹ The head office is located at No. 832 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0) 2690-8200 Fax 66(0) 2690-8212	Operation of Commercial Development Business	25,400,000	Baht 10	-	-	Ordinary Shares

- Remarks**
- ¹ CH. Karnchang Public Company Limited indirectly holds shares in Pathum Thani Water Co., Ltd. via TTW Public Company Limited, namely, CH. Karnchang Public Company Limited currently holds shares representing 19.40 percent in TTW Public Company Limited, and TTW Public Company Limited holds shares representing 98.00 percent in Pathum Thani Water Co., Ltd.
 - ² CH. Karnchang Public Company Limited indirectly holds shares in SouthEast Asia Energy Limited via CK Power Public Company Limited, namely, CH. Karnchang Public Company Limited currently holds shares representing 28.77 percent in CK Power Public Company Limited and CK Power Public Company Limited holds shares representing 56.00 percent in SouthEast Asia Energy Limited.
 - ³ CH. Karnchang Public Company Limited indirectly holds shares in Bangpa-in Cogeneration Limited via CK Power Public Company Limited, namely, CK Power Public Company Limited currently holds shares representing 65.00 percent in Bangpa-in Cogeneration Limited.
 - ⁴ CH. Karnchang Public Company Limited indirectly holds shares in Bangkhenchai Company Limited via CK Power Public Company Limited, namely, CK Power Public Company Limited currently holds shares representing 99.99 percent in Bangkhenchai Company Limited.
 - ⁵ CH. Karnchang Public Company Limited indirectly holds shares in Nakhon Ratchasima Solar Limited via CK Power Public Company Limited, namely, CK Power Public Company Limited currently holds shares representing 30.00 percent in Nakhon Ratchasima Solar Limited.
 - ⁶ CH. Karnchang Public Company Limited indirectly holds shares in Chiangrai Solar Limited via CK Power Public Company Limited, namely, CK Power Public Company Limited currently holds shares representing 30.00 percent in Chiangrai Solar Limited.
 - ⁷ CH. Karnchang Public Company Limited indirectly holds shares in Xayaburi Power Company Limited via CK Power Public Company Limited, namely, CK Power Public Company Limited currently holds shares representing 30.00 percent in Xayaburi Power Company Limited.
 - ⁸ CH. Karnchang Public Company Limited indirectly holds shares in Northern Bangkok Expressway Company Limited via Bangkok Expressway and Metro Public Company Limited, namely, Bangkok Expressway and Metro Public Company Limited currently holds shares representing 99.99 percent in Northern Bangkok Expressway Company Limited.
 - ⁹ CH. Karnchang Public Company Limited indirectly holds shares in Bangkok Metro Networks Limited via Bangkok Expressway and Metro Public Company Limited, namely, Bangkok Expressway and Metro Public Company Limited currently holds shares representing 65.19 percent in Bangkok Metro Networks Limited.

(4) The Company also invests in the form of joint venture as follows:

Joint Venture Name	Nature of Work	Investment Ratio
<p>1. Joint Venture CKET comprising CH. Karnchang Public Company Limited and Expert Transport Co., Ltd.</p> <p>The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026, Fax 66(0) 2354-1919</p>	<p>Project Operation and Management under the Agreement for Concession for Design, Manufacture, Delivery, Installation, Testing and Commissioning of M&E Equipment and for Operation and Maintenance of the MRTA Initial System, Chaloem Ratchamongkhon Line</p>	99.99%
<p>2. joint Venture BBCT comprising CH. Karnchang Public Company Limited, Bilfinger + Berger Bauaktiengesellschaft, Tokyu Construction Co., Ltd. and CH. Karnchang-Tokyu Construction Co., Ltd.</p> <p>The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026, Fax 66(0) 2275-7029</p>	<p>Construction of the (Bang Pa-in -Pak Kret) Expressway (Sectors D and C1 A)</p>	99.97%
<p>3. Joint Venture BBCD comprising Bilfinger Berger AG, CH. Karnchang Public Company Limited and Walter Bau AG</p> <p>The head office is located at No. 587 Sutthisarnvinitchai Road Dindaeng Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026 Fax 66(0) 2275-7029</p>	<p>Construction of the (Bang Na - Bang Pli - Bang Pakong) Expressway</p>	35.00%



Joint Venture Name	Nature of Work	Investment Ratio
<p>4. CKTC Joint Venture comprising CH. Karnchang Public Company Limited and Tokyu Construction Co., Ltd.</p> <p>The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026, Fax 66(0) 2275-7029</p>	<p>Operations for Construction Project of the MRT Purple Line, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section; Contract 1: Elevated Structures (East)</p>	70.00%
<p>5. CH. Karnchang-Krung Thon Engineers Joint Venture comprising CH. Karnchang Public Company Limited and Krung Thon Engineers Company Limited</p> <p>The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026, Fax 66(0) 2275-7029</p>	<p>Operations for Construction of Phra Ong Chao Chaiyanuchit Canal Conduit System - Bang Phra Reservoir and Appurtenant Structures Contract 1 Project, Project for Diversion of Water from Eastern Chao Phraya River Basin - Bang Phra Reservoir, Chon Buri Province</p>	60.00%
<p>6. CKCH Joint Venture comprising CH. Karnchang Public Company Limited and Ch. Tawee Construction Co., Ltd</p> <p>The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026, Fax 66(0) 2275-7029</p>	<p>Operations for Double Track Railroad Construction Project, Chira Junction - Khon Kaen Section</p>	70.00%
<p>7. CKST Joint Venture comprising CH. Karnchang Public Company Limited and Sino-Thai Public Company Limited</p> <p>The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok</p> <p>Telephone 66(0) 2275-0026, Fax 66(0) 2275-7029</p>	<p>Operations for Construction of the MRT Orange Line (East Section), Thailand Cultural Centre - Min Buri Section contract 1, 2 and 5</p>	60.00%

Reference

Securities Registrar	: Thailand Securities Depository Co., Ltd. 93 Rachadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400 Telephone 0-2009-9000, Fax 0-2009-9991
Auditors	: Miss Suraporn Ouaanunkun, CPA License No. 3844 Mr. Supachai Phanyawattano, CPA License No. 3930 Miss Supanee Triyanantakul, CPA License No. 4498 EY Office Limited 33rd Floor, Lake Rajada Office Complex, 193/136-137 New Rajadapisek Road, Klongtoey District, Bangkok 10110 Telephone 0-2264-0777, Fax 0-2264-0789-90
Regularly Contacted Financial Institutions:	: 1. Bangkok Bank Public Company Limited 333 Silom Road, Silom Subdistrict, Bangrak District, Bangkok 10500 2. KASIKORNBANK Public Company Limited 400/22 Phaholyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok 10400 3. Krung Thai Bank Public Company Limited 35 Sukhumvit Road, Klongtoey Nuea Subdistrict, Watthana District, Bangkok 10110 4. Siam Commercial Bank Public Company Limited 9 Ratchadaphisek Road, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900 5. Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang Subdistrict, Yan Nawa District, Bangkok 10120 6. CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330 7. TMB Bank Public Company Limited 3000 Phahonyothin Road, Chom Phon Subdistrict, Chatuchak District, Bangkok 10900 8. ICBC (Thai) Public Company Limited 622 Emporium Tower, 11th - 13th Floors, Sukhumvit Road, Khlong Ton Subdistrict, Khlong Toei District, Bangkok 10110 9. Thanachart Bank Public Company Limited 1101 New Petchburi Road, Makkasan Subdistrict, Ratchathewi District, Bangkok 10400 10. Land and Houses Bank Public Company Limited 1 Q.House Lumpini Building, South Sathon Road, Thungmahamek Subdistrict, Sathon District, Bangkok 10120 11. Bank of china (thai) Public Company Limited 179/4 Bangkok City Tower, South Sathon Road, Thungmahamek Subdistrict, Sathon District, Bangkok 10120
Legal Advisor	: The Legists Group 990 Abdulrahim Place, 9th Floor, Room 901-1, Rama IV Road, Silom Subdistrict Bangrak District, Bangkok 10500 Telephone 0-2636-1111 : Fax 0-2636-0000
Legal Advisor for Debenture Issuance	: Baker & McKenzie Ltd. 990 Abdulrahim Place, 25th Floor Rama IV Road, Silom Subdistrict Bangrak District, Bangkok 10500 Telephone 0-2636-2000 Fax 0-2636-2111

Debenture Registrar and Debenture Holder Representative:

No.	Name	Debenture Registrar	Debenture Holder Representative
1.	Debentures of CH. Karnchang Public Company Limited No. 2/2011, Series 2, Maturity in 2018	Bank of Ayudhya Public Company Limited	CIMB Thai Bank Public Company Limited
2.	Debentures of CH. Karnchang Public Company Limited No. 1/2012, Maturity in 2017	KASIKORNBANK Public Company Limited	CIMB Thai Bank Public Company Limited
3.	Debentures of CH. Karnchang Public Company Limited No. 1/2015, Maturity in 2021 The issuer has the early redemption right.	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
4.	Debentures of CH. Karnchang Public Company Limited No. 2/2015, Series 1, Maturity in 2018	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
5.	Debentures of CH. Karnchang Public Company Limited No. 2/2015, Series 2, Maturity in 2019	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
6.	Debentures of CH. Karnchang Public Company Limited No. 2/2015, Series 3, Maturity in 2022 The issuer has the early redemption right.	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
7.	Debentures of CH. Karnchang Public Company Limited No. 1/2016, Series 1, Maturity in 2019	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
8.	Debentures of CH. Karnchang Public Company Limited No. 1/2016, Series 2, Maturity in 2023 The issuer has the early redemption right.	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
9.	Debentures of CH. Karnchang Public Company Limited No. 2/2016, Maturity in 2023	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
10.	Debentures of CH. Karnchang Public Company Limited No. 3/2016, Maturity in 2024	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
11.	Debentures of CH. Karnchang Public Company Limited No. 4/2016, Series 1, Maturity in 2019	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
12.	Debentures of CH. Karnchang Public Company Limited No. 4/2016, Series 2, Maturity in 2024	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
13.	Debentures of CH. Karnchang Public Company Limited No. 4/2016, Series 3, Maturity in 2026	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
14.	Debentures of CH. Karnchang Public Company Limited No. 4/2016, Series 4, Maturity in 2028	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
15.	Debentures of CH. Karnchang Public Company Limited No. 5/2016, Maturity in 2027	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
16.	Debentures of CH. Karnchang Public Company Limited No. 6/2016, Maturity in 2027 The issuer has the early redemption right.	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited
17.	Debentures of CH. Karnchang Public Company Limited No. 7/2016, Maturity in 2027 The issuer has the early redemption right.	CIMB Thai Bank Public Company Limited	CIMB Thai Bank Public Company Limited

2. Other Significant Information

None.



Part 2 Management and Corporate Governance

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INFORMATION ON SECURITIES AND SHAREHOLDERS

1. Registered and paid-up capital

- (1) As at December 31, 2016, the Company's registered capital amounts to Baht 1,693,899,970, Baht 1,693,896,872 of which has been paid up, divided into 1,693,899,970 ordinary shares at the par value of Baht 1 per share.
- (2) The Company does not have any other type of shares providing rights or conditions differing from those of the ordinary shares.
The Company neither has any plan to offer shares or convertible securities to the Thai Trust Fund, nor issues non-voting depository receipts (NVDR).

2. Shareholders

(1) Major shareholders

(a) Top ten major shareholders

Major Shareholders as at November 9, 2016

(As of the most recent date of closing the shareholder register)

Shareholders	Total Shares	Shareholding (%)
1 Trivisvavet Family		
1.1 Mr. Plew Trivisvavet	13,631,497	0.805
1.2 Mrs. Saikasem Trivisvavet	4,561,142	0.269
1.3 Mrs. Pranee Tongkittikul	4,508,417	0.266
1.4 Mr. Nattavut Trivisvavet	2,455,785	0.145
1.5 Miss Supamas Trivisvavet	1,700,000	0.100
1.6 Mr. Sittidej Trivisvavet	1,550,000	0.092
1.7 Mr. Puwanet Trivisvavet	993,255	0.059
1.8 Miss Sawanya Trivisvavet	958,025	0.057
1.9 Mrs. Korakot Trivisvavet	700,250	0.041
1.10 Mr. Prasert Trivisvavet	154,285	0.009
1.11 Miss Sunan Trivisvavet	90,000	0.005
1.12 Mahasiri Siam Co., Ltd. ¹	316,412,365	18.680
1.13 CH. Karnchang Holding Co., Ltd. ²	175,496,530	10.361
1.14 CK. Office Tower Co., Ltd. ³	93,348,212	5.511
1.15 Bang Pa-in Land Development Co., Ltd. ⁴	8,134,812	0.480
2. Thai NVDR Co., Ltd. ⁵	60,179,866	3.553
3. Bangkok Bank Public Company Limited	38,950,000	2.299
4. K Equity 70:30 LTF	19,059,565	1.125
5. STATE STREET BANK EUROPE LIMITED ⁶	18,885,437	1.115
6. K Equity LTF	17,478,022	1.032
7. K Equity Dividend LTF	16,149,625	0.953
8. THE BANK OF NEW YORK MELLON	16,024,500	0.946
9. The Viriyah Insurance Public Company Limited	15,545,200	0.918
10. Mrs. Sopida Trivisvavet	15,383,225	0.908

Remarks : ¹ Mahasiri Siam Co., Ltd.'s shareholders comprise:

Major Shareholders	Total Shares	Shareholding (%)
Mr. Thavorn Trivisvavet	2,411,473	26.80
Mr. Prasert Trivisvavet	2,281,895	25.35
Mr. Plew Trivisvavet	1,993,633	22.15
Mr. Thep Trivisvavet	937,837	10.42
Mr. Kamthorn Trivisvavet	753,948	8.38
Miss Ruangkhao Promphat	621,213	6.90
Mrs. Saikasem Trivisvavet	1	0.00
Total	9,000,000	100.00

² CH. Karnchang Holding Co., Ltd.'s shareholders comprise:

Major Shareholders	Total Shares	Shareholding (%)
Mahasiri Siam Co., Ltd.	2,100,000	25.00
Mr. Nattapong Khummee	1,050,000	12.50
Namphol Construction Co., Ltd.	1,050,000	12.50
Cholavet Civil Co., Ltd.	1,050,000	12.50
Tawornwong Co., Ltd.	1,050,000	12.50
Vetprasert Co., Ltd.	1,050,000	12.50
Ekkamthorn Co., Ltd.	1,050,000	12.50
Total	8,400,000	100.00

³ CK. Office Tower Co., Ltd.'s shareholders comprise:

Major Shareholders	Total Shares	Shareholding (%)
Mahasiri Siam Co., Ltd.	750,000	25.00
Mr. Thavorn Trivisvavet	375,000	12.50
Mr. Plew Trivisvavet	375,000	12.50
Mr. Prasert Trivisvavet	375,000	12.50
Mr. Thep Trivisvavet	375,000	12.50
Mr. Yim Trivisvavet	375,000	12.50
Mr. Kamthorn Trivisvavet	375,000	12.50
Total	3,000,000	100.00

⁴ Bang Pa-in Land Development Co., Ltd.'s shareholders comprise:

Major Shareholders	Total Shares	Shareholding (%)
Mahasiri Siam Co., Ltd.	600,000	25.00
CK. Office Tower Co., Ltd.	600,000	25.00
Mr. Thavorn Trivisvavet	200,000	8.33
Mr. Prasert Trivisvavet	200,000	8.33
Miss Jiraporn Yodsaeng	200,000	8.33
Mr. Plew Trivisvavet	200,000	8.33
Mr. Thep Trivisvavet	200,000	8.33
Mr. Kamthorn Trivisvavet	200,000	8.33
Total	2,400,000	100.00

⁵ This is a subsidiary established by the Stock Exchange. NVDR represents automatically listed securities. NVDR investors enjoy the same financial privileges as investment in ordinary shares of companies, except that they have no right to vote in shareholders' meetings.

⁶ This is a company registered abroad and trades securities on the Stock Exchange of Thailand without disclosing if its shareholding is for its own interest or for others, and the Company is not in a position to request the shareholder to disclose such information.

(b) None of the Company's major shareholders has, by circumstances, any material influence over the determination of policies on management or operations of the Company.

Increase or Decrease in Direct and Indirect Shareholding by Directors and Executives in 2016

Name of Director/Executive	Brought Forward	Change		Balance as at
	as at January 1, 2016	Acquisition	Disposal	December 31, 2016
Mr. Aswin Kongsiri	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Plew Trivisvavet	12,631,497	1,000,000	-	13,631,497
Spouse and minor child	5,549,142	200,000	1,188,000	4,561,142
Mr. Vitoon Tejatussanasoontorn	256,250	-	-	256,250
Spouse and minor child	-	-	-	-
Mr. Thawansak Sukhawun	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Pavich Tongroach	-	-	-	-
Spouse and minor child	-	-	-	-
Miss Supamas Trivisvavet	1,700,000	-	-	1,700,000
Spouse and minor child	-	-	-	-
Mr. Narong Sangsuriya	512,500	-	-	512,500
Spouse and minor child	-	-	-	-
Mr. Prasert Marittanaporn	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Ratn Santaannop	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Anukool Tuntimas	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Viboon Mongkolpiyathana	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Sittidej Trivisvavet	2,152,500	-	602,500	1,550,000
Spouse and minor child	-	-	-	-
Mr. Phongsarit Tantisuvanitchkul	153,750	-	-	153,750
Spouse and minor child	-	-	-	-
Mr. Pornnarong Siriyothin	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Prapon Chanpradubfa	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Phairat Prom-in	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Thammanoon Surarat	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Watchara Sanghattawattana	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Pichai Choeibamrung	150,000	-	-	150,000
Spouse and minor child	-	-	-	-
Mrs. Rinrada Tangtrongkid	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Wiboon Ungapipathanachai	-	-	-	-
Spouse and minor child	-	-	-	-

(2) Shareholders' Agreement

None of the Company's major shareholders has entered into a shareholders' agreement, to which the Company is a party, concerning any matters which have affect the Company's issuance and offering of securities or its administration.

3 Issuance of other securities

(1) The Company has no convertible securities.

(2) The Company's securities in the form of debt instrument are debentures, with the details as follows

The Company's Outstanding Debentures as at December 31, 2016

Debenture Symbol	Issuance Date	Value as at Issuance Date (Million Baht)	Value as at Dec 31, 2016 (Million Baht)	Term	Maturity Date	Interest Rate (per annum)	Type of Offering *	Credit Rating as at Jun 24, 2016
CK187A	October 28, 2011	1,000.00	1,000.00	6 years 9 months	July 28, 2018	1 st -2 nd years : 5.40% 3 rd -4 th years : 5.75% 5 th -6 th years : 6.25% Last 9 months : 6.75%	PO	A-
CK174A	July 18, 2012	2,000.00	2,000.00	4 years 9 months	April 18, 2017	5.50%	PO	A-
CK213A*	March 6, 2015	4,000.00	4,000.00	6 years	March 6, 2021	4.16%	PO	A-
CK188A	August 7, 2015	1,000.00	1,000.00	3 years	August 7, 2018	2.52%	PP10	A-
CK198A	August 7, 2015	500.00	500.00	4 years	August 7, 2019	2.85%	PP10	A-
CK228A*	August 7, 2015	3,000.00	3,000.00	7 years	August 7, 2022	3.98%	PP10	A-
CK193B	March 7, 2016	1,500.00	1,500.00	3 years	March 7, 2019	2.19%	PP	A-
CK233A*	March 7, 2016	4,000.00	4,000.00	7 years	March 7, 2023	3.36%	PO	A-
CK235A	May 26, 2016	1,000.00	1,000.00	7 years	May 26, 2023	3.22%	PP	A-
CK246A	June 7, 2016	500.00	500.00	8 years	June 7, 2024	3.50%	PP	A-
CK197A	July 8, 2016	2,500.00	2,500.00	3 years	July 8, 2019	2.24%	PP-II&HNW	A-
CK247A	July 8, 2016	1,500.00	1,500.00	8 years	July 8, 2024	3.51%	PP-II&HNW	A-
CK267A	July 8, 2016	2,700.00	2,700.00	10 years	July 8, 2026	3.82%	PP-II&HNW	A-
CK283A	July 8, 2016	800.00	800.00	11 years 8 months	March 8, 2028	3.99	PP10	A-
CK277A*	July 11, 2016	1,000.00	1,000.00	11 years	July 11, 2027	3.95	PP10	A-
CK27NA*	November 8, 2016	1,000.00	1,000.00	11 years	November 8, 2027	4.05	PP10	A-
CK27NB*	November 16, 2016	500.00	500.00	11 years	November 16, 2027	4.05	PP10	A-
Total		28,500.00	28,500.00					

* This refers to debentures which the issuer has the early redemption right.

Remarks: PO refers to public offering to all types of investors.

PP refers to private placement

PP10 refers to Private Placement to not more than 10 investors.

II & HNW refers to institutional investors or high net worth investors.

The Company's Outstanding Bills of Exchange as at December 31, 2016

As at December 31, 2016, the Company's bills of exchange payable amounted to Baht 3,190 Million, which would mature during February 2017 and June 2017.

Latest Credit Rating of Debentures

TRIS Rating Co., Ltd. has maintained the corporate rating and the existing unsubordinated and unsecured debenture rating of the Company at "A-" as at June 24, 2016, which is likely to remain "stable", and rated the Company's new unsubordinated and unsecured debentures at "A-" in the amount not exceeding Baht 7,500 Million. In this regard, the Company plans to use the proceeds from the issuance of the new debentures for debt repayment and for its business expansion. The Company's credit and debenture ratings also reflect its leading position in Thailand's construction industry, proven records in infrastructure and specialized projects, and financial flexibility from strategic investments. However, these strengths are partially offset by the cyclical nature of the construction business, intense competition, and the Company's high financial leverage.

4 Policy on dividend payment

The Company has a policy to pay dividend to shareholders at an expected rate of approximately not less than 40 percent of the net profit after tax in each year, which will be payable in the following year provided that there is no any other necessary requirements and such dividend payment will not affect the ordinary course of the Company's business operations in any material aspects.

As for the subsidiaries, joint ventures and related companies, the Company has not yet set out any policy on dividend payment.

Companies in the basic infrastructure project group which are associated companies, namely:

1. Bangkok Expressway and Metro Public Company Limited has a policy to pay dividend at not less than 40 percent of the net profit of each year, taking into account the operational results, financial structure



and obligations, investment, as well as regular payment of dividend to shareholders. In this regard, the board of directors may pay interim dividend to its shareholders when it is of the initial view that the company has sufficient profit and cash flow to pay dividend. Once the dividend payment has been made, such dividend payment shall be reported to the following shareholders' meeting.

2. CK Power Public Company Limited has a policy on dividend payment to shareholders from its separate financial statements at the rate not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve of each year. In this regard, the rate of such dividend payment may vary from the specified rate subject to the operational results, financial position, liquidity, necessity in investments, working capital, additional investments, business expansion, conditions and restrictions specified in the loan agreement, and other relevant factors in the management as the board of directors and/or the company's shareholders may deem appropriate. In addition, the board of directors may consider approving an interim dividend payment to its shareholders when it initially considers that the company has sufficient profits and cash flows for dividend payment.



The Company's dividend payments during the past five years are as follows:

Dividend from Operations	Dividend Declared (Million Baht)	Dividend per share (Baht)	Net Profit (Million Baht)	Percentage of Dividend to Net Profit
2012				
- First half	-	-	-	-
- Second half	578.40	0.35	954.43	60.60%
Total in 2012	578.40	0.35	954.43	60.60%
2013				
- First half	330.51	0.20	2,431.26	13.59%
- Second half	376.42	0.227778	573.44	65.64%
Total in 2013	706.93	0.427778	3,004.70	23.52%
2014				
- First half	338.78	0.20	590.37	57.38%
- Second half	592.86	0.35	1,508.05	38.35%
Total in 2014	931.64	0.55	2,098.42	44.40%
2015				
- First half	423.47	0.25	1,896.58	22.32%
- Second half	677.56	0.40	584.72	115.88%
Total in 2015	1,101.03	0.65	2,481.30	44.37%
2016				
- First half	423.47	0.25	827.03	51.18%
- Second half	*423.47	0.25	70.37	604.61%
Total in 2016	846.94	0.50	897.40	94.37%

Remark: * Dividend in the amount of Baht 423.47 Million was paid out of the net profit in the amount of Baht 70.37 Million, and the remaining dividend in the amount of Baht 353.1 Million was paid out of the retained earnings.

The Company's retained earnings:

(Million Baht)

2012		2013		2014		2015		2016	
June 30	December 31	June 30	December 31	June 30	December 31	June 30	December 31	June 30	December 31
2,922.51	3,398.16	5,239.21	5,442.89	5,656.85	6,821.99	8,125.71	8,300.54	8,450.02	8,096.91

MANAGEMENT STRUCTURE

1. Board of Directors

As at December 31, 2016, the Board of Directors consists of 10 directors as listed below (details are shown in Attachment 1):

Directors	Positions	Category	Total Number of Board of Directors' Meetings (2016)	Attendances of Board of Directors' Meetings (2016)
1. Mr. Aswin Kongsiri	Chairman of the Board of Directors	Independent Director	7	7
2. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Executive Director	7	7
3. Mr. Vitoon Tejatussanasoontorn	Director Chairman of the Audit Committee Chairman of the Nomination and Remuneration Committee Chairman of the Corporate Governance and Risk Management Committee	Independent Director	7	7
4. Mr. Thawansak Sukhawun	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Independent Director	7	7
5. Mr. Pavich Tongroach	Director Audit Committee Member Chairman of the Corporate Social and Environmental Responsibility Committee	Independent Director	7	7
6. Miss Supamas Trivisvavet	Director Executive Director President	Executive Director	7	7
7. Mr. Narong Sangsuriya	Director Executive Director Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Executive Director	7	7
8. Mr. Prasert Marittanaporn	Director Executive Director Corporate Social and Environmental Responsibility Committee Member	Executive Director	7	7
9. Mr. Ratn Santaannop	Director Executive Director	Executive Director	7	7
10. Mr. Anukool Tuntimas	Director Executive Director Corporate Social and Environmental Responsibility Committee Member	Executive Director	7	7

The Company's authorized signatory directors are two of the following four directors, namely, Miss Supamas Trivisvavet, the President, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, jointly sign and affix the Company's seal, or any one of the said four directors and either Mr. Ratn Santaannop or Mr. Anukool Tuntimas, totaling two directors, jointly sign and affix the Company's seal.

Board of Directors' Authority

- 1) Determining policies and directions of the Company's operation and supervising the management to comply with the specified policies as well as taking steps to ensure that the Company has efficient and effective internal control system and the intention to continue its business operations;
- 2) Performing the duties in compliance with laws, objectives and Articles of Association of the Company, as well as resolutions passed by shareholders' meetings, taking into account the integrity and protection of the Company's interest;
- 3) Being responsible for preparation of balance sheet and income statement at the close of the Company's accounting period to ensure that they contain accurate information and truly and fairly reflect the Company's status, in compliance with generally accepted accounting standards, and having said financial statements audited by the Company's auditor so as to submit the same to the Annual Ordinary General Meeting of Shareholders for consideration and approval;
- 4) Focusing on the duty to disclose the Company's information in accordance with the Stock Exchange of Thailand's requirements, Re: Rules and Procedures for Disclosure of Information and Acts of Listed Companies, so as to disclose to the public such information which is material and necessary to the decision to invest in securities;
- 5) Having the authority to appoint other person to operate the Company's business subject to the supervision of the Board of Directors or the Managing Director or delegating to such person the authorities as the Board deems appropriate and during a certain period as the Board deems appropriate, provided that the Board of Directors may cancel, revoke or amend such authorities and that said authorization in no way allows such authorized person to approve any transactions in which such authorized person or another person may have conflict, interest or conflicts of interest in other manners with the Company or its subsidiaries;
- 6) Considering and granting approval for capital increase, issuance of debentures, for submission to the shareholders' meeting for further approval;
- 7) Considering and granting approval for operating expenses in excess of the amount authorized to be approved by the President, for submission to the Board of Directors' meeting for further approval

The authority to take the foregoing actions shall not extend to connected transactions and such transactions relating to acquisition or disposition of significant assets of listed companies in accordance with the rules and regulations of the Office of the Securities and Exchange Commission/ the Stock Exchange of Thailand and the Company shall comply with the Stock Exchange's rules, regulations and requirements governing those related matters. In addition, the foregoing authority shall not include any other matters subject to approval by the shareholders' meeting in accordance with the Company's Articles of Association.

Board of Directors' Approval Authority

1. Approving appointment of any natural persons or legal entities as share registrars;
 2. Approving close of the register book and suspension of share transfer;
 3. Approving management of all businesses of the Company in accordance with the laws, objectives and Articles of Association of the Company and resolutions of the shareholders' meeting; and having authority to take any actions specified in the Memorandum of Association or pertaining thereto;
 4. Approving authorization of one or more persons to take any actions on behalf of the Board of Directors;
 5. Approving assignment of any other persons or groups of persons to engage in the Company's business under the supervision of the Board of Directors, or authorizing such person to have authority as the Board of Directors deems appropriate and within a period of time as the Board of Directors deems appropriate, whereby the Board of Directors may revoke, repeal, change or amend such authorization;
 6. Approving sale or mortgage of any immovable assets of the Company or leasing out any immovable assets of the Company for three years or longer or allowing for or making compromise or filing a lawsuit in court(s) or referring any disputes to arbitration
 7. Approving interim dividend payment to shareholders from time to time if it is found that the Company's profit is justifiable to do so, reporting to the next shareholders' meeting;
 8. Approving election of the Executive Board to perform any or several matters;
 9. Approving remuneration and rewards or other benefits for executive directors;
 10. Approving appointment of the Company's authorized signatory directors.
- 2) Determining the Company's policies in association with the Board of Directors, by jointly considering and establishing the business goals with management;
 - 3) Presiding over both Board of Directors' meetings and shareholders' meetings, to control and conduct meetings efficiently and effectively, and encouraging all directors to participate in meetings and offers opinions independently.

Structure of Subsidiaries' Directors

As at December 31, 2016, the Boards of Directors of subsidiaries consist of qualified persons as listed below:

Construction Material Supply Co., Ltd.

- | | |
|------------------------------|------------------------------------|
| 1. Mr. Plew Trivisvavet | Chairman of the Board of Directors |
| 2. Mr. Sittidej Trivisvavet | Director |
| 3. Mr. Narong Sangsuriya | Director |
| 4. Mr. Prasert Marittanaporn | Director |
| 5. Mr. Prasarn Gerjarusak | Director |

CH. Karnchang Real Estate Co., Ltd.

- | | |
|----------------------------|----------|
| 1. Mr. Plew Trivisvavet | Director |
| 2. Mr. Prasert Trivisvavet | Director |
| 3. Mr. Thep Trivisvavet | Director |
| 4. Mr. Yim Trivisvavet | Director |

CH. Karnchang-Tokyu Construction Co., Ltd.

- | | |
|-------------------------------------|------------------------------------|
| 1. Mr. Plew Trivisvavet | Chairman of the Board of Directors |
| 2. Miss Khajornwit Sae-chia | Director |
| 3. Miss Supamas Trivisvavet | Director |
| 4. Mr. Phongsarit Tantisuvanitchkul | Director |
| 5. Mr. Narong Sangsuriya | Director |
| 6. Mr. Prasert Marittanaporn | Director |
| 7. Mr. Hideo Miyagawa | Director |
| 8. Mr. Tsuneo Izuka | Director |
| 9. Mr. Kunito Sakai | Director |
| 10. Mr. Motoyuki Takagi | Director |
| 11. Mr. Hideo Nitta | Director |

CH. Karnchang (Lao) Co., Ltd.

- | | |
|------------------------|----------|
| 1. Mr. Ratn Santaannop | Director |
|------------------------|----------|

Chairman of the Board of Directors' Authority

- 1) Monitoring the management in setting the direction of the business operations, providing suggestions, including supervision, control and following up the management via the Executive Board and the President;



2. Management Team

As at December 31, 2016, the management team(1) of the Company consists of 17 persons (as per details in Attachment 1) as listed below:

Name / Positions	
1. Mr. Plew Trivisvavet	Chairman of the Executive Board
2. Miss Supamas Trivisvavet	President
Senior Management	
3. Mr. Narong Sangsuriya	Senior Executive
4. Mr. Prasert Marittanaporn	Senior Executive
5. Mr. Ratn Santaannop	Senior Executive
6. Mr. Viboon Mongkolpiyathana	Senior Executive
Senior Executive Vice President	
7. Mr. Sittidej Trivisvavet	Administration Group
8. Mr. Phongsarit Tantisuvanitchkul	Operation Group
Executive Vice President	
9. Mr. Pornnarong Siriyothin	Construction 1
10. Mr. Prapon Chanpradubfa	Construction 2
11. Mr. Phairat Prom-in	Construction 3
12. Mr. Thammanoon Surarat	Construction 4
13. Mr. Watchara Sanghattawattana	Engineering
14. Mr. Anukool Tuntimas	Resource and General Administration
15. Mr. Phichai Choeibamrung	Purchasing
16. Mrs. Rinrada Tangtrongkid	Accounting and Finance
17. Mr. Wiboon Ungapipathanachai	Internal Audit Office

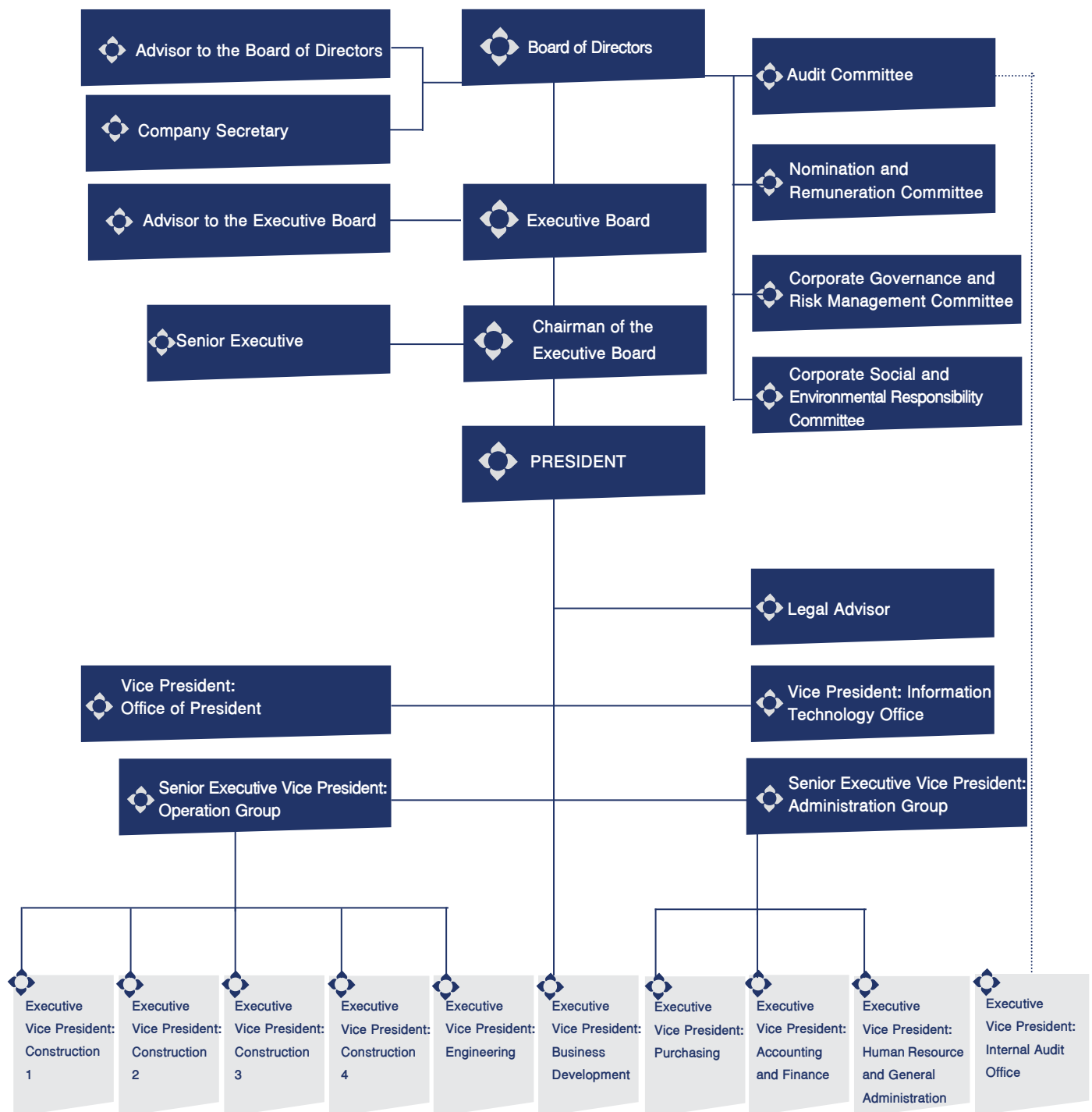
Remark (1) The management team refers to the definition of “executive” of the Office of the Securities and Exchange Commission.

President’s Authority

The President shall have the authority to control and manage the Company’s core business and monitor all businesses of the Company to ensure compliance with resolutions and policies of as assigned by the Board of Directors, including their suggestions. In this regard, the Board of Directors shall evaluate the President’s performance in comparison with the annual goals, whereby the Nomination and Remuneration Committee shall consider remuneration for the President by evaluating from the performance in the past year for proposal to the Board of Directors for consideration and approval in accordance with the criteria.



The Company's Management Structure as at December 31, 2016



3. Company Secretary

The Board of Directors' Meeting No. 2/2013 on May 28, 2013 appointed Mr. Nattavut Trivisvavet to hold office as the Company Secretary (information of the Company Secretary per details in Attachment 1) with duties and responsibilities as follows:

1. Providing advice to directors as to relevant legal provisions, rules, criteria, and regulations;
2. Ensuring compliance with laws, the Articles of Association, relevant regulations and the good corporate governance principles by the Company;
3. Arranging for meetings as specified by law and the Articles of Association, preparing and keeping directors registration, notices and minutes of the Board of Directors' meetings and annual reports of the Company, notices and minutes of the shareholders' meetings as well as coordinating to ensure compliance with resolutions of the Board of Directors or resolutions of the shareholders with efficiency;
4. Ensuring disclosure of information and report on information to the regulatory units;
5. Contacting and communicating with shareholders and the related regulatory units;
6. Promoting training in various courses and providing information useful for new directors; and
7. Proceeding with other matters as assigned by the Board of Directors.

4. Remuneration for Directors and Executives

Remuneration for Directors and President

The Company has considered providing appropriate remuneration to directors and executives, whereby remuneration for directors is subject to shareholders' approval and the Board of Directors must approve remuneration for high-ranking executives, as per the criteria of determination of remuneration for directors as follows:

- 1) Remuneration shall be appropriate for and in line with the scope of duties and responsibilities of each director, e.g., Chairman of the Board of Directors, Chairman of

each subcommittee and members of the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee and the Corporate Social and Environmental Responsibility Committee, who shall receive additional remuneration for such position;

- 2) Remuneration shall be sufficient to attract and retain knowledgeable and qualified directors to perform duties for the Company;
- 3) Elements of remuneration are clear, transparent and easy to understand;
- 4) Remuneration must be considered and screened by the Nomination and Remuneration Committee to stay at the same rate as that of the same industry and at a sufficient level to take care of and retain qualified directors and President to work for the Company.

In this regard, the Nomination and Remuneration Committee and the Board of Directors did survey remuneration for directors for 2016 based on performance of directors, in comparison with other companies in the same industry of a similar size and nature, including results of director remuneration survey of the Thai Institute of Directors.

Remuneration for Executives

Consideration of the remuneration for executives shall be subject to the criteria as specified by the Board of Directors, namely, such remuneration is appropriate and at a sufficient level to attract and retain qualified high-ranking executives to work for the Company, as well as at a rate comparable to companies at the same level or in the same business. This will be consistent with the Company's operational results and the results of performance evaluation of each executive via the Performance Management System.

In 2016, the remuneration of directors and executives is as follows:

- (1) Monetary Remuneration for the year ended December 31, 2016

(a) Remuneration for directors (including remuneration for non-executive directors) consists of remuneration and meeting allowance, allowance, bonus, bringing the total remuneration for directors in 2016 to Baht 19,104,996, as per the following details:

1. Remuneration and office remuneration

1.1 Remuneration for directors per year per person

Remuneration for directors	200,000
Remuneration for Audit Committee Members	200,000
Remuneration for executive directors	100,000

1.2 Office remuneration per year

Chairman of the Board of Directors	550,000
Chairman of the Executive Board	300,000
Chairman of the Audit Committee	200,000
Chairman of the Nomination and Remuneration Committee	100,000
Chairman of the Corporate Governance and Risk Management Committee	100,000
Chairman of the Corporate Social and Environmental Responsibility Committee	100,000

2. Meeting allowance is paid according to the number of attendances to the Board of Directors' Meetings or subcommittees' meetings, whereby the meeting allowance is Baht 20,000 per person for each Board of Directors' Meeting and Executive Board's Meeting and Baht 10,000 per person for any other subcommittees.

(Unit : Baht)

Directors	Positions	Office Remuneration and Meeting Allowance in 2016						Bonus 2015	Total
		Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee		
Mr. Aswin Kongsiri	Chairman of the Board of Directors	890,000	-	-	-	-	-	1,154,189	2,044,189
Mr. Plew Trivisvavet	Chairman of the Executive Board	340,000	640,000	-	20,000	40,000	-	1,154,189	2,194,189
Mr. Vitoon Tejatussaasontorn	Chairman of the Audit Committee	340,000	-	450,000	120,000	140,000	-	1,154,189	2,204,189
Mr. Thawansak Sukhawun	Audit Committee Member	340,000	-	250,000	20,000	40,000	-	984,279	1,634,279
Mr. Pavich Tongroach	Audit Committee Member	340,000	-	250,000	-	-	120,000	815,877	1,525,877
¹ Mr. Kamthorn Trivisvavet	Executive Director	123,333	141,667	-	-	-	-	984,279	1,249,279
Miss Supamas Trivisvavet	Executive Director	340,000	340,000	-	-	-	-	407,939	1,087,939
Mr. Narong Sangsuriya	Executive Director	340,000	340,000	-	20,000	40,000	-	984,279	1,724,279
Mr. Prasert Marittanaporn	Executive Director	340,000	340,000	-	-	-	20,000	984,279	1,684,279
Mr. Ratn Santaannop	Executive Director	340,000	340,000	-	-	-	-	984,279	1,664,279
Mr. Anukool Tuntimas	Executive Director	340,000	340,000	-	-	-	20,000	984,279	1,684,279
² Mr. Sombat Kitjalaksana	-	-	-	-	-	-	-	407,939	407,939
Total		4,073,333	2,481,667	950,000	180,000	260,000	160,000	10,999,996	19,104,996

Remarks: ¹ Mr. Kamthorn Trivisvavet passed away on May 23, 2016.

² Mr. Sombat Kitjalaksana resigned as director on June 30, 2015.



- (b) Remuneration for executive directors consists of remuneration, meeting allowance as well as allowance. Remuneration for executives consists of salary, bonus and welfare. The total remuneration for seven executive directors and 12 executives in 2016 amounted to Baht 176,407,473.

(2) Other Remuneration and Benefits

- 2.1 Other Remuneration and Benefits for Directors
- None -
- 2.2 Other Remuneration and Benefits for Executives
- Provident Fund Contributions

The Company established a provident fund which represents long-term remuneration upon termination of employment with the Company or upon retirement, whereby executives pay savings at the rate of 10 percent of his/her salary according to service years and the Company pays contributions at the same rate to the fund. In 2016, the Company paid the provident fund contributions for 15 executives in the amount of Baht 9,390,640.

5 Personnel

(1) Number of all staff and number of staff in each main work line of CH. Karnchang Public Company Limited as at December 31, 2016

consist of

• Total number of directors	10	persons
• High-ranking executives (excluding the Board of Directors)	14	persons
• Engineering	46	persons
• Construction 1	174	persons
• Construction 2	1,057	persons
• Construction 3	14	persons
• Business Development	11	persons
• Purchasing	119	persons
• Accounting and Finance	120	persons
• Human Resource and General Administration	66	persons
• Office of President	43	persons
• Internal Audit Office	9	persons
Total	1,683	persons

Remark: The number of staff as reported above is the number of all full-time staff. There also are 1,412 daily staff members, and 166 staff members of the Company group, including 1 staff member of CKTC Joint Venture and 1,460 staff members of CKCH Joint Venture.

- (2) The Company neither has any significant change in number of staff nor labor dispute during the past three years.
- (3) Total remuneration, namely salary, bonus and provident fund contributions of all staff in 2016, amounted to Baht 2,321,113,135 (Two Thousand Three Hundred Twenty-One Million One Hundred Thirteen Thousand One Hundred and Thirty-Five Baht Only).
- (4) Personnel Development Policy: The Company has been developing human resources. The management realizes the significance of improvement of performance and potential of staff in respect of management skills, team building and learning about specific professional knowledge, including encouraging staff to learn about information technology, foreign languages and continuously improve themselves. Furthermore, the Company organized the project for human resources management system development by allowing our qualified advisors to study and develop the structure and supporting systems in various aspects, such as, the organization structure, nature of work, training plan, evaluation of performance of staff, career path and succession plan, etc., in order to ensure their efficient performance, including fair and competitive return. Moreover, directors and executives are also encouraged to learn modern techniques of work management, namely by way of ensuring a learning organization, change management, etc. These reflect that the Company is determined to improve its personnel, both staff and executives, to keep pace with the world of technology and nature of business under a more intense competition, including the structure and supporting systems so as to accommodate the management of the organization. In doing so, the Company focuses on improvement, enhancement and development of competency of the Company's personnel towards the goals of services to the service users' satisfaction, whereby the personnel development is deemed to be the Company's key action plan, and as such, the Company sets out the action plans and conducts personnel development on key matters as follows:



1. Development of Competency

The Company arranges for development of personnel in both main functions and supporting functions, particularly in respect of such main functions, training course for competency has been provided, both in theory and in practice, by experts in order for staff to have competency and skills in the respective aspects in operations in order to refresh and enhance specific skills on a regular basis. Moreover, the Key Performance Indicators (KPIs) are reviewed on a regular basis to ensure compliance with the Company's policy.

3. Provision of good and quality services to meet customers' satisfaction;
4. Results-based goals as key performance indicators and achievable action plans.

4. Succession Plan



The Company focuses on internal rather than outside recruitment, particularly such work positions in the primary line, through the promotion process in accordance with the criteria, significantly based on performance and potentials. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions.

5. Quality Management System



The Company is regularly determined to improve the efficiency and quality of work performance, by way of maintenance of the quality of its service provision through the Company's quality management certification, ISO 9001, which has been certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand.



2. Development of Staff Potential

This is based on the belief that every person has potential which could be used without limitation if they were given support and opportunity. The Company thus allows staff to show their potential through various quality activities, such as, 5S, Suggestion System, as well as supporting them to further study in a level higher than bachelor's degrees in the fields relating to their assigned duties or long-term training course in specific fields.

3. Retention of Potential Personnel



The Company has taken care of its staff who have high ability and potential, by allowing for advancement in their career paths and setting out clear criteria to be regularly implemented every year. Moreover, the Company arranges for the individual development plan, especially such personnel at the supervisor level or higher. Furthermore, the Company also improves the performance evaluation by using KPIs in the evaluation to ensure concrete and measurable results, along with factors in respect of competency and work behavior of staff which would serve as a mechanism to retain competent personnel and for the purpose of development of staff's competency to possess core competencies as desirable by the Company, namely:

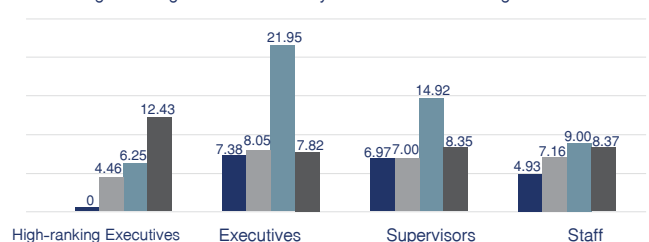
1. Self-learning and self-development to ensure continued development in the learning organization;
2. Focus on ethics to promote the performance in accordance with the good corporate governance principles;

Summary of Number of Days, Classification and Category of Courses under the 2016 Annual Training Plan

Chart of Total Training Hours of Each Program in 2016



Chart of Average Training Hours Classified by Staff Level and Training Courses in 2016





Corporate Governance

The Company's administration has been complying with the Principles of Good Corporate Governance, focusing on the significance of and responsibilities towards shareholders and stakeholders of the Company, and as such, the Company continued to receive a very good rating in the assessment of the corporate governance, and in 2016, the Company also received assessments by the regulatory units and various organizations and agencies, as follows:

- The Company received an "Excellent and Role Model Company" rating in the assessment of the quality of the 2016 Annual Ordinary General Meeting of Shareholders by the Thai Investors Association.
- The Company received an "Excellent" rating in the assessment of the corporate governance of Thai listed companies for 2016 from the Thai Institute of Directors Association.

The Board of Directors, in recognition of the Principles of Good Corporate Governance to reinforce the confidence of shareholders, investors and all related parties, has scheduled to review the corporate governance policy and its compliance at least once a year. The Company has disclosed and disseminated the Company's corporate governance policy on its website for external communication and for communication with internal staff to acknowledge the Company's corporate governance policy and encourage them to participate in complying with such policy.

1. Corporate Governance Policy

The Board of Directors realizes the significance of ensuring that shareholders exercise their rights, and has the duty to equally safeguard the benefits of all shareholders, including institutional investors or major or minor shareholders in their capacity as investors in the Stock Exchange and as shareholders who own the Company, in accordance

with the accepted Principles of Good Corporate Governance of the Stock Exchange of Thailand, namely:

1) Shareholders' Rights

Promoting shareholders to exercise their basic rights and taking care of shareholders better than their rights as specified by law without any actions in violation of or depriving shareholders of their rights.

2) Equitable Treatment of Shareholders

Monitoring to ensure that all shareholders are equally treated and protected in respect of their basic rights, implementing measures to prevent inside information usage for personal gain or others, which would cause damage to shareholders as a whole.

3) Role of Stakeholders

Taking care of stakeholders based on their rights under applicable laws without any actions in violation of stakeholders' rights as well as establishing measures to compensate any stakeholders suffering from damage arising from violation of rights, promoting cooperation between the Company and stakeholders for the Company's prosperity, financial stability and sustainability. The Company formulates the policy on anti-corruption and anti-bribery to prevent any act in exchange for any business advantage of the Company or granting of any item or any other benefits to any person who has authority or business related to the organization for the business benefits of the Company.

4) Disclosure and Transparency

Undertaking all activities with transparency, open for inspection, and sufficient information disclosure to all relevant parties as well as monitoring disclosure of material information

relating to the Company, both financial and non-financial records, to ensure accuracy, completeness, timeliness and transparency through easy access with equality and reliability.

5) The Board of Directors' Responsibilities

Ensuring that the Board of Directors performs duties with honesty and due care to the best interest of the Company and in fairness to all shareholders under the good internal control system and appropriate risk management, including compliance with the Company's code of ethics.

In 2016, the Company has adhered to the Principles of Good Corporate Governance for Listed Companies as stipulated by the Stock Exchange of Thailand as follows:

1. Shareholders' Rights

The Company gives priority to shareholders' rights and also realizes the significance of shareholders and their rights of ownership to control the Company through appointment of the Board of Directors and their rights to make decisions on significant changes of the Company. The Company thus promotes shareholders to exercise their protected basic rights. In this respect, shareholders shall be informed of the Company's correct, complete, sufficient and up-to-date information and news, including the right to attend the shareholders' meeting, the right to appoint proxy to attend and vote at the meeting, the right to share opinions and make inquiries in the shareholders' meeting in order to jointly make decisions on the Company's important matters, e.g., profit allocation, election of directors, determination of remuneration for directors, appointment of the auditor, determination of the audit fees, and approval of important transactions which may affect the Company's business direction, etc. The Board of Directors clearly sets out the corporate governance policy that the Company shall promote shareholders to exercise their basic rights without taking any actions in violation of or depriving shareholders of their rights. The guidelines for best practices towards shareholders are as follows:

Annual Ordinary General Meeting of Shareholders

1. The Company assigns Thailand Securities Depository Company Limited, as its share registrar, to deliver the notice of the shareholders' meeting and supporting documents to all shareholders in advance at least 21 days prior to the meeting date, whereby the notice of the meeting shall contain complete and clear details on day, time, place and agenda items, as well as clearly specifying objectives, reasons, and opinions of the Board of Directors on each item of the proposed agenda to ensure that shareholders acknowledge matters to be considered in the meeting in order to serve as a factor for consideration of making a decision to attend the meeting, and that shareholders obtain information in support of their decision making in advance prior to the meeting. In this regard, the Company shall avoid adding other agenda items required the meeting's resolution without prior determination in the shareholders' meeting, which is deemed to be unfair treatment towards shareholders absent from the meeting.
2. In the annual ordinary general meeting of shareholders, the Company shall regularly propose the remuneration for directors to shareholders for consideration and approval on a yearly basis as well as proposing the policy to determine remuneration, including criteria for provision of the remuneration for directors in support of shareholders' consideration.
3. The Company allows shareholders to vote to elect directors on an individual basis, by nominating directors to shareholders for voting on an individual basis in order for shareholders to have the right to truly elect directors of their choice.
4. The Company allows shareholders to propose in advance items of the agenda of the shareholders' meeting and nominate directors, by way of announcement via the channels of the Stock Exchange of Thailand and the Company's website, together with detailed and clear criteria for consideration and acceptance of the proposed matters in the agenda, directly via the Company's website.

5. The Company allows shareholders to make inquiries and provide their opinions in advance to the Board of Directors on any matters relating to the Company, which would be answered in the shareholders' meeting, by way of announcement via the channels of the Stock Exchange of Thailand and the Company's website, directly to the Company Secretary via the Company's website.
 6. The Company has a policy to encourage shareholders, particularly institutional investors, to attend the shareholders' meeting, whereby prior registration shall be available.
 7. The Company uses the barcode system and the meeting program provided by InvenTech Systems (Thailand) Co., Ltd. in the shareholders' meeting, including registration, vote, counting of votes and display of the voting results to ensure the rapid, correct and precise conduct of the meeting.
 8. The Company arranges for its legal advisor to examine the counting of votes or examine votes in the shareholders' meeting and notify the meeting of the voting results as well as recording the results in the minutes of the meeting.
 9. The Company shall specify complete details on agenda items in the notice of the shareholders' meeting, consisting of:
 - 9.1 To consider the election of directors, by specifying names, surnames, education, work experience, number of listed and general companies in which they hold office as director, including nomination procedures and criteria, category of nominated directors, such as, directors or independent directors, together with information on attendance at the previous meetings, and period/years of holding office as director in the Company;
 - 9.2 To consider the appointment of auditor, by clearly specifying the auditor's name, company, auditing license, experience and capabilities, years of audit service for the Company, including issues relating to independence and remuneration for the auditor;
 - 9.3 To consider and approve dividend payment, by notifying the Company's policy on dividend payment, proposed dividend rate, and reasons and supporting information, including suspension of dividend payment;
 - 9.4 The notice of the meeting shall clearly contain facts and reasons of each agenda item, including opinion of the Board on each agenda item.
 10. The Company efficiently prepares the minutes of the shareholders' meeting covering significant details on various matters as follows:
 - 10.1 Record of clarification on the voting procedures, by notifying shareholders of voting method and counting by using voting cards, including method of display of the results of votes, prior to the meeting;
 - 10.2 Record of questions posed by the shareholders and answers or opinions on various items at the meeting to allow the shareholders absent from the meeting to acknowledge the same;
 - 10.3 Clear record of resolutions of the meeting, together with such votes on each agenda item to agree, disagree and abstain on all items requiring voting;
 - 10.4 Record of the list of attending directors and absent directors, together with their position, for review of the directors' participation in each shareholders' meeting.
- In this regard, the Company has publicized the resolutions of the shareholders' meeting via the news system of the Stock Exchange of Thailand and on the Company's website within the following business day and also publicized the complete minutes of the shareholders' meeting on the Company's website at www.ch-karnchang.co.th within 14 days from the meeting date to enable the shareholders to review such information instead of waiting until the next meeting.

11. The Chairman of the Board of Directors, chairpersons of various committees, namely, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Corporate Governance and Risk Management Committee, the Chairman of the Corporate Social and Environmental Responsibility Committee, the Chairman of the Executive Board, and the President (top management), including auditor and legal advisor of the Company, participate in every annual ordinary general meeting of shareholders to answer questions in relevant matters.
12. The Company greatly realizes the significance of the shareholders' meeting, i.e., the meeting place must be convenient for the shareholders' commute, including suitable and sufficient time. The Company thus uses its office as the meeting place, which is located at No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok, and which is convenient for commuting, nearby a subway station or an expressway on- and off-ramp, by providing a shuttle van service to and from a subway station, with sufficient parking areas for shareholders.
13. The shareholding structure of the Company and its subsidiaries is disclosed with clarity, transparency and open for review, and without any cross shareholding in the Company Group.
14. The Company has a free float greater than 40 percent, whereby the Board of Directors shall hold shares in aggregate not exceeding 25 percent of the Company's issued shares.
15. The Company's shareholding proportion of institutional investors in aggregate is more than five percent.
16. The Company has treated shareholders equally regarding share repurchase and opportunity for shareholders to contact or communicate each other.
17. The Company has no shareholders' agreement which has a material effect on the Company or other shareholders.

2. Equitable Treatment of Shareholders

The Company has a policy to promote and ensure equal and fair treatment towards all shareholders, including minority and foreign shareholders, with the following measures for protection of the shareholders' basic rights:

1. The Company allows all shareholders to cast votes, namely, one share for one vote, to ensure equitable treatment towards the shareholders, based on the criteria that shares of the same type should represent the right to vote on an equitable basis, namely, one share for one vote.
2. The Company has the process and channels for minority shareholders to involve in the Company's management, by allowing the minority shareholders to propose any item of agenda of the ordinary general meeting of shareholders and propose any qualified person to be considered and appointed as the Company's director prior to the meeting date. In this connection, the Company clearly notifies the shareholders of the details, together with the criteria for the consideration via channels of the Stock Exchange of Thailand and the Company's website, for four months, in order to build up the confidence of the minority shareholders to exercise the right to propose any matters relating to any significant change of the Company and the right to elect any independent directors to take care of the benefits on their behalf.
3. The Company sets out the written guidelines to prevent the use of insider information of the Company under the resolution of the Board of Directors, whereby the Company treats this as important policy which will prevent directors, management and staff from abusing their position for personal interests, as specified in the Annual Report. In addition, the Code of Conduct and Business Ethics are distributed and disseminated to all directors, management and staff of the Company for acknowledgment

and compliance, which are available on the Company's website as a channel for all staff to access such information.

The Company's directors and management are required to disclose the reports to the Securities and Exchange Commission on their holding of securities, his/her spouse's holding of securities and minor children's holding of securities which are securities in the Company, as well as reporting on every change in such holdings of securities in respect of purchase, sale, transfer or acceptance of transfer, under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three business days after the date of purchase, sale, transfer or acceptance of transfer of securities. Moreover, the directors and management realize their duties and responsibilities as specified, including the penalty provisions as specified in the Securities and Exchange Act B.E. 2535 (1992).

The Company pays significant attention to the efficient internal control system by setting out the internal control guidelines to prevent and minimize risks which may arise, namely, the Company specifies that management with access to insider information shall be prohibited from taking any actions in violation of Section 241 of the Securities and Exchange Act B.E. 2535 (1992), including applicable regulations. Due to the guidelines to prevent the use of insider information, in each past year, there has never been any case that the Company's directors and management abuse insider information to seek personal interests or others' interests.

4. The Company clearly discloses to shareholders the details and reasons of execution of related party transactions requiring the disclosure or approval of shareholders under the Stock Exchange of Thailand's regulations, by

disclosing names and relationship of connected persons, pricing policy and transaction value, including opinion of the Board relating to such transactions.

5. The Company discloses that the connected transactions have been executed according to market price and in accordance with the ordinary course of business. In the previous year, the Company did not execute any connected transactions in violation of or not in compliance with the rules of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission. In this regard, other than the notifications of such connected transactions via the channels of the Stock Exchange of Thailand, the Company also discloses the connected transactions in its Annual Report.
6. The Company has no the structure of business group with connected transactions in such a manner which may have a conflict of interests, taking into account the shareholding structure and level of execution of the connected transactions within the business group, based on the Company's income and expenditure as a result of the business operation in the group, compared with the total income and expenditure. In this regard, the level of execution of connected transactions shall be considered, both income and expenditure, which shall be less than 25 percent, except for transactions in the ordinary course of business and transactions with subsidiaries or associated companies without related persons holding shares exceeding 10 percent.
7. Any shareholder unable to attend the meeting in person may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. In addition, the Company nominates members of the Audit Committee who is

independent directors as an option for appointment of shareholders' proxy. The Company sends Proxy Form B, together with the notice of the shareholders' meeting, in order for the shareholder unable to attend the meeting on the scheduled date to enjoy his/her equal rights as shareholder.

8. Proxy Form sent by the Company with the notice of the shareholders' meeting specifies clear details, documents and evidence in support of the appointment of proxy, together with suggestions and procedures for appointment of proxy to enable shareholders to produce complete documentations without any difficulty in attending the meeting by proxy.
9. As for the requirement for appointment of proxy by any shareholder unable to attend the meeting in person, the Company has not set out any rules or conditions causing any difficulties to the appointment of proxy to attend the meeting on his/her behalf. Instead, such documents shall be certified by the proxy grantor and the proxy holder to confirm the exercise and granting of the right to attend the shareholders' meeting in accordance with the criteria.
10. The Company delivers the notice of the shareholders' meeting to shareholders in advance at least 21 days prior to the meeting.
11. The Company posts the notice of the meeting, together with details of the complete notice of the shareholders' meeting, on the Company's website in advance 30 days prior to the meeting date for the shareholders to have time to consider details of each agenda item, especially for those shareholders unable to attend the meeting in person.

12. The Company delivers the notice of the shareholders' meeting and supporting documents in Thai version to Thai shareholders. For foreign shareholders' convenience, the Company prepares the notice of the shareholders' meeting and supporting documents in English version to the foreign shareholders. In this regard, both all Thai and foreign shareholders shall receive complete documents within the period of time specified by law.
13. The Company has no policy to provide any financial support, whether loan or guarantee, to any companies which are not the Company's subsidiaries, except such loan or guarantee due to the Company's shareholding in accordance with a joint venture agreement.
14. Last year, the Company did not execute any transactions on acquisition or disposition of assets in violation of or not in compliance with the rules of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission.

3. Role of Stakeholders

The Company realizes the significance of rights of all groups of stakeholders, whether inside, such as staff and executives of the Company and the subsidiaries, or outside, such as customers, traders, competitors, creditors, communities, society, public sector and other relevant authorities, to ensure that the basic rights of these stakeholders are well protected and taken care of under the provisions of the laws and other relevant rules and regulations. The Company recognizes support from these stakeholders which could help building up the Company's competitiveness and profitability to result in long-term success for the Company. The Company's Board of Directors has set out the corporate governance policy that the Company shall take care of the stakeholders based on their rights under the relevant laws, shall not take any acts in violation of the rights of stakeholders, and shall



establish measures to compensate any stakeholders suffering from damage arising from violation of rights. The practices towards the Company's stakeholders are as follows:

1. Shareholders

- The Company has performed duties with integrity, honesty and fairness, taking into account both major and minor shareholders, and for the benefit of the group of related persons as a whole;
- The Company has managed its business to ensure prosperity, stability and good return for shareholders;
- The Company has protected its assets from depreciation or unnecessary loss;
- The Company has, regularly and in a timely manner, disclosed the accurate and sufficient information, both financial and non-financial, relating to the Company's business and the operational results, and representing the Company's actual operational and financial status;
- The Company's treatment of shareholders complies with the Principles of Good Corporate Governance in the Chapter: Shareholders' Rights and Equitable Treatment of Shareholders. In addition, the Company pays significant attention to the annual ordinary general meeting of shareholders by complying with the assessment of the shareholders' meeting by the Office of the Securities and Exchange Commission and the Thai Investors Association before the meeting, during the meeting and after the meeting for facilitating all shareholders' exercise of their right to vote in the meeting equally.

2. Traders and/or Creditors/Debtors

- Every trader and/or creditor/debtor has been equally and fairly treated by the Company, taking into account the Company's optimum benefit and based on the fair returns for both parties;

- Based on the conditions of selection of traders, the Company's competition is on the basis of equal information access, without preventing any trader from participating in business competition;
- The Company has utilized copyrighted goods and services and does not support any goods or any actions in violation of the intellectual property;
- The Company has prepared appropriate and standard contracts;
- The Company has arranged for management and monitoring systems to ensure the full compliance with contracts, and internal control system to prevent any fraud and misconduct in every step of the procurement procedures;
- The Company has made payments to traders on time in accordance with terms of payment as mutually agreed, and has strictly complied with various conditions as mutually agreed upon with traders and/or creditors;
- The Company has refrained from seeking any trader's secret by any dishonest or improper means, such as, bribing any director and staff of competitors;
- The Company has refrained from making any negative accusation against traders without actual information;
- The Company has avoided the situation which causes a conflict of interest, as well as complying with the contractual obligations;
- The Company has provided actual information and accurate report. The negotiation for problem resolution is based on the business relationship;
- The Company has strictly complied with various agreements or conditions as mutually agreed, including commitment and contingent liability. In case it is unable to comply with any condition or there is a default on debt repayment, the lenders must be informed thereof without any undisclosed facts to jointly seek a justifiable solution;

- The Company manages fund to ensure appropriate structure in support of the Company's business operations and to maintain creditors' trust;
- The Company is determined to maintain the sustainable relationship with creditors and mutual trust.

3. Customers

- The Company has clear and concrete policies and practices with fairness and responsibility towards customers. The Company maintains the optimism and gives priority to customers, treats customers willingly, actively, politely, keeps customers' confidential information from misuse for personal gain or others, as well as treating all customers equally without discrimination;
- The Company delivers quality goods at fair price in accordance with agreements with its customers;
- The Company provides correct, adequate and up-to-date information, news, and suggestions relating to goods and services to customers;
- The Company strictly complies with various conditions with customers. If the Company is unable to comply with any of such conditions, the Company must promptly give notice to customers to jointly consider finding a solution to such problem.
- The Company has a procedure for customers to submit any complaint about quality, quantity, safety of goods and services, including turnaround time for delivery, and the Company makes its best efforts to ensure rapid turnaround time to customers.

4. Competitors

- The Company has clear and concrete policies and practices with fairness and responsibility towards competitors, based on ethics, transparency and fair competition within the scope of laws;

- The Company has free trading policy and believes that competition is a positive factor to encourage the development of service standard and innovations to be offered to customers;
- The Company has complied with the fair competition framework;
- The Company in no way discredits any trading competitor's reputation by negative accusation without actual information;
- The Company in no way accesses any competitor's confidential information through any dishonest or other inappropriate methods.

5. Business Interested Parties

- The Company has clearly determined policies and procedures for approval of connected transactions to prevent any potential conflicts of interest.

6. Staff

- The Company has policies and practices relating to occupational health and safety for staff at work place as well as creating a good working environment and promoting good physical and mental health of staff, by arranging for fitness room, annual sports competition, to ensure the unity and good relationship;
- The Company truly realizes the significance of its staff, and to meet its objectives, the Company recruits and employs knowledgeable, capable and experienced personnel to perform works, and in response to the Company's requirements and growth, by continually organizing programs for development of staff knowledge and capacities to advance their skills;
- The Company has concrete and open policies and practices as to management of staff remuneration and welfares on an equal and fair basis, whereby the Company has equally and fairly treated its staff through proper and fair remuneration and welfare, as well as provided more welfares than those specified



by law, such as, establishment of a provident fund, medical treatment packages in hospitals designated by the Company, financial aids in the event of death of staff or their parent or spouse, annual health check-up, 5S activity, and fitness center, etc.;

- The Company truly realizes the significance of personnel development by establishing clear internal personnel development plans, encouraging all levels of its staff up to high ranking executives to receive training for improvement of their knowledge and capacities, both in theory and practice, so as to ensure the efficient performance skills, including fair employment conditions suitable for the market and in compliance with the labor laws;
- The Company provides the fair and suitable remuneration for staff based on their performance by applying the staff performance evaluation system to measure their capabilities to ensure development of competency and clear performance measurement subject to key performance indicators (KPI) for all major activities, in support of the consideration of merits of staff to ensure incentives for staff development and remuneration in connection with value added to the business and in line with the Company's operational results for short and long term;
- The Company builds the participatory working atmosphere and teamwork by allowing staff to express their opinions relating to their works;
- The Company establishes a policy on human rights by determining clear operational guidelines and practices towards non-discrimination, equal employment opportunity for women, persons with disabilities, underprivileged groups, youth, elderly, and recognition of staff's right to collective bargaining. In 2016, the Company received no complaint about violation of human rights;
- The Company ensures that staff strictly comply with laws and regulations relating to

staff, including provision of suggestions in order to prevent any illegal action, whereby the Company supervises to ensure that staff use lawful products and refrain from infringement of copyrights or intellectual property, along with support of compliance with the operational guidelines and performance of duties with integrity, without any involvement with corruption for the benefits and success of the Company.

7. Society and Public

- The Company has clear and concrete policies and practices with fairness and responsibility towards society, and with transparent operations, by taking into account the public interest and refraining from taking any acts which may cause damage to the country's reputation, natural resources, environment and public interest;
- The Company has promoted and instilled into its staff at all levels the corporate social responsibility;
- The Company in no way facilitates, supports or allows to be instrumental in any avoidance of compliance with the law.

8. Communities

- The Company has considered communities as part to be concerned and facilitated, and thus focuses on various activities for improvement of the quality of life of communities and environment as its contribution to society. The Company then has a policy to support and participate in activities related to development of communities by complying with laws and regulations;
- The Company regularly participates in meetings, sharing of opinions, and provides cooperation with local agencies for development of livelihood of communities;
- The Company establishes preventive and remedial measures against environmental and community impact as a result of the Company's operations.

9. Environment

- The Board of Directors has set out a policy to operate the business by taking into account the environment, with a commitment to compliance with applicable laws, regulations, standards and requirements, including strict adherence to the government's environmental policies, together with its readiness to continuously and seriously carry out the development of the environmental management procedures within the organization to ensure the cost-efficient resources utilization and minimize waste with the environmental impact from the organization's activities, including provision of knowledge and training regarding environment to staff and participation in support of activities related to community development to ensure the continuity of environmental activities and reflect the business sustainability;
- The Company has developed and improved the environmental management system in all activities of the Company to continuously minimize pollution and impact on the environment, with clear objectives, goals, action plans and evaluation;
- The Company has promoted the environment preservation, as well as publicizing the information and news, and cooperated with the staff, customers, government agencies and private entities, including the public, as a gesture of the Company's image and awareness of the environmental management;
- The Company has rapidly and efficiently responded to any events giving rise to impact on the environment and communities caused by the Company's operation;
- The Company has raised the consciousness and responsibility of staff in relation to environment under the environment management system as well as campaigning conservation and consumption of energy and resources with efficiency through training and public relations media, such as, internal newsletters, notice

board, internal circular letters, in order to regularly keep them well informed on knowledge and skills on environment;

- The Company has presented the results of performance in compliance with the policy and action plans in respect of the social responsibility by reporting directly to the Board of Directors and disseminating the social and environmental activities to the Company's staff, shareholders, and persons related to the Company, as well as publicizing such information via website and Annual Report of the Company.
10. The Company has set out a non-infringement of human rights policy to confirm its respect for human rights which is the foundation of personnel care and development, and which will play an important role in building the Company's quality and achievements as a whole. The Company is committed to its staff care as follows:
1. In terms of remuneration and welfare, other than the fundamental welfare as required by laws, the Company also commits itself to paying remuneration and providing welfare as appropriate and reasonable, always taking into account the overall market condition;
 2. In terms of personnel development, the Company has set out a personnel development policy by ensuring satisfaction of remuneration and work environment through development of competency in response to requirements of each work unit for the purpose of the organization's competitiveness.
11. The Company determines a non-infringement of intellectual property or copyright policy and practices to prevent any problems which may damage or discredit the Company, by prohibiting its management and staff from using any illegal software and copying any copyrighted software for any reason whatsoever without prior permission of the software owners. All staff have a duty to help take care of the Company's intellectual property works and refrain from misusing or allowing any third parties to use the Company's intellectual property without permission.

12. The Company determines an anti-corruption and bribery policy to prohibit any bribe payment for the Company's business interest or granting of any items or any other benefits to any persons having a duty or business related to the organization for the Company's business interest. It is clearly set out as a guideline to prevent any problems due to corruption and unfairness in the business operation, such as, compliance with prohibitions, action plans or internal control measures, morality, and work supervision, as a duty of staff at all levels in the Company, as well as monitoring code of ethics, morality and action plans or measures in work supervision relating to anti-corruption and bribery, including authority and duty to report on various matters directly to the Company's independent unit for inspection and monitoring. Moreover, the Company has adopted the corruption risk assessment process and the practices relating to supervision and control for prevention and monitoring of corruption risks, including guidelines for following up and evaluation of performance in compliance with the anti-corruption policy, by providing staff training to ensure their knowledge relating to the anti-corruption policy and practices at least once a year.
13. The Company has the corruption risk assessment process via the risk management working group which shall meet quarterly to report on the results, to management and the Corporate Governance and Risk Management Committee for further report to the Board of Directors, respectively, and also determines the practices relating to supervision and monitoring to prevent and follow up corruption risks, as follows:
 1. Staff are prohibited from granting or offering any items or any other benefits to third parties, such as, government officials, agents, representatives, counterparts, etc., with the intention of inducing such third parties to take or omit to take any acts in violation of laws or contrary to their positions or functions or in exchange for undue privileges;
 2. Staff are prohibited from demanding or receiving any items or any other benefits for personal gain or for gains of others in a manner that persuades them to abuse their duties or neglect to perform their duties;
 3. Any business dealings in association with various agencies, such as, government agencies, state enterprises or private agencies, etc., both local and international, must be transparent, fair and lawful in Thailand and foreign countries where such dealings take place;
 4. Any fraudulent acts against duties are deemed to be a serious disciplinary misconduct.
14. The Company realizes the significance of communication with all groups of stakeholders to exchange information, as well as listening to opinions and suggestions of all groups of stakeholders for common interest. In case where any stakeholders are not fairly treated by the Company, they may contact or file complaints directly with the Company through the Audit Committee or via e-mail: audit_committee@ch-karnchang.co.th, and/or through the Company Secretary or via e-mail: company_secretary@ch-karnchang.co.th. In 2016, there was no any complaint.
15. The Company determines policies or guidelines for protection of staff or any whistleblower by establishing measures to protect them under the criteria as follows:
 1. Any complainant or person who provide cooperation in fact-findings may choose not to disclose his/her identity if he/she considers it unsafe or damaging. However, if the identity is disclosed, it will enable the organization to report on any development and explain the facts to the complainant;
 2. The Company will not disclose name-surname, address, photograph, or any other data which may identify the complainant or person who provide cooperation in fact-findings;

3. The complaint recipient will keep relevant information confidential/be concerned about safety by establishing measures to protect staff who make complaints and/or who provide information and/or cooperation in investigation, whereby they will be protected from unfair treatment, such as, change of work position, job description, work place, work suspension, threat, nuisance in performance of work, employment termination, as a result of the complaints;
4. Any aggrieved party will be relieved by means of proper and fair process.
16. The Company arranges for channels for all stakeholders, general people, and staff to make complaints on unfair treatment or to provide any clues relating to matters which may be considered illegal and correctable, including measures to protect staff who make the complaints and notice of the results to the complainants on a systematic and fair basis, by allowing staff to have channels to make their complaints and independently provide their opinions, as follows:
 1. The complaint recipient shall gather facts concerning violation or non-compliance with ethics;
 2. The complaint recipient shall report to the independent directors on facts, conduct an investigation of facts in order to consider the complaints, by dividing related matters into issues in terms of management, knowledge development, investigation of facts, etc.
 3. As for the operational measures, the complaint recipient shall propose the independent directors to conduct an investigation of facts and establish measures to resolve such violation or non-compliance with laws.
 4. As for the report on the results, the complaint recipient shall notify the complainants of the results should such complainants disclose their identity. In case of a significant matter, the results shall be reported to the Chairman of the Board of Directors and/or the Board of Directors.
17. The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Company, in its capacity as a public limited company listed on the Stock Exchange of Thailand, has strictly complied with the Securities and Exchange Act, including rules and regulations issued by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. Over the past period, the Company has disclosed its significant information via the news system of the Stock Exchange and prepared the financial reports and other reports, namely, connected transactions, minor shareholding distribution, in accordance with requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

4. Disclosure and Transparency

The Company realizes the significance of the good corporate governance by disclosing material information which affect or may affect change in the Company's securities value or investment decision-making or benefits of shareholders in order for shareholders and general investors to rapidly and equally acknowledge news and information.

The Company has the guidelines on disclosure of significant information relating to the Company to the public with accuracy, completeness, punctuality and transparency in accordance with requirements stipulated by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand through an easy access to information, namely, dissemination of information, both in Thai and English, on websites of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including the Company's website, with the practices as follows:

1. To ensure shareholders/investors' acknowledgement of the structure of ownership of business in which they have invested and their rights, compared with other shareholders, the Company discloses the



most recent structure of major shareholders for those who utilize information to truly and clearly acknowledge shareholders; discloses shareholding of directors and executives, both direct and indirect, including information on structure of the business group and shareholding proportion, major risks in the Company's business operations.

2. The Board of Directors establishes a policy that the Company shall undertake activities with transparency and open for inspection with sufficient information disclosure to all relevant parties as well as monitoring to ensure disclosure of correct, complete, timely and reliable information, and everyone can equally access such information.

In disclosing the Company's significant information, other than by way of dissemination under the specified criteria via the Stock Exchange of Thailand's channels, the Company also disseminates such information on the Company's website: www.ch-karnchang.co.th, both Thai and English, such as, Annual Report, Annual Registration Statement (Form 56-1), Corporate Governance Policy, the Company's information, nature of business operations of the Company, financial statements, public relations news, shareholding structure, organization structure, business group structure, information relating to directors and executives, investor relations information, the Articles of Association, the meeting notice, the operational results, financial ratio, dividend payment record, together with other information, such as, corporate social responsibility activities. In this regard, the Company regularly updates the website for up-to-date information and news for convenient access and to the best interest of users.

3. In respect of investor relations, the Board of Directors is well aware of the significance of accurate, complete, transparent, thorough and timely disclosure of information relating to the Company. Therefore, the Company has set up an Investor Relations unit to be specifically responsible for disclosure of information to shareholders and investors, both financial and non-financial, such as,

financial report, operational results, financial ratio, dividend history and other information which may impact the Company's securities value. Such information and news in support of their decision making are published for investors and relevant parties through various channels and media of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including the Company's website at www.ch-karnchang.co.th in both Thai and English languages.

Those interested to receive information in support of investment may contact Khun Sawanya Trivisvavet at Investor Relations, Telephone 0-2275-0026 ext. 2317-2319.

In addition, the Company has set out a policy to rotate high level executives from the President, Executive Vice President, Vice President: Finance, and the Company Secretary to provide information and answer questions to investors, so that they would be personally aware of opinions and requirements of Thai and foreign investors. As for internal communication, the Investor Relations unit prepares IR Report, by collecting and summarizing questions and opinions of investors towards the Company's business operations for submission to the management on a monthly basis in order to present useful suggestions or feedbacks of investors to the management for further improvement of the operations.

4. The Company discloses its financial information and reports the responsibilities of the Board of Directors towards the financial report, together with the auditor's report, the management discussion and analysis, general information and significant information in the Annual Report correctly, timely and in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
5. The Company did disclose the roles and duties of the Board and various subcommittees, number of meetings and attendances of each director in 2016.
6. The Board of Directors and the management have prepared the report on securities holding and change

in securities holding in accordance with the rules of the Office of the Securities and Exchange Commission. The Board of Directors has also set out a policy requiring directors and executives to make a report on each change in their share acquisition-disposition/securities holding to the Board of Directors' meeting.

Other than the report on securities trading of executives in accordance with the requirements of the SEC, in regard to other executives along with staff who are authorized to access the Company's material information which may influence securities price movements, securities trading by usage of inside information, such as, information on capital increase or decrease, dividend payment, the Company's operational results, joint investments, etc., is considered as taking advantage of general investors. In this respect, the Company prevents any insider trading of securities by requiring its executives to report on their securities trading in accordance with the rules as required by the Stock Exchange, whereby all insiders should refrain from trading securities or should wait until the public has been informed of such information for a reasonable period of time.

7. The Board of Directors has set out a policy regarding report on interest of directors and executives by requiring directors and executives to report the Company of their personal interest or their related persons', which is related to the business operation and management of the Company or its subsidiaries, in accordance with the criteria, conditions and methods as required and announced by the Capital Market Supervisory Board. Such report also includes a disclosure of information on directorship or executive position in other legal entities and information on their shareholding in other legal entities in excess of 10 percent of the total number of voting shares by both reporters and their related persons (spouse, child/adopted minor child and related legal entity) for submission to the Company Secretary for reference, and copies of such reports

shall be submitted to the Chairman of the Board of Directors and the Chairman of Audit Committee within seven business days from the date of receipt thereof.

8. In regard to the policy on payment of remuneration for directors and executives, the Company establishes a clear and transparent policy on remuneration for directors and executives, subject to review by the Nomination and Remuneration Committee. The remuneration shall be at the same level as that in the same industry and sufficient to retain the qualified directors and the President, and remuneration for executives, excluding the President, shall be in accordance with the principles and policies determined by the Executive Board corresponding to the Company's operational results and performance of the executives, as per the details of Remuneration for Directors and Executives on pages 81 to 83
9. The Company establishes a whistleblowing policy for the purpose of development of the Company's sustainable growth and prosperity. Such arrangement is a key mechanism which will help enable management, staff or stakeholders to report on acts in violation of the code of ethics, fraudulent acts, and other ethical issues, without identifying any whistleblower's name. The Company will also assure whistleblowers that the whistleblowing process is independent, reliable and dependable, together with a monitoring process for fact-findings or conclusion, including fair whistleblower protection measures.
10. The Company establishes the policy on significant connected transactions which shall be subject to consideration and approval of the Board of Directors in compliance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In the case of execution of connected transactions, the Company shall disclose details of persons with whom the Company executes such connected transactions,

relationship, transaction description, price conditions/policies and transaction value.

11. The Company formulates its objectives/goals in the long run to become the leading construction and regional infrastructure investment development business that provides quality and full services.

5. The Board of Directors' Responsibilities

The Board of Directors acknowledges its role and responsibilities to set policies and directions of the company's operations under the laws, its business objectives, the Articles of Association, as well as resolutions of shareholders' meetings. The Board of Directors monitors and supervises the management to efficiently and effectively perform in compliance with the specified policies in order to protect the Company's interests, maximize its economic value and create wealth for shareholders based on the Principles of Good Corporate Governance. The Board of Directors monitors and supervises management to ensure that the strategies have been applied to the business for sustainable growth. In respect of the significance of the role and duties of the Board of Directors towards the Company and shareholders, the Board of Directors shall consist of qualified persons who have leadership, vision, knowledge, abilities and experience in various fields, honesty and integrity as well as independence on decision-making for the optimum benefits to the Company and shareholders as a whole.

The Board of Directors complies with the best practices of the Stock Exchange in various aspects, as follows:

1. **Structure of the Board of Directors**
The Board of Directors consists of 10 qualified members, with useful skills, knowledge and experience to efficiently perform their duties, comprising: six executive directors, four independent directors, constituting a counterbalance from non-executive director. The Company has four independent directors, which represents more than one-third of the total number of directors. The Chairman of the Board of Directors is an

independent director by the definition of the Stock Exchange of Thailand and has no relationship with management and is not the President, so as to separate the policy-making and supervisory duty from the regular managerial duty. The Board of Directors clearly determines power and duties of the Chairman of the Board of Directors and the President.

The Company determines qualifications of "independent directors" stricter than the minimum requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors establishes the policy on limitation to the number of listed companies in which each director will hold office as director which shall not exceed five companies, without any exemption, since, after considering the matter, it is deemed that such number enables all directors to devote their time to regularly attend meetings. In this regard, the Board of Directors has not established the policy on limitation to the number of term of office as director since directors have a good understanding of the Company's business and provide suggestions which are useful for both the Company and shareholders. Furthermore, the Board of Directors also appoints the Company Secretary in accordance with the guidelines for the Principles of Good Corporate Governance to provide suggestions relating to various laws and regulations as required by the Board of Directors and to supervise activities of the Board of Directors as well as coordinating to ensure compliance with the Board of Directors' resolutions.

The Board of Directors establishes the policy on holding of office as director in other companies by the President, whereby the Board of Directors' meetings shall be notified of reasons and details of companies in which he/she holds such office, which shall not exceed five listed companies.

2. Subcommittees

The Company establishes five subcommittees to closely monitor and supervise the operation and regularly report to the Board of Directors, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee. In this regard, the Board of Directors determines duties and responsibilities of each subcommittee. Furthermore, all subcommittees have reported to the Board of Directors on their respective self-performance evaluation results, as follows:

- 1) The Executive Board has performed its duties to provide useful suggestions and advice to management and consider scrutinizing works proposed to the Board, as well as providing beneficial opinions and instructions in terms of financial management.
- 2) The Audit Committee has performed its duties to review the reliability of the Company's financial reports prior to submission to the Stock Exchange of Thailand, audit the internal control system, as well as considering the disclosure of connected transactions to ensure the accurate and complete information, and provide useful suggestions and advice to management in terms of good corporate governance.
- 3) The Nomination and Remuneration Committee has performed its duties to consider nomination criteria and procedures for qualified persons to hold the position of the Company's directors and consider determining criteria on consideration of remuneration for directors and President.
- 4) The Corporate Governance and Risk Management Committee has performed its duties to provide suggestions, follow up performance under the Principles of Good Corporate Governance, monitor and review the Company's overall risk management, strategies for risk management.

- 5) The Corporate Social and Environmental Responsibility Committee has performed its duties to provide suggestions, follow up performance to ensure achievement of the goals and the social and environmental policy as well as considering and following up progress of corporate social and environmental implementation, together with evaluation of success.

3. Roles, Duties and Responsibilities of the Board of Directors

- 1) The Board of Directors comprises personnel having knowledge, ability, skills and experiences in various fields to exercise their judgment independently with leadership, who determine vision, missions, strategies, goals, business plans and budget of the Company, and supervise the management to take actions in compliance with the business plans and forecast budget with efficiency and effectiveness so as to optimize the economic value to the business, including monitoring the operational results to meet the objectives and comply with the policies, rules, laws and other relevant regulations.
- 2) The Board of Directors establishes a corporate governance policy and has such policy reviewed at least once a year.
- 3) The Board of Directors has a duty to consider granting approval of important matters relating to the Company's operations, such as, vision and missions of the Company, strategies, financial target, action plan and budget, as well as supervising, controlling, monitoring to ensure management's compliance with the specified policies and plans with efficiency and effectiveness so as to enhance the optimum economic value to the business, and ensure that the operational results meet the objectives and comply with the policies, rules, laws, and relevant regulations. The Company did have



its vision and missions reviewed and approved at least every five years. Subsequently, the Board of Directors' Meeting No. 7/2014 on December 18, 2014 resolved to grant approval for the Board of Directors to consider reviewing the Company's vision, missions or strategies in every previous accounting year in order for the Board of Directors to oversee and monitor the implementation of the Company's strategies.

- 4) The Company prepares its code of ethics since the year 2003, with the approval by the Board of Directors. The code of ethics contains proper conduct and practices for directors, executives and staff, and guidelines for conduct and treatment towards the Company, colleagues, third parties and society, in accordance with the best practices. In the past, all directors, executives and staff have been informed and well understood of the proper and ethical conduct and complied with such practices in the performance of their duties in line with the Company's missions, with honesty, integrity and equality, to build up confidence of shareholders and all groups of stakeholders, including the public and society.

The Company has the guidelines in support of compliance with the code of ethics, as well as following up performance, whereby the ethical compliance survey forms shall be sent yearly to all directors, executives and staff, and the results of the survey shall be then concluded as standard for strict adherence to the code of ethics.

- 5) The Board of Directors establishes the Internal Audit Office which shall report directly to the Audit Committee, with the duty to follow up and review the Company's operations, together with the operating system in various departments of the Company to ensure efficiency in compliance with the annual audit plan as approved by the Audit Committee. Last year, the Company has no records of violation of any rules and regulations of the

Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- 6) The Company establishes the Compliance Unit to perform the duty to provide suggestions and monitor to ensure the Company's compliance with laws, the Articles of Association, relevant rules and regulations, including disclosure and information memoranda.
- 7) The Board of Directors and the Audit Committee shall provide an opinion relating to adequacy of the internal control system in the Annual Report.
- 8) The Board of Directors properly considers the transactions which may have a conflict of interests or connected transactions or related party transactions under the best practices subject to review by the Audit Committee to ensure compliance with the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as the disclosure of information on the execution of such transactions which may have a conflict of interests to the public. In this regard, the Company establishes the policy, rules and regulations, and procedures for approval of the transactions which may have a conflict of interests for executives, staff and the relevant persons for compliance with the significant principles, as follows:

- (1) Compliance with the rules set out by the Stock Exchange of Thailand in the execution of connected transactions to propose the connected transactions to the Audit Committee for consideration and approval prior to seeking approval of the Board of Directors under the Principles of Good Corporate Governance.
- (2) Disclosure of information on the transactions which may have conflict of interest or connected transactions or related party transactions pursuant to the rules set out by the Office of the Securities and Exchange Commission/Stock Exchange of Thailand,

- in the Annual Registration Statement (Form 56-1) and the Annual Report, as well as disclosing the information of such transactions in the financial statements in accordance with the accounting standards.
- (3) In the consideration of the execution of the transactions which may have a conflict of interests, the Board of Directors shall carefully consider such transactions to ensure the benefits of the Company and shareholders as a whole, whereby the interested directors shall not attend the meeting nor vote on such agenda.
- 9) In respect of risk management, the Board of Directors follows up and acknowledges the Company's risk management plan from management's report on operational results in every the Board of Directors' meeting and from the Report of the Corporate Governance and Risk Management Committee. In this regard, the Company determines and assesses its business risks by establishing the efficient risk preventive measures and risk management systems for the entire organization.

Risk Management Policy

1. The Board of Directors, all executives, staff and units own the risks and have the duties to be responsible for, assess, follow up, and support the risk management process with efficiency.
2. All units of the Company shall have a risk management process, as well as having a systematic and continuous assessment and follow-up, subject to regular review at least once a year in line with business changes.
3. The risk assessment shall form an integral part of the annual work plan of all units, by considering all risks of the entire organization, taking into account such risk factors, both inside and outside the

organization, including proper risk management.

4. The Corporate Governance and Risk Management Committee has the duties to assess the risk management and propose its opinion to the Board of Directors.
 5. The organization culture will focus on common understanding and awareness of risks. The body of knowledge shall be established for staff at all levels to have access for study and research and sharing of experiences, which would pave the way for development and improvement of the risk management process to become an efficient mechanism in the strategic administration.
- 10) Segregation of Roles and Duties between the Board of Directors and Management

The Company has the roles and duties between the Board of Directors and management clearly segregated, namely, the Board of Directors shall have the duty to set out the Company's policies and supervise management's operations while the Company's management shall have the duty to handle various administration affairs to ensure compliance with the policies set out by the Board of Directors. Therefore, the Chairman of the Board of Directors and the President shall be two different persons, and the Chairman of the Board of Directors shall be an independent director.

The Board of Directors consists of the Chairman of the Board of Directors and directors. The Company's management consists of the Chairman of the Executive Board, the President, Senior Executive Vice President: Operation Group, Senior Executive Vice President: Administration Group, Executive Vice President: Construction 1, Executive Vice President:

Construction 2, Executive Vice President:
Construction 3, Executive Vice President:
Construction 4, Executive Vice President:
Engineering, Executive Vice President: Business
Development, Executive Vice President:
Purchasing, Executive Vice President:
Accounting and Finance, Executive Vice
President: Human Resource and General
Administration, and Executive Vice President:
Internal Audit Office.

- 11) The Board of Directors has monitored and supervised to ensure the Company's strategic implementation by setting out policy formulation process which is clear and ready for implementation, jointly meeting among high level executives, management and workers, planning process and plan implementation process in close cooperation with each other to convey knowledge and understanding in plans/action plans to all related personnel, namely, those who have a duty to be responsible for doing various projects, those who have a duty to conduct inspection and evaluation, appointing a working group to follow up performance, in which case, if it is found that performance fails to meet the target, trying to modify the action plans to ensure achievement of the set target.

4. Board of Directors' Meetings

The Company schedules the Board of Directors' meetings in advance for directors to manage their time to attend the meetings, except for special agenda, the Chairman of the Board of Directors or the directors in the number specified by law may convene additional meetings as necessary. The Board of Directors regularly meets every two months. The President Office shall deliver the notice of the meeting, together with agenda and supporting documents, at least seven days prior to the meeting date for the Board's review prior to attending each meeting.

The agenda shall be determined by mutual discussion between the Chairman of the Board of Directors and the President. In 2016, the Board of Directors convened a total of seven meetings, one of which was convened with non-executive director without the management's presence in order to allow directors to independently discuss and share opinions as well as efficiently following up performance of the management. Moreover, the Executive Board meets on a monthly basis. Most of the directors were able to attend the meetings, except where they were engaged by urgent business. In every meeting, the Chairman of the Board of Directors shall serve as the chairman of the meeting to ensure each item shall be carefully considered and all directors shall be allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the matters to the satisfaction prior to voting on each item. In this regard, the minutes of the meetings are recorded in writing and systematically kept for inspection.

Moreover, the Board of Directors sets out a policy to prohibit directors and executives who are connected persons or interested persons in relation to any items to be considered from attending the meeting or voting on such item. In considering a connected person and interested person, the Board of Directors shall take into account such report on interests which all directors and executives shall have a duty to submit in accordance with the Board of Directors' policy requiring directors and executives to report their personal interests in order to disclose such information to the Chairman of the Board of Directors and the Chairman of the Audit Committee. In addition, the Board of Directors establishes a policy relating to minimum quorum of a Board of Directors' meeting to pass resolutions, whereby the directors present at the meeting shall not be less than two-thirds of all directors.

Meeting attendance of each director (attendances/total number of meetings) may be summarized as follows:

Directors	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee
1. Mr. Aswin Kongsiri	7/7					
2. Mr. Plew Trivisvavet	7/7	13/13		2/2	4/4	
3. Mr. Vitoon Tejatussanasoontorn	7/7		5/5	2/2	4/4	
4. Mr. Thawansak Sukhawun	7/7		5/5	2/2	4/4	
5. Mr. Pavich Tongroach	7/7		5/5			2/2
6. Mr. Kamthorn Trivisvavet*	2/2	5/5				
7. Mr. Narong Sangsuriya	7/7	13/13		2/2	4/4	
8. Miss Supamas Trivisvavet*	7/7	13/13				
9. Mr. Prasert Marittanaporn	7/7	13/13				2/2
10. Mr. Ratn Santaannop	7/7	13/13				
11. Mr. Anukool Tuntimas	7/7	13/13				2/2

Remark: * Mr. Kamthorn Trivisvavet passed away on May 23, 2016.

5. Self-Evaluation of the Board of Directors

The Board of Directors has a policy to evaluate its overall performance at least once a year. In 2016, the Company Secretary delivered the performance evaluation form to each director for evaluating the overall performance of the Board of Directors so as to use the evaluation results for improvement of the Board of Directors' performance.

In this regard, the evaluation results, divided into six subjects, namely, structure and qualifications of the Board of Directors; roles, duties and responsibilities of the Board of Directors; the Board of Directors' meetings; directors' performance of duties; relationship with management; and self-development of directors and development of executives, are summarized as follows:

1) Structure and Qualifications of the Board of Directors

Most directors are of the view that the structure

and qualifications of the Board of Directors are proper and suitable to the nature of business operations of the Company. The Board of Directors comprises personnel with sufficient knowledge, ability and experiences in a variety of fields to perform their overall duties efficiently. In this regard, the Board of Directors appoints another five subcommittees, namely, 1. the Audit Committee with the duty to help supervise and monitor the business as well as considering the appropriateness and justifications of various transactions for the optimum benefit of the



Company; 2. the Nomination and Remuneration Committee with the duty to consider criteria and procedures for nomination of qualified persons to be appointed as the Company's directors based on transparency, fairness, without influence of any persons; 3. the Corporate Governance and Risk Management Committee with the duty to establish policies and directions of operations in respect of the good corporate governance of the Company, including risk management; 4. the Corporate Social and Environmental Responsibility Committee with the duty to establish guidelines and policies on corporate social and environmental activities; and 5. the Executive Board with the duty to supervise and provide suggestions to the management, and proceed with other matters as assigned by the Board of Directors.

2) Roles, Duties and Responsibilities of the Board of Directors

Most directors are of the view that the roles, duties and responsibilities of the Board of Directors are proper, namely, the Board of Directors gives priority and contributes sufficient time to consider significant matters relating to directions of the Company's business operations, review the good corporate governance policy of the Company, as well as ensuring compliance with various policies, review of the code of business ethics and compliance. The Board of Directors, at the same time, sets a policy to prevent a conflict of interests. As for connected transactions and transactions which may have a conflict of interest, the Board of Directors also follows the procedures by taking into account the optimum benefit of the Company. Furthermore, the Board of Directors regularly reviews the internal control system to ensure good and sufficient internal control system and appropriate risk management, as well as following up and monitoring the performance of duties of the management in accordance with the policies as assigned by the Board of Directors.

3) Board of Directors' Meetings

Most directors are of the view that the Board of Directors' meetings are proper, namely, the Company gives prior notice of annual schedule of the meetings to directors so that they would be able to manage their time to attend every meeting. The number of meetings and agenda are suitable, thereby supporting the Board of Directors to perform duties efficiently and enabling it to supervise and monitor the Company's business operations with success. Moreover, directors also receive supporting documents prior to each meeting and have sufficient time to study additional information in preparation for each meeting. The supporting documents contain sufficient information for decision making and they may ask for additional information in support of decisions to the benefit of the Company. Furthermore, the atmosphere at each Board of Directors' meeting allows all directors to express constructive opinions without any influence of any persons. In addition, directors could fully discuss significant issues at each meeting.

4) Directors' Performance of Duties

Most directors are of the view that directors' performance of duties is satisfactory, namely, they are well prepared and sufficiently study information prior to each meeting and regularly attend the meetings. In addition, directors independently provide their opinions and impartially consider various matters and are independent on voting, including useful suggestions for the Company's operations; and understand the significance of each matter and properly contribute their time to consider such matter; and open for different opinions among them without any conflict.

5) Relationship with Management

Most directors are of the view that the relationship with management is proper. Directors could

straightforwardly discuss with the President and maintain good relationship with management, whereby the President could request directors' advice as and when necessary and the Board of Directors does not interfere with the performance of duties of the management. Moreover, the Board of Directors also participates in solving problems as appropriate in case the management's performance of duties does not meet the operational plans and forecast budget.

6) Self-Development of Directors and Development of Executives

Most directors are of the view that the self-development of directors and development of executives are satisfactory, namely, directors understand their roles, duties and responsibilities, have sufficient knowledge and understanding of the Company's business, pay attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the state of competition, which would allow directors to efficiently perform their duties. In this regard, all directors are trained to ensure their understanding of performance of duties in the capacity of directors. Furthermore, in case of new directors, the Board of Directors would have the management provide documents or briefing for the new directors to understand the business and performance of duties as directors. In addition, the Board of Directors also sets out the succession plan to ensure continuity of performance of duties of the Company's high level executives.

Procedures/process of performance evaluation are as follows:

1. The Nomination and Remuneration Committee reviews the self-evaluation form to ensure its accuracy and completeness in accordance with the criteria stipulated by the regulatory unit;

2. The Company Secretary delivers a self-evaluation form to each director to evaluate the overall performance of the Board of Directors;
3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation to the Nomination and Remuneration Committee;
4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgment and improvement of their performance to be more efficient.

6. Individual Performance Evaluation of Directors

The Chairman of the Board of Directors has conducted the performance evaluation of all directors since 2013 onwards in accordance with the criteria as specified by the Nomination and Remuneration Committee, to consider guiding the improvement and development of work performance of the Company's directors. In this regard, the evaluation results shall be divided into six subjects, namely, qualifications of directors; roles, duties and responsibilities of directors; the Board of Directors' meetings; directors' performance of duties; relationship with management; and self-development of directors. Procedures/process of performance evaluation are as follows:

1. The Nomination and Remuneration Committee reviews the self-evaluation form to ensure its accuracy and completeness in accordance with the criteria stipulated by the regulatory unit;
2. The Company Secretary delivers self-evaluation forms of all directors to the Chairman of the Board of Directors to evaluate the individual performance of each director;
3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation to the Nomination and Remuneration Committee;
4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of

Directors for acknowledgment and improvement of their performance to be more efficient.

7. Evaluation of Performance of Subcommittees

The Board of Directors arranges for evaluation of performance of five subcommittees, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee, the results of which were used as guidance for improvement, correction and development of their performance. In this regard, the evaluation results are divided into six subjects, namely, structure and qualifications of the subcommittees, roles, duties and responsibilities of the subcommittees, the subcommittees' meetings, the subcommittee members' performance of duties, relationship with management, and self-development of subcommittee members and executives. The opinions of committee members can be summarized as follows:

- 1) Structure and Qualifications of the Subcommittees: The results of evaluation are proper. All subcommittee members are of the opinion that the total number of all subcommittee members is appropriate to the nature of business operations of the Company, thereby allowing the subcommittees to perform the overall duties efficiently; and the subcommittees comprise personnel with sufficient knowledge and experience in a variety of fields, which enable them to perform the overall duties efficiently.
- 2) Roles, Duties and Responsibilities of the Subcommittees: The subcommittees' results of evaluation are proper, which can be summarized as follows:
 - The Executive Board has provided guiding policies, supervised, made suggestions and advice for the President and the management; has set up business plan, budget and managerial power of the Company as assigned by the Board of

Directors; has inspected and followed up the compliance with the Company's policies and plans with efficiency; has conducted feasibility studies on new projects; and has reported on the Company's operational results to the Board of Directors.

- The Audit Committee has ensured that the financial statements have been prepared in accordance with the generally accepted accounting standards; the internal audit tasks have been supervised and monitored for ensuring the appropriate and effective internal audit system; the execution of transactions which may have a conflict of interest has been considered under the specified procedures and for the utmost benefit to the Company; the Company has complied with the securities and exchange law and other applicable laws; and the nomination of candidates for appointment, determination of remuneration, and assessment of the auditor's performance are appropriate.
- The Nomination and Remuneration Committee has ensured that the appropriate criteria for nomination of directors have been determined; the qualified candidates have been considered and nominated for appointment as the Company's directors; the appropriate and transparent criteria for consideration of remuneration for directors have been determined; remuneration for directors has been considered under the specified criteria for submission to shareholders; the results of the President's performance have been assessed under the specified criteria; and remuneration for the President has been considered in line with the results of assessment to meet the generally accepted accounting standards.
- The Corporate Governance and Risk Management Committee has conducted studies and followed up movement, tendency

and practice in respect of the good corporate governance; has improved and made suggestions on the Company's good corporate governance policy; has followed up and evaluated the results under the Company's Principles of Good Corporate Governance; has considered policies and work plans relating to risk management; has monitored and reviewed the Company's overall risk management, strategies for risk management; and has reported on risks and actions taken to minimize risks to the Board of Directors.

- The Corporate Social and Environmental Responsibility Committee has conducted studies and followed up movement as well as monitored progress of social and environmental operations; has improved and made suggestions on the Company's environmental policy; has searched information or followed up significant news in respect of environment, and changes in laws and regulations; and has considered setting out policies and action plans in respect of social and environmental operations.
- 3) The Subcommittees' Meetings: The results of evaluation are proper. Subcommittee members are given prior notice of the annual schedule of the subcommittees' meetings so as to enable them to manage time to attend every meeting; the number of the subcommittees' meetings is suitable to support the performance of its duties efficiently and to supervise and monitor the Company's business operations successfully; the agenda of the subcommittees' meetings are suitable to support the performance of its duties efficiently; subcommittee members are also given supporting documents prior to each meeting and sufficient time to read such information in preparation for each meeting; the supporting documents contain sufficient information for subcommittee members' decision making;

the subcommittees can request any other necessary information in support of their decisions for the benefit to the Company; the atmosphere at each subcommittees' meeting allows all subcommittee members to express constructive opinions without undue influence of any person; and subcommittee members can fully discuss significant issues at each subcommittees' meeting.

- 4) Subcommittee Members' Performance of Duties: The results of evaluation are proper. Subcommittee members are well prepared and sufficiently study information prior to each subcommittees' meeting; subcommittee members have regularly attended the subcommittees' meetings; subcommittee members independently provide their opinions; subcommittee members impartially consider various matters and are independent in making decisions or passing resolutions without undue influence of any individual; subcommittee members have provided useful suggestions for the Company's operations; subcommittee members understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and subcommittee members accept different opinions among them without conflict.
- 5) Relationship with Management: The results of evaluation are proper. Subcommittee members may straightforwardly discuss with the President; the subcommittees maintain a good relationship with management; the President can request subcommittee members' advice as necessary; the subcommittees do not intervene with management's performance of duties; and the subcommittees participate in solving problems as appropriate in case management's performance does not meet the specified plans and budget.

- 6) Self-Development of Subcommittee Members and Executives: The results of evaluation are proper. Subcommittee members understand their roles, duties and responsibilities; subcommittee members have sufficient knowledge and understanding relating to the Company's business to ensure efficiency in their performance; subcommittee members have paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the status of competition, which allows subcommittee members to efficiently perform their duties; subcommittee members undergo training to ensure their understanding of the performance of duties in their capacity as members; subcommittee members are well prepared and sufficiently study information prior to each subcommittees' meeting; subcommittee members have regularly attended the subcommittees' meetings; subcommittee members independently provide their opinions; subcommittee members impartially consider various matters and are independent in making decisions or passing resolutions without undue influence of any individual; subcommittee members have provided useful suggestions for the Company's operations; subcommittee members understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and subcommittee members accept different opinions among them without conflict.

Procedures/process of performance evaluation are as follows:

1. The Subcommittees prepare a self-evaluation form in accordance with the good corporate governance principles of the Thai Institute of Directors Association and the guidelines for operations of the subcommittee;
2. The secretary to the subcommittees summarizes and reports the results of performance evaluation of the subcommittees

for improvement of their performance to be more efficient.

3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation of the subcommittees to the Nomination and Remuneration Committee.
4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgement and improvement of their performance to be more efficient.

8. Evaluation of Performance of the President

Independent directors and non-executive directors have continued to evaluate performance of the Chief Executive Officer (currently President) every year from 2012 in accordance with the criteria as specified by the Nomination and Remuneration Committee. The Board of Directors has authorized the Nomination and Remuneration Committee to consider proposing remuneration and other benefits as appropriate for the President to use in the annual performance evaluation for the Board of Directors' consideration and approval. In this regard, the criteria for evaluation can be divided into three chapters, as follows:

Chapter 1: Success of Business Goals

Chapter 2: Performance Measurement, comprising:

- 1) Leadership
- 2) Determination of Strategies
- 3) Compliance with Strategies
- 4) Financial Planning and Performance
- 5) Relationship with the Board of Directors
- 6) Relationship with Third Parties
- 7) Management and Relationship with Personnel
- 8) Succession
- 9) Knowledge in terms of Products and Services
- 10) Personal Characteristics

Chapter 3: Development of CEO

9. Remuneration for Directors and Executives

Remuneration for directors :

The Company establishes a clear and transparent policy on remuneration for directors and the President in line with duties and responsibilities of each director as chairman or member of subcommittee, subject to review by the Nomination and Remuneration Committee. The remuneration shall be at the same level as that in the same industry and sufficient to retain the qualified directors.

Remuneration for President :

The Company formulates policies on remuneration for President. The Nomination and Remuneration Committee shall consider remuneration of the President in line with the Company's operational results in the short term and long term, and performance of the President for submission to the Board of Directors for consideration each year.

Remuneration for executives :

Remuneration for executives shall be in accordance with the principles and policies determined by the Board of Directors corresponding to the Company's operational results and performance of the executives.

10. Development of Directors and Executives

• Training for Directors and Executives

The Board of Directors and the high level executives realize the significance of participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP) and Directors Accreditation Program (DAP), The Role of Chairman (RCP), Audit Committee Program.

In this regard, the Company has regularly sent directors and executives to attend training courses organized by IOD and other institutions. In 2016, directors and executives attended various training courses:



Names of Directors and Executives	Training Date	Course/Organized by
1. Mr. Aswin Kongsiri	February 10, 2016 May 13, 2016	"Ethics: CG Conscience" / Stock Exchange of Thailand "Corporate Governance VS Corporate Performance: Duty or Choice?" / Thai Institute of Directors (IOD)
2. Mr. Plew Trivisvavet	September 20, 2016	Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
3. Miss Supamas Trivisvavet	December 16, 2016 February 6, 2016 June 27, 2016 December 16, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd. Capital Market Academy (CMA) Leadership Program / Capital Market Academy Leadership & Innovation for Sustainable Future / Personnel Management Association of Thailand Corporate Implementation of Career Path Development System/ Business Management Co., Ltd.
4. Mr. Witoon Tejtassanasoontorn	May 17, 2016 June 29, 2016	"Integrity & Prudence of Directorship" / Stock Exchange of Thailand New Auditor's Report: What's in it for you? / Thai Institute of Directors in association with Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
5. Mr. Narong Sangsuriya	November 28, 2016 September 20, 2016	Directors Compensation Survey 2016 / Thai Institute of Directors (IOD) Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
6. Mr. Prasert Marittanaporn	December 16, 2016 September 20, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd. Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
7. Mr. Ratn Santaannop	December 16, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd.
8. Mr. Anukool Tuntimas	March 8, 2016 September 20, 2016	Board that Make a Difference (BMD 1/2016) / Thai Institute of Directors Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
9. Mr. Sittidej Trivisvavet	December 16, 2016 June 18, 2016 September 20, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd. Self-Development Guidelines for Work Success / CH. Karnchang Public Company Limited Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
10. Mr. Watchara Sanghattawattana	December 16, 2016 September 20, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd. Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
11. Mr. Pichai Choeibamrung	December 16, 2016 June 18, 2016 September 20, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd. Self-Development Guidelines for Work Success / CH. Karnchang Public Company Limited Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
12. Mrs. Rinrada Tangtrongkid	December 16, 2016 June 25, 2016 September 20, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd. Update Corporate Income Tax and Taxes for Salary Mans / CH. Karnchang Public Company Limited Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
13. Mr. Wiboon Ungapipathanachai	September 24, 2016 November 24, 2016 December 16, 2016 February 12, 2016 June 17, 2016 June 25, 2016 September 16, 2016 September 20, 2016	Strategic CFO in Capital Markets Program / Stock Exchange of Thailand Anti-Corruption: The Practical Guide (ACPG 35/2016) / Thai Institute of Directors Corporate Implementation of Career Path Development System/ Business Management Co., Ltd. Cost Account Planning, Cost Analysis and Management for Planning and Decision-Making / NYC Management Co., Ltd. Basic Finance: Significant Finance for Accountants / NYC Management Co., Ltd. Update Corporate Income Tax and Taxes for Salary Mans / CH. Karnchang Public Company Limited Cash Flow Statement Analysis / NYC Management Co., Ltd. Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
14. Mr. Pornnarong Siriyothin	October 17, 2016 November 18, 2016 December 9, 2016 December 16, 2016	VAT Update and Deep Overall Income Tax Problems / Acee Management International Co., Ltd. Similarities and Differences of Law Principles and Business Contract Tax Principles / NYC Management Co., Ltd. TFRS 3: Consolidated Financial Statements and Key Issues / NYC Management Co., Ltd. Corporate Implementation of Career Path Development System/ Business Management Co., Ltd.
15. Mr. Prapon Chanpradubfa	December 16, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd.
16. Mr. Phairat Prom-in	September 20, 2016	Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery / Office of the National Anti-Corruption Commission (NACC)
17. Mr. Thammanoon Surarat	December 16, 2016	Corporate Implementation of Career Path Development System/ Business Management Co., Ltd.

- Orientation for New Directors

The Company also arranges for orientation for newly-appointed directors, whereby the Board of Directors assigns the Company Secretary to meet newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answer to questions, as well as preparing documents and briefing for new directors, such as, information relating to the Company, business overview, shareholding structure, organization structure, listed company director's handbook, the Principles of Good Corporate Governance, code of ethics, power and duties of the Board of Directors, the annual schedule of the Board of Directors' meetings. Meanwhile, the Company allows directors to attend any training course as suggested by the Office of the SEC and organized by the Thai Institute of Directors (IOD).

11. Succession Plan

The Board of Directors sets out a succession plan for executive level and in the primary line of work, by significantly taking into account the performance and potentials of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions.

An executive who has been assigned to succeed an office shall not only be qualified and experienced in an appropriate field, but also accept transfer of knowledge and experience as well as attending additional necessary training courses to be well prepared in the performance of duties in a higher position in the future, and to ensure smooth succession and continued management.

The Company sets up a human resource management system with sufficient allocation, control and following up of the assessment in respect of nomination process for qualified and knowledgeable persons as required;

appropriate and fair remuneration; determination of duties and responsibilities, performance of personnel; performance standard; personnel development; and efficient communication, to ensure staff knowledge and skills, by applying a performance evaluation system in support of consideration of remuneration as appropriate for staff ability and performance.

2 Subcommittees

(1) The Company establishes five subcommittees to closely monitor and supervise the operation and regularly report to the Board of Directors, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee. The names of members of subcommittees, including authority and duties of the respective committees are as follows:

A. Executive Board

The Board of Directors appoints the Executive Board to help give suggestions and advice to management and make other arrangements as assigned by the Board of Directors. As at December 31, 2016, the Executive Board consists of six members, namely:

Names	Positions
1. Mr. Plew Trivisvavet	Chairman of the
	Executive Board
2. Miss Supamas Trivisvavet	Executive Director
3. Mr. Narong Sangsuriya	Executive Director
4. Mr. Prasert Marittanaporn	Executive Director
5. Mr. Ratn Santaannop	Executive Director
6. Mr. Anukool Tuntimas	Executive Director

The Executive Board meets monthly for consideration of various matters within the scope of the authority assigned by the Board of Directors and for screening matters to be proposed to the Board of Directors for consideration and approval.

Executive Board's Authority: The Board of Directors authorizes the Executive Board to have the following authority:

- 1) Providing policy guidelines, appointing, prescribing powers and duties, supervising, monitoring, coordinating and prescribing powers and duties of special working groups or work management groups, as well as considering and approving various proposals submitted by the management groups or the special working groups;
- 2) Approving proposals submitted by various working groups for the purposes of managing work and conducting business in accordance with the Company's objectives;
- 3) Conducting feasibility studies on new projects and having power to consider approving participation in various biddings, including operation of various projects as it deems appropriate, as well as entering into any juristic acts related thereto until completion;
- 4) Conducting feasibility studies on investment in new projects and having power to consider granting approval for the Company to invest or jointly invest with other persons, legal entities, groups of persons in various forms for conducting business in compliance with the objectives within the amount of not exceeding Baht 3,000 Million per project, including investment in other manners, such as, purchase of shares, exchange of shares with other legal entities as it deems appropriate, as well as entering into any juristic acts related thereto until completion;
- 5) Prescribing, considering, approving regulations, rules, work management and business operation policy guidelines or any actions binding the Company;
- 6) Providing advice, consultation and determining policy guidelines and authorities of the President and special working groups;
- 7) Having power to approve, appoint, employ, remove, impose disciplinary action, determine salary, wages, benefits, bonus, allowances, and other remunerations, including expenses and facilities

of the Company's officers or staff in the position of department directors or higher, including Assistant Managing Director, Deputy Managing Director or equivalent or various special working groups for specific operation;

- 8) Proceeding with other matters in accordance with the policy as assigned by the Board of Directors;
- 9) Having power to appoint any person or group of persons to operate the Company's business under control of the Executive Board or authorize such person or group of persons to take any action as the Executive Board deems appropriate, and change, amend, repeal and revoke such authority;
- 10) Having power to appoint the Chairman of the Advisory Committee or advisors or Advisory Committee for Executive Board as appropriate, and determine remuneration, allowances, benefits, facilities and other expenses of the Chairman of the Advisory Committee or advisors or the Advisory Committee as appropriate;
- 11) The Executive Board or the Chairman of the Executive Board has power to convene the Executive Board's meetings and/or determine rules and regulations of the meetings as it deems appropriate;
- 12) In the case that the Chairman of the Executive Board cannot perform duties, the Chairman of the Executive Board shall appoint a substitute to perform duties on his or her behalf on each occasion, whereby the substitute shall have authorities equal to the Chairman of the Executive Board;
- 13) Considering and approving for authorization of executives to operate and manage business in accordance with the relevant rules, regulations and requirements;
- 14) Having power to approve and withdraw money from all accounts of the Company, and use credits provided by all banks or financial institutions for the Company, including apply for opening accounts and/or apply for credits in various forms with all banks or financial institutions, as well as placing securities of the Company as collateral against such debts, regardless of whether or not it requires registration.

B. Audit Committee

The Board of Directors appoints the Audit Committee to help supervise and monitor the Company's business. Mr. Vitoon Tejatussanasoontorn, an independent director who has knowledge in accounting and finance, was appointed as Chairman of the Audit Committee. As at December 31, 2016, the Audit Committee consists of three independent directors, namely:

Names	Positions
1. Mr. Vitoon Tejatussanasoontorn*	Chairman of the Audit Committee
2. Mr. Thawansak Sukhawun	Audit Committee Member
3. Mr. Pavich Tongroach	Audit Committee Member

With a three-year term of office.

Remark: * Serving as Audit Committee member with the knowledge and experience in review of the Company's financial statements.

The Audit Committee regularly meets at least every three months with the external auditor, internal auditor, management team and executives who are accountable for accounting and finance for review of financial statements on a quarterly basis and reports to the Board of Directors, or in case the management team would execute any connected transactions or transactions relating to acquisition or disposition of assets, which shall take into account appropriateness, justification of such transactions and the utmost benefits of the Company, the Chairman of the Audit Committee may convene additional meeting. In 2016, the Audit Committee convened a total of five meetings.

Audit Committee's Authority

The Board of Directors authorizes the Audit Committee to have the authority as follows:

- 1) Reviewing to ensure that the Company's financial reports are accurate and adequate;
- 2) Reviewing to ensure that the Company's internal control and internal audit systems are suitable and effective, considering the independence of the internal audit unit as well as providing opinions on consideration for appointment, transfer, termination of employment of head of the internal

audit unit or any other unit responsible for the internal audit;

- 3) Reviewing to ensure the Company's performance in compliance with the securities and exchange law, requirements of the Stock Exchange and the laws relating to the Company's business;
- 4) Considering, selecting, submitting for appointment and termination of person who is independent to serve as the Company's auditor, proposing remuneration of such person as well as meeting with the auditor without the management team at least once a year;
- 5) Considering connected transactions or transactions which may have conflict of interest in compliance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are justified and of the utmost benefit to the Company;
- 6) Preparing reports of the Audit Committee to be disclosed in the Company's Annual Report, whereby such reports must be signed by the Chairman of the Audit Committee and be comprised of at least the following information:
 - (a) opinions on correctness, completeness, and reliability of the Company's financial reports;
 - (b) opinions on adequacy of the Company's internal control system;
 - (c) opinions on compliance with the securities and exchange law, requirements of the Stock Exchange or laws relating to the Company's business;
 - (d) opinions on appropriateness of the auditor;
 - (e) opinions on transactions which may have conflict of interest;
 - (f) number of meetings of the Audit Committee and attendance of each Audit Committee member;
 - (g) overall opinions or observations by the Audit Committee from the performance of duties in accordance with the charter;
 - (h) other matters that should be informed to shareholders and general investors within the scope of the authority and responsibilities assigned by the Board of Directors.

- 7) Performing any other activities as assigned by the Board of Directors of the Company and approved by the Audit Committee.

C. Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to nominate and consider remuneration for directors and the President to ensure transparency and fairness. Mr. Vitoon Tejatussanasoontorn, an independent director, was appointed as Chairman of the Nomination and Remuneration Committee in line with the Principles of Good Corporate Governance stipulating that chairmen of subcommittees should be an independent director. As at December 31, 2016, the Nomination and Remuneration Committee consists of four members, namely:

Names	Positions
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Nomination and Remuneration Committee
2. Mr. Thawansak Sukhawun	Nomination and Remuneration Committee Member
3. Mr. Plew Trivisvavet	Nomination and Remuneration Committee Member
4. Mr. Narong Sangsuriya	Nomination and Remuneration Committee Member

With a three-year term of office.

In 2016, the Nomination and Remuneration Committee convened two meetings for nomination of qualified persons to be proposed and appointed as directors to replace those who were due to retire by rotation and for consideration of remuneration for directors for 2016 and bonus for 2015 for submission to the 2016 Annual Ordinary General Meeting of Shareholders for consideration and approval, and consideration of remuneration for the President for submission to the Board of Directors for consideration and approval.

Nomination and Remuneration Committee's Authority

The Board of Directors authorizes the Nomination and Remuneration Committee to have the authority as follows:

- 1) Considering the nomination criteria and procedures, as well as selecting and proposing qualified persons to hold the position of the Company's directors to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for appointment;
- 2) Considering, selecting and proposing qualified persons to hold the position of the President to the Board of Directors for appointment;
- 3) Considering and determining criteria on consideration for remuneration for directors and the President;
- 4) Considering, determining and proposing remuneration for directors to the shareholders' meeting for approval;
- 5) Considering and reviewing rates of salary and other remuneration for the President and proposing the same to the Board of Directors for approval;
- 6) Proceeding with other matters as assigned by the Board of Directors.

D. Corporate Governance and Risk Management Committee

The Board of Directors appoints the Corporate Governance and Risk Management Committee to supervise and monitor performance of the directors and the management to ensure compliance with the Principles of Good Corporate Governance and to oversee and support the risk management to achieve success in the organizational level. As at December 31, 2016, the Corporate Governance and Risk Management Committee consists of four members, namely:

Names	Positions
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Corporate Governance and Risk Management Committee
2. Mr. Thawansak Sukhawun	Corporate Governance and Risk Management Committee Member
3. Mr. Plew Trivisvavet	Corporate Governance and Risk Management Committee Member
4. Mr. Narong Sangsuriya	Corporate Governance and Risk Management Committee Member

With a three-year term of office.

The Corporate Governance and Risk Management Committee met to follow up and evaluate the results of compliance with the Principles of Good Corporate Governance and the risk management plan of the Company. In 2016, the Corporate Governance and Risk Management Committee convened four meetings.

Corporate Governance and Risk Management Committee's Authority

The Board of Directors authorizes the Corporate Governance and Risk Management Committee to have the authority as follows:

Corporate Governance

- 1) Determining and proposing policies and directions of operations in respect of the good corporate governance of the Company, including the code of business ethics, to the Board of Directors for consideration and approval for further compliance at all levels;
- 2) Supervising and monitoring the business operation of the Company and performance of the Board of Directors, the management and personnel of the Company to ensure compliance with Clause 1);
- 3) Evaluating and reviewing policies, directions, code of ethics, and best practices or practical guidelines in respect of the good corporate governance of the Company to ensure compliance with the international practices and recommendations of

various institutions, as well as proposing the same to the Board of Directors for further consideration and approval;

- 4) Following up on movement, tendencies, as well as comparing performance in respect of the good corporate governance of the Company with the practices of other leading companies;
- 5) Overseeing and supporting performance in compliance with the good corporate governance policies to ensure continual effectiveness and appropriateness to the Company's business;
- 6) Giving advice to the Company, the Board of Directors, the management and working groups on the matters relating to the good corporate governance;
- 7) Reporting on the corporate governance of the Company to the Board of Directors on a regular basis, and immediately reporting to the Board of Directors for consideration in case there is any matter materially affecting the Company, as well as providing opinions on the practices and suggestions for improvement and resolution as appropriate;
- 8) Disclosing information relating to the good corporate governance of the Company to related parties and in the Annual Report, provided that it shall always be proposed to the Board of Directors for prior approval;
- 9) Establishing any working group as it deems appropriate.

Risk Management

- 1) Determining policies and scope of risk management operations of the Company, as well as giving advice to the Board of Directors and the management on risk management;
- 2) Overseeing and supporting the risk management to ensure successful implementation by emphasizing the significance of and taking into account risk factors in support of the decision making as appropriate;
- 3) Considering the Company's material risks in line with the Company's business, e.g., in terms of

investment, finance, security, law, rules and regulations, by suggesting measures to prevent and minimize risks to stay at an acceptable level, as well as following up, evaluating and improving the working plans for minimizing risks on a continual basis as appropriate to the condition of the business operation;

- 4) Reporting risk assessment results and operations for minimizing risks to the Board of Directors on a regular basis, and promptly reporting to the Board of Directors for consideration in case there is any matter materially affecting the Company;
- 5) Establishing any working group as it deems appropriate.

E. Corporate Social and Environmental Responsibility Committee

The Board of Directors appoints the Corporate Social and Environmental Responsibility Committee to supervise the Company's operations in respect of the corporate social and environmental responsibility by focusing on the impact on its shareholders and stakeholders. As at December 31, 2016, the Corporate Social and Environmental Responsibility Committee consists of three members, namely:

Names	Positions
1. Mr. Pavich Tongroach	Chairman of the Corporate Social and Environmental Responsibility Committee
2. Mr. Prasert Marittanaporn	Corporate Social and Environmental Responsibility Committee Member
3. Mr. Anukool Tuntimas	Corporate Social and Environmental Responsibility Committee Member
With a three-year term of office.	

The Corporate Social and Environmental Responsibility Committee met to follow up progress of the social and environmental activities of the Company. In 2016, the Corporate Social and Environmental Responsibility Committee convened two meetings.

Corporate Social and Environmental Responsibility Committee's Authority

The Board of Directors authorizes the Corporate Social and Environmental Responsibility Committee to have the authority as follows:

- 1) Considering establishing the corporate social and environmental guidelines and policies for submission to the Board of Directors;
- 2) Considering and approving the Company's strategies to meet the CSR target and policies;
- 3) Considering the action plans and the annual budget for arrangement of the CSR activities for submission to the Executive Board and the Board of Directors;
- 4) Considering and following up the progress of the arrangement of the CSR activities as well as assessing the result and the quality of the CSR projects;
- 5) Proceeding with other matters as assigned by the Board of Directors.

President's Authority

The Board of Directors authorizes the President to have the authority as follows:

- (1) Having authority to supervise and monitor all businesses of the Company to ensure compliance with the resolutions and policies of the Board of Directors and the Executive Board;
- (2) Having power to approve, appoint, remove, engage, impose disciplinary actions, determine salary, bonus, pension, welfare and other remuneration, including expenses and facilities of the Company's officers or staff in the position of division general manager or lower (excluding Deputy Managing Director, Assistant Managing Director, and division

- general manager or equivalent) and, if applicable, substitute any work groups or the Board of Directors/committees, management team, groups of persons or executives as appropriate;
- (3) Having power to approve any juristic acts binding upon the Company in the amount not exceeding Baht 60,000,000 (Sixty Million Baht Only) per transaction;
 - (4) Having power to sign and affix the Company's seal on cheques and withdraw money from all accounts of the Company and utilize credit facilities available to the Company by all banks or financial institutions in the amount not exceeding Baht 60,000,000 (Sixty Million Baht Only) or equivalent per transaction;
 - (5) Authorizing from time to time the Company's staff in the executive positions, Deputy Managing Director, Assistant Managing Director, division general manager or equivalent to perform duties on behalf of the President in certain matters (such as purchase order, procurement, payment order) as appropriate;
 - (6) Having power to issue, amend, add, update regulations, orders and work rules of the Company, such as, assignment, appointment, removal, and discipline of staff and employees, determination of salary and other monies, including various aid and welfare;
 - (7) Having duty to prepare and approve balance sheets, financial statements and income statements of the Company for submission to the Board of Directors;
 - (8) Conducting feasibility study for new projects and having power to consider approving projects as assigned by the Executive Board;
 - (9) Appointing a person acting in place of the President from time to time in the event that the President is unable to perform his/her duties, whereby such acting person shall have the same authority as the President;
 - (10) Having power to appoint any persons or groups of persons to engage in the Company's business under the supervision of the President, or, if applicable, authorizing such persons to make arrangements as the President deems appropriate and having power to change, amend, revoke and repeal such authorization;
 - (11) Proceeding with other matters as assigned by the Board of Directors or the Executive Board from time to time.

3. Nomination and Appointment of Directors and Top Management

(1) Nomination of Independent Directors

The Nomination and Remuneration Committee nominates directors who are qualified in terms of useful skills and experience for the Company and meet the qualifications of independent director. The Company has adjusted the definition of the Company's independent directors to become stricter than the definition set out by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

Qualifications of Independent Directors

1. Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, including shares held by any related persons;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiary, associated company, subsidiary at the same level, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment, provided that such prohibited characteristics shall not apply to the independent director who has been a public servant or an advisor to a government authority which is the Company's major shareholder or controller;

3. Not being a person having relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring, executive, major shareholder, controller or person to be nominated as executive or controller of the Company or its subsidiary;
4. Not having or having had any business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
The aforesaid business relationship shall include any transaction which is an ordinary course of business for the business operation of lease taking or lease out of immovable property, any transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower;
Such indebtedness shall be calculated in accordance with the calculation method for value of the connected transaction under the Notification of the Capital Market Supervisory Board governing Rules on Connected Transactions, *mutatis mutandis*. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to the date on which the business relationship with the same person occurs;
5. Not being or having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiary; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiary;
9. Not having any other characteristics preventing provision of independent opinions on the Company's operations.

(2) Nomination of Directors and Top Management

2.1 Nomination of Directors

2.1.1 Criteria

The Nomination and Remuneration Committee considers nominating persons to be appointed as directors to replace those directors who vacate office, both resignation prior to the end of term and retirement by rotation, in accordance with the following criteria:

1. Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the SEC and rules of the Stock Exchange.
2. Having knowledge, ability and experience in a variety of fields which will be beneficial and create value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative, and performance of duties with responsibility, due care, integrity and full-time contribution, etc.
4. In case of a director who retires by rotation, there should be consideration from his past records as to whether he performed duties as director with due care, integrity and full-time contribution.
5. In the nomination of directors, there should be consideration of the required qualifications taking into account necessary skills for the Board and qualifications in line with the Company's business strategies.

2.1.2 Nomination Procedures

The Board of Directors sets out the procedures for nomination of directors. The Nomination and Remuneration Committee proceeds in accordance with the following procedures:

1. Nominating qualified candidates to fill the vacancy.
2. Considering qualifications of candidates nominated by minor shareholders according to the Company's policy to allow shareholders to propose their nominations in advance (if any).

3. Proposing the nominations to the Board of Directors for consideration and appointment (in case of interim vacancy).
4. Considering proposing the nominations to the Board of Directors for consideration and approval for submission to the annual ordinary general meeting of shareholders for appointment.

Pursuant to the Articles of Association, at every annual general meeting, at least one-third of the number of directors shall vacate their office. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. Therefore, directors have a term of three years, and a retiring director may be re-elected. In this regard, the Company does not fix the number of terms of holding office as director or the number of other listed companies in which the directors will hold office as directors, but considers the suitability of appointment of directors who are due to retire by rotation to resume office. Pursuant to the Articles of Association, the criteria and procedures for appointment of directors by shareholders are as follows:

1. Each shareholder has one vote for one share held.
2. The group election of all directors to be appointed on such occasion shall be by a single vote or if deemed appropriate by the shareholders' meeting, the election may be on an individual basis, the vote for any candidate by each individual shareholder, whether as individual or group election, shall reflect the number of all shares held by such shareholder at the time of the vote in accordance with Clause 1 and no shareholder shall apportion a partial vote to any specific candidate.
3. In case of an election on an individual basis, the candidates with the highest number of votes in descending order shall be elected as directors up to the number of directors to be elected or vacancies at that time. If more than one candidate has equal votes for the final vacancies, the appointment shall be made by drawing of lots.

2.2 Nomination of President and Executives

1. With respect to an executive in the position of the President, he/she will be nominated by the Nomination and Remuneration Committee, which would consider selecting a qualified person, namely, who has knowledge, skills and experiences useful for the administration to meet the objectives or goals specified by the Board of Directors, as well as insight into the Company's business, whereby the Nomination and Remuneration Committee would nominate such person to the Board of Directors for consideration and appointment.
2. As for an executive at the managerial level or higher, the management would nominate such person to the Executive Board for consideration and appointment.

4. Supervision of Operations of Subsidiaries and Associated Companies

(1) The Board of Directors has its governance mechanism to monitor and supervise the management and responsibility for operations of subsidiaries and associated companies in order to protect interests in the Company's investments. The Company's representatives shall be assigned to hold office as directors, executives, or controllers in such companies according to the shareholding proportion. The Company specifies that the assignment of such representatives shall be subject to approval by resolution of the Board of Directors' meeting, and such persons who are appointed as directors in subsidiaries or associated companies shall have the duty to ensure the best interests of such subsidiaries or associated companies; provided that such appointed persons shall obtain approval from the Board of Directors of the Company prior to passing a resolution or exercising the voting right on significant matters at the same level as that shall be approved by the Board of Directors in the Company's operations. The Company sets out the scope of power, duties and responsibilities of directors and executives as the Company's representatives in such companies to control or participate in the determination of significant policies on their business operations, with the governance

mechanism for accurate and full disclosure of financial position and operational results; execution of connected transactions between such companies and related persons; acquisition or disposition of assets; or execution of any other significant transactions of such companies. Rules and regulations relating to disclosure and execution of transactions above shall be similar to those of the Company.

Moreover, in case of a subsidiary, persons who are appointed by the Company shall monitor to ensure that such subsidiary has its articles of association regarding connected transactions in compliance with the Company, and keeps and makes information and accounting records available for the Company's review and use in support of the preparation of the consolidated financial statements in due course.

(2) The Company has no any shareholders' agreement between the Company and other shareholders in respect of management of subsidiaries and associated companies which are material to the operations of the Group or administration or sharing of returns other than such normal returns from its shareholding.

5. Control of Inside Information Usage

The Company determines its control of inside information usage in accordance with the Principles of Good Corporate Governance, as follows:

1) Policy and monitoring of directors and executives
The Company must keep directors and executives informed of the SEC's applicable notifications requiring directors and executives to report on every change in their securities holdings to the SEC pursuant to Section 59 within three business days from the date of such change in securities holdings. The Company Secretary must be informed thereof to keep records of such change. In this regard, the directors and executives must acknowledge and strictly comply with the policies and relevant laws regarding inside information usage.

- 2) Measures relating to protection of inside information
 1. Not using inside information for personal interests or others.
 2. Identifying and restricting persons who are authorized to access inside information, whereby the authorized persons shall not disclose such information to other persons until such information has been disclosed to the public in accordance with various regulations.
 3. Disclosing information which has a material effect on the operations via the Stock Exchange's channel prior to disclosure to any specific groups of investors.
 4. Insiders should refrain from trading securities or should wait until the public has been informed of such information with a reasonable period of time to study such information.
- 3) Protection and prevention of inside information usage
 1. The Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or the interests of others. The work rules and regulations of the Company prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct.
 2. The Company has a control system for use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by setting authorization level of staff's access to the Company's information as appropriate for their responsibilities.
 3. The Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of the Securities and Exchange Act, including relevant rules and regulations.

In this regard, the Company's management has been conducted based on the Principles of Good Corporate Governance by realizing the significance of and responsibility for shareholders and stakeholders of the Company in order to reinforce the confidence of shareholders, investors and all related parties, together

with the general practical guidelines regarding prevention of misuse of inside information by related persons, namely, the Board of Directors, management, and staff in work units related to such information (including their spouse and minor child), whereby the Company sets out the practical guidelines for all directors and executives so as to prevent misuse of inside information as follows:

1. Avoiding or refraining from trading the Company's securities during 21 days prior to disclosure of the quarterly and annual financial statements and during 24 hours after such disclosure;
2. Refraining from trading of the Company's securities, if they have access to any undisclosed information which may have an impact on the Company's securities price, until a lapse of 24 hours from the disclosure of all such information to the public;
3. Not allowing any executives who know or should have known that the Company will disseminate the material information which may have an impact on change in market price of the Company's securities, to purchase or sell the securities from the date on which he/she knows or should have known such information until the end of the day following the date of such disclosure and dissemination.

6. Remuneration for Auditor

(1) Audit Fee

The Company and subsidiaries paid the audit fee to:

- the Company's auditor, in the previous accounting period, amounting to Baht.....=.....
- the audit firm of which the auditor is a member, persons or businesses related to the auditor and the audit firm of which the auditor is a member, in the 2016 accounting period, amounting to Baht 9,880,000 and which is the same auditor as last year.

(2) Non-audit fee

- None -

7. Compliance with the Principles of Good Corporate Governance in Other Matters

The Company has fully complied with the Principles of Good Corporate Governance for Listed Companies 2012, except the following matters:

1. Determination of the number of terms of holding of office as director and independent director.

The Board of Directors does not clearly determine any number of terms of holding of office as director. In regard to the determination of a term of consecutive holding of office as independent director of not exceeding nine years, the Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have knowledge and experiences in the Company's business operations, thereby maximizing value to shareholders.

2. The Board of Directors has not mostly comprised independent directors (namely, more than 50 percent) since the Company has independent directors representing more than one-third of the total number of directors who are experienced, expert and independent in performance of the duties.

3. The Nomination and Remuneration Committee has not yet completely or mostly comprised independent directors, and currently comprises independent directors equal to 50 percent.

4. There is no any female independent director on the Board of Directors since there have currently been independent directors in a variety of fields.

5. The Board of Directors acknowledges the signing for anti-corruption campaign by participating in the private concerted efforts against corruption. However, it is deemed appropriate for the Executive Board and/or management to consult on such matter with Thai Contractors Association and companies in the construction industry in order to consider their participation in the campaign.

Last year, there was no any fraudulent offence or ethical misconduct; there was no any resignation of non-executive director due to the Company's corporate governance; and there was no any negative effect on the Company's reputation as a result of failure of the Board of Directors' fiduciary duties.



CORPORATE SOCIAL RESPONSIBILITY

The Company operates its business under the corporate social and environmental responsibility and takes into account the utmost benefits of all stakeholders. In 2016, the Company prepares the Sustainable Development Report to disclose its economic, social and environmental information. This Sustainable Development Report is prepared in Thai and English versions in printed materials, CD and is available for download at www.ch-karnchang.co.th/#/mission/growth-together.





INTERNAL CONTROL AND RISK MANAGEMENT

11.1 Summary of Opinions of the Board of Directors regarding the Company's Internal Control System

The Board of Directors continuously realizes the significance of the internal control system to prevent and minimize potential risks, by assigning the Audit Committee comprising independent directors to review the evaluation of the internal control system. The Internal Audit Department shall report directly to the Audit Committee and review the operation systems in various departments of the Company in accordance with the annual audit plan as approved by the Audit Committee, for the purpose of ensuring that the work performance is efficient and effective, that the Company's resources are used cost-efficiently, that the financial reporting is properly controlled to ensure correctness, reliability and timeliness, that it complies with the policy in accordance with the provisions of the laws and regulations of the relevant authorities and agencies, and that the efficiency of the internal control system is regularly reviewed, to ensure the best interest of the shareholders on the basis of fair returns to all stakeholders. In addition, the Audit Committee also has the duty to consider selecting and nominating the auditor, including the audit fee; and consider disclosing the Company's correct and complete information in case of connected transactions and transactions which may have conflict of interest.

In 2016, the Audit Committee convened five meetings, in which the Company's management and the auditor of EY Office Limited attended each and every meeting, and a meeting with the auditor without the management's presence for consideration of the financial statements for 2016 so as to independently make inquiries on audit plan and other matters found during the audit.

The Company recognizes the significance of the use of the risk management in its administration, by assigning the Corporate Governance and Risk Management Committee to monitor and review the Company's overall risk management to stay at an acceptable level. The Company's management considers the risk factors currently being encountered or expected to be encountered by the Company, analyzes the impact and the possibility of such risks, establishes measures to prevent and manage such risks to stay at an acceptable level in compliance with the Company's policy, and then submits the same to the Corporate Governance and Risk Management Committee for consideration of appropriateness and sufficiency. The risk management system shall also be reviewed and evaluated for its effectiveness every year and every interval in which the risk level has changed, subject to regular monitoring on a quarterly basis by the Internal Audit Department, and the results of such monitoring shall be reported to management and the Corporate Governance and Risk Management Committee for acknowledgement and further reported to the Board of Directors for acknowledgement as a whole.

In the Board of Directors' Meeting No. 1/2017 on February 28, 2017, the Board of Directors has evaluated the adequacy and suitability of the Company's internal control system as per the evaluation report by the Audit Committee in various aspects as per the internal control adequacy evaluation form, comprising five elements, namely, corporate internal control; risk assessment; operational control; information technology and communications system; and monitoring system, together with the report on risk management results by the Corporate Governance and Risk Management Committee. They are of the opinion that the Company's internal control system is adequate and suitable

to the business operation without any material fault, which would prevent the Company's and the subsidiaries' assets from misuse or unauthorized use by the executives. The Company's financial reports are correct and reliable in accordance with the generally accepted accounting principles and the financial reporting standards. The Company operates its business in full compliance with the securities and exchange law and other relevant laws.

The Board of Directors, the Audit Committee and the auditor are of the common opinion that the Company's business operation is in accordance with the good corporate governance principles with transparency, and the internal control system is suitable, effective, and can prevent the Company's assets from misuse or unauthorized use by the executives or staff.

11.2 The Head of Internal Audit Unit

Is Mr. Wiboon Ungapipathanachai, Executive Vice President: Internal Audit Office. The Audit Committee is of the view that Mr. Wiboon Ungapipathanachai has knowledge, abilities and work experience and is qualified to efficiently perform duties as the Head of Internal Audit Unit. The appointment, removal and transfer of a person holding office as Head of Internal Audit Unit shall be subject to the Audit Committee's approval.

The Head of Compliance Unit is Mrs. Thipwaree Athagrisna, Vice President : Legal Department /Compliance Manager, who shall be responsible for compliance matters in cooperation with the Office of President, and in coordination with the Company Secretary.



Audit Committee's Report

The Audit Committee of CH. Karnchang Public Company Limited, by the appointment of the Company's Board of Directors, comprises three qualified independent directors, namely, Mr. Vitoon Tejatussanasoontorn, Chairman of the Audit Committee, Mr. Thawansak Sukhawun and Mr. Pavich Tongroach, Audit Committee Members, and Vice President: Internal Audit Department as secretary to the Audit Committee.

The Audit Committee has performed under the scope, duties and responsibilities as assigned by the Company's Board of Directors, in accordance with the regulations of the Stock Exchange of Thailand, as well as relevant suggestions on various matters, which were fully cooperated by the Company's Management, internal auditors and auditor. In 2016, the Audit Committee held five meetings with the executives, internal auditors and auditor as appropriate, including a meeting with the auditor without the Management for independent discussion on material information in preparation of financial statements and sharing of opinions, which may be summarized as follows:

1. **The Audit Committee has reviewed the quarterly financial statements and the financial statements for 2016**, by making inquiries and taking into consideration the clarifications of the executives and the auditor in respect of accuracy and completeness of the financial statements and sufficiency of information disclosure. The Audit Committee is of the opinion in line with the auditor that the said financial statements are fairly accurate in all material aspects and comply with generally accepted accounting standards.
2. **The Audit Committee has reviewed the compliance with the provisions of laws and the Company's internal control system**, and is of the opinion according to the assessment that the internal control system is sufficient, proper and effective without any material fault in order to support the operations to achieve the specified goal. The Company properly maintains its property and work

operations in compliance with the law on securities and exchange and the relevant rules and regulations on business. The authorization and approval are systematically conducted in accordance with the good internal control system, and the corporate governance is transparent, as well as being amended to efficiently conform to the changed situation.

3. **The Audit Committee has reviewed the internal audit**, by taking into consideration the mission, scope of work, duties, responsibilities and independence of the Internal Audit Department in order to conform to the guidelines on internal audit of the Stock Exchange of Thailand. The Audit Committee is of the opinion that the Company's internal audit system is sufficient and proper, including the consideration for approval of the appointment of Vice President: Internal Audit Department and secretary to the Audit Committee. The Audit Committee is of the opinion that the Company's internal audit system is sufficient, proper and efficient in accordance with the international standards.
4. **The Audit Committee has reviewed the risk management** in order to connect with the internal control system to manage general risks. The Company has specified objectives and criteria for assessment of the overall risks and risk levels, risk assessment and rating, determination of management plan on existing risks, and preparation of report on risk assessment and management plan on existing risks. The Audit Committee is of the opinion that the Company's risk management system is efficient and effective, by determining objectives for indicating, assessing, managing and monitoring risks on a quarterly basis, risk appetite and risk tolerance, as well as regularly reviewing the risks to be in line with the current situation.
5. **The Audit Committee has reviewed the good corporate governance**, by reviewing the Company's operations in compliance with the law on securities and exchange, rules and regulations of the Office of the Securities and Exchange Commission, requirements of the Stock

Exchange of Thailand, and other laws relating to the Company's business operations, including obligations which may arise from agreements executed with third parties, and found that the Company has duly and properly complied with the relevant laws and requirements in a timely manner.

6. **The Audit Committee has reviewed and provided an opinion on the connected transactions or transactions which may have conflict of interest, including disclosure of such transactions** in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The auditor is of the opinion that the transactions with material aspects executed with the related companies have already been disclosed and shown in the financial statements and notes to the financial statements. The Audit Committee is of the opinion in line with the auditor, as well as providing an opinion that such transactions are reasonable and for the optimum benefit to the Company's business operations, and the information disclosure is accurate and complete.
7. The Audit Committee has considered selecting, nominating the auditor and proposing the audit fee, by taking into account the performance of the auditor in

the previous year, reliability, capability to provide service and consultation on accounting standards, auditing and certification of the financial statements in a timely manner, and has then provided an opinion to the Company's Board of Directors to seek approval of the Shareholders' Meeting for appointment of either Miss Siraporn Ouannunkun or Mr. Supachai Phanyawattano or Miss Supanee Triyanantakul of EY Office Limited as the Company's auditor for 2017, with the audit fee in the amount not exceeding Baht 3,450,000 per year.

Given the performance of duties under the scope of responsibilities as assigned by the Board of Directors to independently provide opinions and suggestions in the equal interests of all stakeholders, the Audit Committee is of the view that the Company's financial reports are correct and reliable in line with the generally accepted accounting standards and financial reporting standards, with sufficient risk management, proper internal control system and effective internal audit. The Company's operation is in accordance with the good corporate governance principles and in full compliance with the laws and requirements relating to the Company's business operations in all respects.



(Mr. Vitoon Tejatussanasoontorn)
Chairman of the Audit Committee



CONNECTED TRANSACTION

1. Connected Transactions between the Company, Subsidiaries, Associated and Related Companies (Only connected transactions with a value of Baht 500,000 or higher are shown) in 2016 and 2015 can be summarized, as follows:

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
1. Bangkok Metro Public Company Limited					
Operation of concession business for mass transit in Bangkok by the metro	<ul style="list-style-type: none"> This is an associated company. On December 30, 2015, Bangkok Metro Public Company Limited and Bangkok Expressway Public Company Limited were amalgamated into a new company named Bangkok Expressway and Metro Public Company Limited. The Company holds shares representing 29.73 percent in Bangkok Expressway and Metro Public Company Limited. An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Bangkok Expressway and Metro Public Company Limited. An executive of the Company, namely, Mr. Phongsarit Tantisuwanitchkul, serves as director in Bangkok Expressway and Metro Public Company Limited. A director of Bangkok Expressway and Metro Public Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, a director of the Company. 	1.1 The Company	Revenues from construction services		<ul style="list-style-type: none"> This transaction is an ordinary course of business. This project is of a nature in which the Company has experience and could be completed within the scheduled period. The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. The contractor will arrange for a loan throughout the construction period of the Project, provided that all construction costs and finance costs shall be borne by the employer, and the repayment shall be made upon delivery of all works.
		• Bangkok Metro Public Company Limited engaged the Company to manage the Project for supply and installation of the M&E Systems for the MRT Purple Line, Bang Yai - Rat Burana (Bang Yai - Bang Sue Section), Contract 4, Concession for Supply of M&E Systems and O&M Services (Klong Bang Phai Station - Tao Poon Station), with a value of Baht 15,689 Million.	2,215,647,553	5,919,502,759	
			Trade accounts receivable		
			15,796,653,711	14,406,045,910	
			Unbilled receivables		
			1,284,875,965	2,088,043,946	
		1.2 The Company	Revenues from construction services		<ul style="list-style-type: none"> This transaction is an ordinary course of business This project is of a nature in which the Company has experience and could be completed within the scheduled period.
		• Bangkok Metro Public Company Limited engaged the Company to provide maintenance services on Civil Infrastructure and E&M Systems for the M.R.T. Chaloe M Ratchamongkhon Line Project, with a value of Baht 1,270 Million.	130,405,519	11,193,363	
			Trade accounts receivable		
			12,483,333	-	
			Unbilled receivables		
			57,432,216	11,193,363	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
1. Bangkok Metro Public Company Limited (continued)					
	1.3 The Company	Revenues from construction services			<ul style="list-style-type: none"> This transaction is an ordinary course of business. This project is of a nature in which the Company has experience and could be completed within the scheduled period.
	• Bangkok Metro Public Company Limited engaged the Company to provide maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section, with a value of Baht 1,520 Million.	39,854,679		-	
		Unbilled receivables			
		50,545,321		-	
	1.4 The Company	Revenues from construction services			<ul style="list-style-type: none"> This transaction is an ordinary course of business. This project is of a nature in which the Company has experience and could be completed within the scheduled period.
	• Bangkok Metro Public Company Limited engaged the Company to supply and install equipment for improvement of the communication system for the MRT Blue Line Project (one station) with the MRT Purple Line Project, Bang Yai - Bang Sue Section, with a value of Baht 1,056 Million.	637,688,061	152,675,005		
		Unbilled receivables			
		790,363,066	152,675,005		
	1.5 CH. Karnchang-Tokyu Construction Co., Ltd.	Gain on sales of investments in associated companies			<ul style="list-style-type: none"> CH. Karnchang-Tokyu Construction Co., Ltd. has earned a return on sales of investments at market price.
	• The company sold its 100 million ordinary shares in Bangkok Metro Public Company Limited.	36,465,062		-	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification	
2. TTW Public Company Limited						
Operation of concession business for water production and distribution in Samut Sakhon Province and certain areas of Nakhon Pathom Province for the Provincial Waterworks Authority	<ul style="list-style-type: none">This is a related company.The Company holds shares representing 19.04 percent.An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in TTW Public Company Limited.A director of TTW Public Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, a director of the Company.An executive of the Company, namely, Mr. Phongsarit Tantisuvanitchkul, serves as director in TTW Public Company Limited.	2.1 The Company	Dividend income		<ul style="list-style-type: none">The Company has earned a return on investment at the same rate as other shareholders of TTW Public Company Limited.	
		<ul style="list-style-type: none">The Company received dividend from its shareholding in Thai Tap Water Supply Public Company Limited. (On March 18, 2014, Thai Tap Water Supply Public Company Limited changed its name to TTW Public Company Limited.)	464,446,440	493,920,310		
		2.2 The Company	Revenues from construction services			<ul style="list-style-type: none">This transaction is an ordinary course of business.This project is of a nature in which the Company has experience and could be completed within the scheduled period.The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
		<ul style="list-style-type: none">TTW Public Company Limited engaged the Company for construction of the Second Water Treatment Plant, to enhance the water production capacity in Samut Sakhon - Nakhon Pathom, with a value of Baht 2,903.7 Million.	1,799,587,981	663,268,823		
		Trade accounts receivable				
		185,220,580	83,721,845			
		Retention receivable				
		-	32,882,044			
		Construction revenue received in advance				
		389,485,407	-			
2.3 The Company	Revenues from construction services		<ul style="list-style-type: none">This transaction is an ordinary course of business.This project is of a nature in which the Company has experience and could be completed within the scheduled period.The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.			
<ul style="list-style-type: none">TTW Public Company Limited engaged the Company to carry out construction of the raw water intake relocation project by way of construction of a new building, with a value of Baht 138.1 Million.	76,438,434	3,860,798				
Trade accounts receivable						
4,766,706	-					
Retention receivable						
6,905,650	-					
Construction revenue received in advance						
49,517,663	-					
Unbilled receivables						
-	3,860,798					

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification	
3. Bangkok Expressway Public Company Limited						
Operation of concession business for expressway construction and management	<ul style="list-style-type: none">This is an associated company.On December 30, 2015, Bangkok Metro Public Company Limited and Bangkok Expressway Public Company Limited were amalgamated into a new company named Bangkok Expressway and Metro Public Company Limited.The Company holds shares representing 29.73 percent in Bangkok Expressway and Metro Public Company Limited.An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Bangkok Expressway and Metro Public Company Limited.An executive of the Company, namely, Mr. Phongsarit Tantisuvanitchkul, serves as director in Bangkok Expressway and Metro Public Company Limited.A director of Bangkok Expressway and Metro Public Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, a director of the Company.	3.1 The Company	Dividend income		<ul style="list-style-type: none">The Company has earned a return on investment at the same rate as other shareholders of Bangkok Expressway and Metro Public Company Limited.This transaction is an ordinary course of business.This project is of a nature in which the Company has experience and could be completed within the scheduled period.The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.This transaction provides a credit term of 30-45 days.This transaction is an ordinary course of business.This project is of a nature in which the Company has experience and could be completed within the scheduled period.The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.This transaction provides a credit term of 30-45 days.	
		The Company received dividend from its shareholding in Bangkok Expressway and Metro Public Company Limited.	528,589,456	361,674,235		
		3.2 The Company	Revenues from construction services			
		Bangkok Expressway Public Company Limited engaged the Company to carry out repair of structure of the Si Rat Expressway, Period 3, Phases 2 and 3, with a value of Baht 97.3 Million.	-	11,928,444		
			Retention receivable			
		-	9,363,941			
		3.3 The Company	Revenues from construction services			
		Bangkok Expressway Public Company Limited engaged the Company to carry out design and construction of the Si Rat - Outer Ring Road Expressway, with a value of Baht 22,500 Million.	5,305,338,730	9,288,787,242		
Trade accounts receivable						
65,002,500	1,960,352,067					
Retention receivable						
55,125,000	137,000,000					
Construction revenue received in advance						
134,787,530	-					

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
3. Bangkok Expressway Public Company Limited (continued)					
		3.4 CH. Karnchang-Tokyu Construction Co., Ltd. <ul style="list-style-type: none">The company received dividend from its shareholding in Bangkok Expressway and Metro Public Company Limited.	Dividend income 16,399,19445,127,850		<ul style="list-style-type: none">CH. Karnchang-Tokyu Construction Co., Ltd. has earned a return on investment at the same rate as other shareholders of Bangkok Expressway and Metro Public Company Limited.
		3.5 The Company <ul style="list-style-type: none">Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out repair of structure of the Si Rat Expressway, Period 3, Phase 5, Sector D (Asoke-Srinagarindra), with a value of Baht 32.3 Million.	Revenues from construction services 6,631,580- Trade accounts receivable 2,416,794- Retention receivable 182,141- Unbilled receivables 331,474-		<ul style="list-style-type: none">This transaction is an ordinary course of business.This project is of a nature in which the Company has experience and could be completed within the scheduled period.The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.This transaction provides a credit term of 30-45 days.
		<ul style="list-style-type: none">3.6The CompanyCH. Karnchang Public Company Limited acquired ordinary shares in Bangkok Metro Public Company Limited from Bangkok Expressway Public Company Limited.	Other payables 769,741,4621,369,741,462		<ul style="list-style-type: none">This is to support the amalgamation by using the share price appraised by the Independent Financial Advisor, namely, Capital Advantage Co., Ltd. (using market price approach and discounted cash flow approach).
		3.7 The Company <ul style="list-style-type: none">CH. Karnchang Public Company Limited acquired 345,880,600 ordinary shares in Bangkok Expressway and Metro Public Company Limited.	Investments in associated companies 2,476,024,576-		<ul style="list-style-type: none">This transaction is an ordinary course of business.This is an investment in a company with stability and good operational results.

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
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3. Bangkok Expressway Public Company Limited (continued)

3.8 CH. Karnchang-Tokyu Construction Co., Ltd.	Gain on sales of investments in associated companies				• CH. Karnchang-Tokyu Construction Co., Ltd. has earned a return on sales of investments at market price.
• The company sold its 20 million ordinary shares in Bangkok Expressway and Metro Public Company Limited.	53,488,624		-		

4. Nam Ngum 2 Power Company Limited

Production and distribution of electricity in Thailand and overseas	<ul style="list-style-type: none"> This is a related company. SouthEast Asia Energy Limited holds shares representing 75 percent. Three executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, and Mr. Prasert Marittanaporn, serve as directors in Nam Ngum 2 Power Company Limited. 	4.1 CH. Karnchang (Lao) Co., Ltd.	Revenues from construction services		<ul style="list-style-type: none"> -This transaction is an ordinary course of business. This project is of a nature in which the Company has experience and could be completed within the scheduled period. The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. This transaction provides a credit term of 30-45 days.
		• Nam Ngum 2 Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, for improvement of voltage and construction of the 230/500 kV Nabong Substation, with a value of Baht 799,850,000 and USD 39,113,320.	838,445,904	-	
			Trade accounts receivable		
			99,004,307	-	
		4.2 CH. Karnchang (Lao) Co., Ltd.	Revenues from construction services		<ul style="list-style-type: none"> This transaction is an ordinary course of business. This project is of a nature in which the Company has experience and could be completed within the scheduled period. The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
		• Nam Ngum 2 Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, for repair of the Nam Ngum 2 Dam, with a value of Baht 48.8 Million.	48,800,000	-	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
5. Expert Transport Co., Ltd.					
Operation of business of large vehicles for transportation	<ul style="list-style-type: none">This is a related company.Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 90.00 percent.A director of the Company, namely,Mr. Kamthorn Trivisvavet, serves as director in Expert Transport Co., Ltd.Three executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, and Mr. Prasert Marittanaporn, serve as directors in Expert Transport Co., Ltd.	5.1 The Company	Service fee income		<ul style="list-style-type: none">Expert Transport Co., Ltd. took on lease for a total area of 1,073.82 square meters at the rental and service fee rate of Baht 451,004.40 per month, for a lease term of three years from January 1, 2015 to December 31, 2017.The rate is close to market rate, representing an ordinary course of business.This transaction provides a credit term of 30-45 days.
		<ul style="list-style-type: none">The Company leased out area and rendered public utilities services for Expert Transport Co., Ltd.	5,911,899	5,958,267	
			Other receivables		
			11,717,972	7,411,028	
	5.2 The Company	Rental expenses		<ul style="list-style-type: none">The Company used public utilities services from Expert Transport Co., Ltd.This transaction is an ordinary course of business.This transaction provides a credit term of 30-45 days.	
	<ul style="list-style-type: none">The Company charged public utilities fees from Expert Transport Co., Ltd.	912,750	697,500		
6. Bang Pa-in Land Development Co., Ltd.					
Operation of Bang Pa-in Industrial Estate	<ul style="list-style-type: none">This is a related company.CK Office Tower Co., Ltd., as a shareholder in the Company, holds shares representing 25 percent.Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 25 percent.Two executive directors of the Company, namely, Mr. Plew Trivisvavet and Miss Supamas Trivisvavet, serve as directors in Bang Pa-in Land Development Co., Ltd.	6.1 The Company	Service fee income		<ul style="list-style-type: none">The rate is close to market rate, representing an ordinary course of business.This transaction provides a credit term of 30-45 days.
		<ul style="list-style-type: none">The Company rendered transportation services and other services, such as, lease of water tank trailers, shovels, backhoe, for Bang Pa-in Land Development Co., Ltd.	96,834	224,149	
			Other receivables		
			-	-	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
6. Bang Pa-in Land Development Co., Ltd. (continued)					
	6.2 The Company • The Company leased out area and rendered public utilities services for Bang Pa-in Land Development Co., Ltd.	Service fee income			<ul style="list-style-type: none"> • Bang Pa-in Land Development Co., Ltd. took on lease from the Company for a total area of 174 square meters at the rental and service fee rate of Baht 72,991.80 per month, for a lease term of three years from January 1, 2015 to December 31, 2017. • The rate is close to market rate, representing an ordinary course of business. • This transaction provides a credit term of 30-45 days
			988,393	985,888	
		Other receivables			
			4,243	5,347	
	6.3 The Company • The Company took on lease of area and used public utilities services and purchased supply from Bang Pa-in Land Development Co., Ltd.	Rental and utilities fees			<ul style="list-style-type: none"> • The Company took on lease of area and paid electricity cost to Bang Pa-in Land Development Co., Ltd. for the construction of the Cogeneration Power Project Phase 2. • The rate is close to market rate, representing an ordinary course of business. • This transaction provides a credit term of 30-45 days.
			800,961	1,033,918	
		Other payables			
			106,859	109,550	
	6.4 The Company • Bang Pa-in Land Development Co., Ltd. engaged the Company to carry out design and construction of dikes and drainage system for the Bang Pa-in Industrial Estate Restoration Project, with a value of Baht 665.4 Million.	Revenues from construction services			<ul style="list-style-type: none"> • This transaction is an ordinary course of business. • This project is of a nature in which the Company has experience and could be completed within the scheduled period. • The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. • This transaction provides a credit term of 30-45 days.
			-	59,151,206	
		Trade accounts receivable			
			-	2,707,490	
		Retention receivable			
			33,217,363	35,217,363	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
7. Bangkok Metro Networks Limited					
Operation of service business for common areas and public utilities in the metro	<ul style="list-style-type: none">This is a related company.Bangkok Expressway and Metro Public Company Limited (CH. Karnchang Public Company Limited's associated company) holds shares representing 65.19 percent.An executive director of the Company, namely, Mr. Anukool Tuntimas, serves as director in Bangkok Metro Networks Limited.An executive of the Company, namely, Mr. Phongsarit Tantisuvanitchkul, serves as director in Bangkok Metro Networks Limited.Remark: Bangkok Metro Networks Limited was incorporated through the amalgamation of Metro Mall Development Limited, BMCL Network Limited, and Triads Networks Company Limited.	7.1 The Company	Service fee income		<ul style="list-style-type: none">Bangkok Metro Networks Limited took on lease from the Company, as follows:<ul style="list-style-type: none">1) 1,225.40 square meters at the rental and service fee rate of Baht 441,914.80 per month, for a lease term of three years and three months from February 10, 2013 to May 9, 2016;2) 725 square meters at the rental and service fee rate of Baht 580,000 per month, for a lease term of three years from July 10, 2016 to July 9, 2019.The rate is close to market rate, representing an ordinary course of business.This transaction provides a credit term of 30-45 days.
		The Company leased out area and rendered public utilities services for Bangkok Metro Networks Limited.	7,061,749	6,666,338	
		Other receivables			
		1,945,311	81,187		

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification		
8. Xayaburi Power Company Limited							
Operation of study, survey, and design business for the Hydroelectric Power Dam Construction Project in the Mekong River, Xayaburi, with the Government of the Lao People's Democratic Republic	<ul style="list-style-type: none">This is a related company. he Company holds shares representing 50.00 percent as at December 31, 2012.The Company has reduced its shareholding to 30.00 percent in the first quarter of 2013.In 2015, the Company sold all investments in Xayaburi Power Company Limited to CK Power Public Company Limited.An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Xayaburi Power Company Limited.	<ul style="list-style-type: none">8.1 CH. Karnchang (Lao) Co., Ltd.Xayaburi Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, to carry out the construction of the Xayaburi Hydroelectric Power Project, with a value of approximately Baht 71,225 Million and USD 711 Million, inclusive of costs for additional works.	Revenues from construction services		<ul style="list-style-type: none">CH. Karnchang (Lao) Co., Ltd. is capable to carry out the works properly and is well-prepared to promptly start the works. In addition, the project value is reasonable, representing an ordinary course of business.This transaction provides a credit term of 30-45 days.		
			23,337,966,673	8,834,061,182			
			Trade accounts receivable				
			2,520,181,670	929,706,960			
		Unbilled receivables					
		-	10,038,621,428				
		8.2 The Company		Service fee income		<ul style="list-style-type: none">Xayaburi Power Company Limited took on lease from the Company for a total area of 239.72 square meters at the rental and service fee rate of Baht 215,743.50 per month, for a lease term of three years from April 19, 2015 to April 18, 2018.The rate is close to market rate, representing an ordinary course of business.This transaction provides a credit term of 30-45 days.	
		<ul style="list-style-type: none">The Company leased out area and rendered public utilities services for Xayaburi Power Company Limited.	3,644,935	3,404,634			
			Other receivables				
			53,184	47,554			

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
8. Xayaburi Power Company Limited (continued)					
		8.3 The Company	Interest income		<ul style="list-style-type: none"> The Company provided the sponsor support for Xayaburi Power Company Limited under the Sponsors Support Agreement which the Company and shareholders in Xayaburi Power Company Limited executed with the banks (financial institution creditors loan-lending to the Xayaburi Hydroelectric Power Project) in the amount of Baht 13,547 Million, at the interest rate during construction not exceeding MLR plus 0.25 percent per annum, and at the interest rate not exceeding MLR upon commercial operation of the Xayaburi Hydroelectric Power Project by 2019, which the repayment of all loans is scheduled to be made by 2031.
		• The Company extended the loan to Xayaburi Power Company Limited in the amount of Baht 11,506 Million.	304,280,476	-	
			Other receivables		
			10,359,710,476	-	
		8.4 The Company	Cash receipt from sales of investments		<ul style="list-style-type: none"> This transaction is an ordinary course of business. This is a restructuring of shareholding to be suitable for the Company's policy requiring CK Power Public Company Limited to serve as core investor in power business, and to lessen the Company's burden in additional investments and financial support to Xayaburi Power Company Limited.
		• CH. Karnchang Public Company Limited sold its 805,830,000 shares in Xayaburi Power Company Limited to CK Power Public Company Limited, in the amount of Baht 4,344 Million.	-	4,344,000,000	
			Gain on sales of investments - consolidated financial statements	-	
				1,657,690,724	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
9. Pathum Thani Water Co., Ltd.					
Operation of concession business for tap water production and distribution in Pathum Thani Province - Rangsit to the Provincial Waterworks Authority	• This is a subsidiary of TTW Public Company Limited.	9.1 The Company • Pathum Thani Water Co., Ltd. engaged the Company for construction of the project to enhance the water production capacity in the area of Pathum Thani - Rangsit, with a value of Baht 367.10 Million.	Revenues from construction services		• This transaction is an ordinary course of business. • This project is of a nature in which the Company has experience and could be completed within the scheduled period. • The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. • This transaction provides a credit term of 30-45 days.
			107,357,004	267,948,949	
			Trade accounts receivable		
			-	20,541,455	
			Retention receivable		
			-	12,555,305	
Construction revenue received in advance					
-	37,033,811				



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
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10. Bangpa-in Cogeneration Limited

Operation of power plant business, including businesses relating to electricity and other powers	<ul style="list-style-type: none">• This is a related company.• The Company sold investments in this company to CK Power Public Company Limited.	<ul style="list-style-type: none">• 10.1 The Company Bangpa-in Cogeneration Limited engaged the Company to manage the Project and provide other services, at the monthly rates of Baht 259,000 and Baht 50,000, respectively.	Service fee income		<ul style="list-style-type: none">• The Company is capable to manage the Project properly and reasonably, representing an ordinary course of business.• This transaction provides a credit term of 30-45 days.• The value of the Project Management Agreement is Baht 259,000, from January 1, 2015 to December 31, 2015.• The value of Other Service Agreement is Baht 50,000, from January 1, 2015 to December 31, 2015.
			518,000	3,708,000	
			Other receivables		
			124,571	453,741	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
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10. Bangpa-in Cogeneration Limited (continued)

<ul style="list-style-type: none"> 10.3 The Company Bangpa-in Cogeneration Limited engaged the Company to carry out construction of the Bangpa-in Cogeneration Power Project Phase 2 (BIC-2), with a value of Baht 4,310.10 Million. 	Revenues from construction services			<ul style="list-style-type: none"> This transaction is an ordinary course of business. This project is of a nature in which the Company has experience and could be completed within the scheduled period. The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
	2,539,029,791	853,474,982		
	Trade accounts receivable			
	23,710,306	46,111,263		

11. Silasaicrete Limited Partnership

<ul style="list-style-type: none"> This is a related company. CK. Office Tower Co., Ltd. and Bang Pa-in Land Development Co., Ltd., as shareholders in the Company, are partners of Silasaicrete Limited Partnership. 	11.1 The Company	Service fee income			<ul style="list-style-type: none"> The rate is close to market rate, representing an ordinary course of business. This transaction provides a credit term of 30-45 days.
	The Company rendered transportation services and other services, such as, lease of water tank trailers, shovels, backhoe, for Silasaicrete Limited Partnership.	120,000	134,400		
	11.2 The Company	Cost of construction materials			<ul style="list-style-type: none"> The rate is close to market rate, representing an ordinary course of business. This transaction provides a credit term of 30-45 days.
	The Company purchased rock for use as construction materials from Silasaicrete Limited Partnership.	106,834	1,063,479		
		Trade accounts payable			
		2,009	191,075		

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
12. CK Power Public Company Limited					
Operation of business as a holding company, holding shares in companies operating core businesses in the production and distribution of electricity	<ul style="list-style-type: none">This is an associated company.The Company holds shares representing 28.77 percent.Four executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, and Miss Supamas Trivisvavet, serve as directors in CK Power Public Company Limited.	12.1 The Company	Service fee income		<ul style="list-style-type: none">CK Power Public Company Limited took on lease from the Company as follows:<ul style="list-style-type: none">1) 642.50 square meters at the rental and service fee rate of Baht 269,850.00 per month, for a lease term of three years from September 1, 2014 to August 31, 2017;2) 468.92 square meters at the rental and service fee rate of Baht 211,014.00 per month, for a lease term of three years from June 1, 2014 to May 31, 2017.The rate is close to market rate, representing an ordinary course of business.This transaction provides a credit term of 30-45 days.
		<ul style="list-style-type: none">The Company leased out area and rendered public utilities services for CK Power Public Company Limited.	8,475,168	7,171,111	
			Other receivables		
			377,682	246,868	
		12.2 The Company	Service fee income		<ul style="list-style-type: none">The Company is capable to manage the internal audit and the transaction is reasonable, representing an ordinary course of business. The service fee is Baht 100,000 per month, from January 2015 to May 2015; and Baht 150,000 per month, from June 2015 to December 2015.This transaction provides a credit term of 30-45 days.
	<ul style="list-style-type: none">CK Power Public Company Limited engaged the Company to manage the internal audit.	-	1,550,000		
		12.3 The Company	Dividend income		<ul style="list-style-type: none">The Company has earned a return on investment at the same rate as other shareholders of CK Power Public Company Limited.
	<ul style="list-style-type: none">The Company received dividend from its shareholding in CK Power Public Company Limited.	49,712,843	32,860,000		

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
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12. CK Power Public Company Limited (continued)

<ul style="list-style-type: none"> 12.4 The Company CH. Karnchang Public Company Limited sold its 109 million shares in CK Power Public Company Limited. 	Gain on sales of investments	142,848,384	-	<ul style="list-style-type: none"> The Company has earned a gain on sales of investments in CK Power Public Company Limited at market price.
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13. Krung Thon Engineers Company Limited

Operation of construction business	<ul style="list-style-type: none"> This is a partner of CH. Karnchang-Krung Thon Engineers Joint Venture, in which CH. Karnchang Public Company Limited's proportion represents 60 percent. 	13.1 CH. Karnchang-Krung Thon Engineers Joint Venture <ul style="list-style-type: none"> The Joint Venture engaged Krung Thon Engineers Company Limited to carry out the conduit system for the Phra Ong Chao Chaianuchit Canal Conduit System Project, with a value of Baht 1,464.50 Million. 	Trade accounts and retention payable	12,994,624	19,377,995	<ul style="list-style-type: none"> This transaction is an ordinary course of business. This project is of a nature in which Krung Thon Engineers Company Limited has experience and could be completed within the scheduled period.
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14. Nakhon Ratchasima Solar Limited

Operation of power production and distribution business	<ul style="list-style-type: none"> CH. Karnchang Public Company Limited formerly held shares representing 30 percent, and then sold all of its shares to CK Power Public Company Limited. 	14.1 The Company <ul style="list-style-type: none"> The Company extended loans to Nakhon Ratchasima Solar Limited. 	Loans to related company	9,252,792	12,383,952	<ul style="list-style-type: none"> This transaction is an ordinary course of business. The loans have been extended as per its proportion to enhance the liquidity of Nakhon Ratchasima Solar Limited. Nakhon Ratchasima Solar Limited will be required to repay the principal and interest upon its repayment of the long-term loans from financial institutions in full.
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Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
15. Bilfinger Berger AG					
Operation of construction business	<ul style="list-style-type: none">This is a partner of Joint Venture BBCD, in which CH. Karnchang Public Company Limited's proportion represents 35 percent.	15.1 Joint Venture BBCD <ul style="list-style-type: none">Advance payment to related partiesAmounts due to related parties	Advance payment		<ul style="list-style-type: none">The loans have been extended as per the proportion to the Joint Venture.This is a share of profit unpaid to the partner.As for the loans extended to the partner of Joint Venture BBCD, there is a condition for exemption from interest payment (since the auditor opined to suspend the interest calculation, as the interest was long overdue), with the repayment schedule upon Joint Venture BBCD's receipt of compensation for increased costs from the Expressway Authority of Thailand or upon the Company's demand, whichever occurs first.
			4,120,900	4,120,900	
	<ul style="list-style-type: none">This is a partner of Joint Venture BBCT, in which CH. Karnchang Public Company Limited's proportion represents 99.97 percent.	15.2 Joint Venture BBCT <ul style="list-style-type: none">Advance payment to related partiesAmounts due to related parties	Advance payment		<ul style="list-style-type: none">The loans have been extended as per the proportion to the Joint Venture.This is a share of profit unpaid to the partner.The loans have been extended to the partner of Joint Venture BBCT.Joint Venture BBCT will make the loan repayment upon its receipt of compensation for increased costs from the Expressway Authority of Thailand (referred to Joint Venture BBCD) or upon the Company's demand, whichever occurs first.
			3,986,901	3,986,901	
			Amounts due to related parties		
			20,017,243	20,017,243	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
16. Saha Tokyu Corporation Co., Ltd.					
Operation of real estate development business	<ul style="list-style-type: none"> CH. Karnchang-Tokyu Construction Co., Ltd. (a subsidiary of CH. Karnchang Public Company Limited). The Company holds shares representing 55 percent. 	16.1 CH. Karnchang-Tokyu Construction Co., Ltd. <ul style="list-style-type: none"> CH. Karnchang-Tokyu Construction Co., Ltd. is engaged to carry out the construction of building and public utilities system, with a value of Baht 165.9 Million. 	Revenues from construction services		<ul style="list-style-type: none"> This transaction is an ordinary course of business. This project is of a nature in which CH. Karnchang-Tokyu Construction Co., Ltd. has experience and could be completed within the scheduled period.
			53,533,316	161,231,195	
			Trade accounts receivable		
			68,991	-	
			Unbilled receivables		
			-	29,592,874	
			Retention receivable		
			9,241,227	6,269,063	
17. CH. Karnchang Holding Co., Ltd.					
	<ul style="list-style-type: none"> This is a major shareholder of CH. Karnchang Public Company Limited, and 25 percent of its shares are held by Mahasiri Siam Co., Ltd., as a major shareholder of CH. Karnchang Public Company Limited. Two executive directors of the Company, namely, Mr. Plew Trivisvavet and Miss Supamas Trivisvavet, serve as directors in CH. Karnchang Holding Co., Ltd. 	17.1 The Company <ul style="list-style-type: none"> CH. Karnchang Public Company Limited purchased 4 plots of land from CH. Karnchang Holding Co., Ltd., at Tambon Bang Bo, Samut Prakan Province, covering the total area of 243 - 0 - 57.2 rai, in the amount of Baht 480 Million. 	Property, plant and equipment		<ul style="list-style-type: none"> This transaction is an ordinary course of business. This is the purchase of land for utilization as the storage facility of machinery, construction materials, construction of buildings, staff camp, workers' quarters; for accommodating equipment and machinery of the Company for the completed works for maintenance and repair for further use in the next projects; and for accommodating the construction of the Suvarnabhumi Airport Project, the motorway construction project, the MRT Orange and Yellow Line Projects, etc. The price of land is lower than market price, as appraised by an independent appraiser, namely, Year Appraisal Co., Ltd. (a company appraising properties in the capital market and a key appraiser as approved by the Office of the Securities and Exchange Commission), in the amount of Baht 505,737,440.
			-	480,000,000	

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
18. CK. Office Tower Co., Ltd.					
<ul style="list-style-type: none"> - This is a shareholder of CH. Karnchang Public Company Limited, and 25 percent of its shares are held by Mahasiri Siam Co., Ltd., as a major shareholder of CH. Karnchang Public Company Limited. Two executive directors of the Company, namely, Mr. Plew Trivisvavet and Miss Supamas Trivisvavet, serve as directors in CK. Office Tower Co., Ltd. 	<ul style="list-style-type: none"> CH. Karnchang Public Company Limited purchased 2 plots of land from CK. Office Tower Co., Ltd., at Sam Sen Subdistrict, Dusit District, Bangkok, covering the total area of 391 square wah, together with a 3-storey office building (with a building life cycle of approximately 44 years, which the Company is required to carry out certain improvement), and a parking building, in the amount of Baht 70 Million 	Property, plant and equipment	-	70,000,000	<ul style="list-style-type: none"> This transaction is an ordinary course of business. This transaction is for expansion of the head office, due to insufficient space in the existing office building for use to accommodate the Company's business operations in the future. The price of land is lower than market price, as appraised by an independent appraiser, namely, Year Appraisal Co., Ltd. (a company appraising properties in the capital market and a key appraiser as approved by the Office of the Securities and Exchange Commission), in the amount of Baht 73,870,000.

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2016 (Baht)	Transaction Value of 2015 (Baht)	Necessity / Justification
19. Mahasiri Siam Co., Ltd.					
<ul style="list-style-type: none">This is a major shareholder of CH. Karnchang Public Company Limited, holding shares representing 18.38 percent.Two executive directors of the Company, namely, Mr. Plew Trivisvavet and Miss Supamas Trivisvavet, serve as directors in Mahasiri Siam Co., Ltd.	<ul style="list-style-type: none">CH. Karnchang Public Company Limited purchased 10 plots of land from Mahasiri Siam Co., Ltd., at Tambon Bang Chalong, Amphoe Bang Phli, Samut Prakan Province, covering the total area of 167 - 1 - 49 rai, in the amount of Baht 630 Million.	Property, plant and equipment			<ul style="list-style-type: none">This transaction is an ordinary course of business.This is the purchase of land for utilization as the storage facility of machinery, construction materials, construction of buildings, staff camp, workers' quarters; for accommodating equipment and machinery of the Company for the completed works for maintenance and repair for further use in the next projects; and for accommodating the construction of the high-speed rail project, the motorway construction project, etc. The price of land is lower than market price, as appraised by an independent appraiser, namely, Thai Surveyor & Advisory Co., Ltd. (a company appraising properties in the capital market and a key appraiser as approved by the Office of the Securities and Exchange Commission), in the amount of Baht 657,437,000.
		630,000,000	-		

2. Opinions of the Board and the Audit Committee

The Company's contracts with its related companies to carry out construction on a subcontract basis are undertaken at reasonable prices, whereby the costs of relevant projects under such contracts were reviewed and deemed appropriate by the Company's engineers and based on an ordinary course of business.

- Project management fees are derived from transactions where the Company arranged for personnel to various related companies and joint ventures for the purpose of project management, whereby the Company entered into contracts for management fees with those related companies and joint ventures, and such management fees covered salaries, bonuses, benefits and other management expenses.
- Service fees are derived from transactions where the Company leased out to joint ventures and subsidiaries equipment and machinery at the rental rates close to market rates, representing an ordinary course of business.
- Costs of goods are derived from transactions where the Company traded goods with related companies at the price close to market price, representing an ordinary course of business.
- Accounts receivable in the form of intercompany loans bear interest at an appropriate rate and subject to an ordinary course of business. Connected transactions are submitted to the meeting of the Board of Directors or the Executive Board, for consideration in respect of their suitability.

3. Measures or Procedures for Approval of Connected Transactions

The Company has complied with the relevant rules, regulations and requirements of the Securities and Exchange Commission. As for any transactions that might give rise to a conflict of interests and require approval of the Board of Directors and of the Audit Committee, the Company has already complied with such rules, regulations or requirements, whereby the grant of approval for the said connected transactions shall take into account the optimum

benefits to the Company, fairness and justifications of the transactions as well as based on market prices in the ordinary course of business. In addition, the interested parties or those who might have a conflict of interests in such connected transactions shall not be allowed to participate in the consideration and approval of the connected transactions so as to ensure the fairness and the optimum benefits to the Company. As for any connected transactions falling under the criteria as specified in the regulations, notifications, orders, requirements or rules of the Stock Exchange of Thailand, the Company has complied with the applicable requirements of the Stock Exchange of Thailand.

4. Policy or Trend of Future Connected Transactions

The policy on consideration and approval of connected transactions with related businesses shall comply with the procedures that require consideration by the Board of Directors and the Audit Committee while those who have interests or might have a conflict of interests in connected transactions shall not be allowed to participate in the approval of such connected transactions. The criteria used by the Board of Directors and the Audit Committee as guidelines in the consideration is that related businesses are required to propose competitive products or services in terms of price and quality. On the contrary, should the Company be to render services to any related businesses, the Company is required to propose price and quality in line with standards or market price without giving any favorable benefit to the related businesses, which may result in transfer of benefits to those who might have a conflict of interests with the Company.

Future connected transactions in the form of loans tend to be loans among the Company, subsidiaries and joint ventures for the purpose of financial support in business operations so as to support and facilitate their operations, which will be deemed as an ordinary course of business. Consideration and approval for such transactions will be mainly based on the optimum benefits of the Company. However, for the loans between the Company, subsidiaries or joint ventures, and related companies in which the Company's major shareholders, directors or executives hold shares, the Company group has no policy to extend any intercompany loans in the future.



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FINANCIAL HIGHLIGHTS

Significant Financial Information

Summary of Financial Information under the Consolidated Financial Statements

Item	Amount (Million Baht)		
	2014	2015	2016
Total assets	80,872.24	93,065.90	94,928.37
Total liabilities	61,401.56	72,210.23	73,074.05
Shareholders' equity	19,470.68	20,855.67	21,854.32
Total revenues	35,443.36	38,027.75	47,019.54
Gross profit (loss)	3,037.65	2,861.15	3,238.23
Net profit (loss)	2,296.26	2,192.64	2,002.40
Earnings (loss) per share (Baht)	1.36	1.29	1.18

Summary of Financial Information under the Separate Financial Statements

Item	Amount (Million Baht)		
	2014*	2015	2016
Total assets	72,140.42	86,272.06	89,873.25
Total liabilities	50,465.23	63,520.13	67,096.39
Shareholders' equity	21,675.18	22,751.93	22,776.86
Total revenues	23,174.12	27,315.82	22,335.52
Gross profit (loss)	1,663.35	1,930.24	1,436.24
Net profit (loss)	1,917.39	2,067.48	983.58
Earnings (loss) per share (Baht)	1.13	1.22	0.58

* The figures in 2014 were restated in the separate financial statements for comparison from changes in accounting policy due to the adoption of new financial reporting standards relating to joint arrangements which were joint operations.

MANAGEMENT DISCUSSION AND ANALYSIS

14.1 Analysis of Operations and Financial Position

14.1.1 Overview

Operation Overview and Significant Changes

CH. Karnchang Public Company Limited operates its core business of two categories, namely, the construction business and the regional basic infrastructure investment and development business, in order to strengthen its competitive edge and sustainable and steady growth.

In 2016, the Company and its subsidiaries executed many project construction agreements which would help constantly generate the Company Group's revenue, namely:

- The Construction Agreement of Highway No. 7, Bangkok - Ban Chang, Pattaya - Map Ta Phut Section, Phase 5, between km. 13+900.000 - km. 16+150.000, for a distance of approximately 2.250 kilometers, including highway lighting installation in Amphoe Bang Lamung, Chonburi Province, with the Department of Highways, with the contract value worth approximately Baht 778 Million;
- The Engagement Agreement for Improvement of Voltage and Construction of the 230/500 kV Nabong Substation with Nam Ngum 2 Power Company Limited, with the contract value worth approximately Baht 800 Million and USD 39 Million;
- The Amendment to Engineering, Procurement and Construction Contract (EPC Contract) for the Xayaburi Hydroelectric Power Project with Xayaburi Power Company Limited, with the contract value worth approximately Baht 19,400 Million;
- The Construction Agreement of Motorway, Bang Pa-in - Saraburi - Nakhon Ratchasima Section, km. 27+500.000 - km. 37+700.000

(including Hinkong Interchange), for a distance of approximately 10.200 kilometers, with the Department of Highways, with the contract value worth approximately Baht 1,946 Million;

- The contract of the repair of the Si Rat Expressway: Periodic 3 Phase 5, Sector D (Asoke - Srinagarindra) with Bangkok Expressway and Metro Public Company Limited, with the contract value worth approximately Baht 32 Million;
- The Company signed as the Contractor for additional maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project (the improvement and repair of the Civil Infrastructure and E&M Systems, including supply of equipment and tools for operation and maintenance for the MRT Purple Line Project in addition to the scope of work from the existing Agreement in which the Company is a project manager for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project) with Bangkok Expressway and Metro Public Company Limited, with the contract value worth approximately Baht 155 Million.

With respect to the regional basic infrastructure investment and development business, there were significant changes as follows:

- In January 2016, the Company acquired 106 million ordinary shares in Bangkok Expressway and Metro Public Company Limited, with the value worth Baht 556 Million, and as such, the Company's shareholding percentage in such company increased from 27.47 percent to 28.16 percent.
- On May 16, 2016, the Board of Directors' Meeting resolved to grant approval for the Company to provide sponsors support to Xayaburi Power Company Limited (CK Power Public Company Limited's associated

company). Thereafter, on May 17, 2016, the Company signed the Sponsors Loan Agreement with such company, whereby the Company would extend a loan in the amount of Baht 13,547 Million for use in construction of additional works of the Xayaburi Hydroelectric Power Project (as per the details in Note 6 to Financial Statements).

- In September 2016, the Company subsequently acquired 240 million ordinary shares in Bangkok Metro and Expressway Public Company Limited, with the value worth Baht 1,920 Million, and as such, the Company's shareholding percentage in such company increased from 28.16 percent to 29.73 percent.
- In October and December 2016, the Company sold 109 million ordinary shares in CK Power Public Company Limited, with the total value worth approximately Baht 389 Million, and recognized gain from sales of investments in such associated company in the consolidated financial statements for 2016 in the amount of approximately Baht 218 Million, and as such, the Company's shareholding percentage in such company reduced from 30.25 percent to 28.77 percent.

Accounting Standard and Auditor's Observation

In 2016, the auditor's report style was changed to ensure that more information directly related to the Company was provided to those who used the financial statements, particularly key audit matter. The auditor was of the opinion that recognition of revenue from construction services was of great significance in audit of the Company and its subsidiaries since it represented a transaction which had a significant amount as compared with the total revenues of the Company and its subsidiaries, and was also subject to management's discretion. The auditor gave the detailed explanations on audit procedures for such transaction, among of them, for instance, were reading the construction contracts to consider the conditions relating to revenue recognition; making enquiries from responsible executives and gaining a understanding of the Company's and its subsidiaries' process for assessment of the percentage of work completion and estimates of construction project costs of the entire projects; checking estimates of construction project costs with the budget plan for each project; checking actual cost of construction services with its supporting documents, etc., (as per the details in the auditor's report for the financial statements for 2016).

As for additional information relating to business overview, its details are indicated in the sections entitled Business Policy and Overview and Nature of Business Operations; and as for additional information relating to economic and industrial conditions, its details are set forth in the section entitled Trend of Growth and Development of Construction Industry.

14.1.2 Operational Results and Profitability

Consolidated Income Statement Unit: Million Baht	Year		Change	
	2016	2015	Amount	Percent
Revenues from construction services and sales of construction materials	45,768.29	34,846.94	10,921.35	31.34
Other income	1,251.26	3,180.81	(1,929.55)	(60.66)
Total revenues	47,019.55	38,027.75	8,991.80	23.65
Cost of construction services and sales of construction materials	42,530.06	31,985.80	10,544.26	32.97
Administrative expenses	1,781.23	1,758.51	22.72	1.29
Total expenses	44,311.29	33,744.31	10,566.98	31.31
Profit before share of profit (loss) from investments in associated companies, finance cost and income tax expenses	2,708.26	4,283.44	(1,575.18)	(36.77)
Share of profit (loss) from investments in associated companies	577.61	(19.36)	596.97	(3,083.52)
Finance cost	(1,165.80)	(1,544.67)	378.87	(24.53)
Income tax expenses	(77.62)	(459.01)	381.39	(83.09)
Net profit	2,042.45	2,260.40	(217.95)	(9.64)
Equity attributable to equity holders of the Company	2,002.40	2,192.64	(190.24)	(8.68)
Non-controlling interests of the subsidiaries	40.05	67.76	(27.71)	(40.89)

Net profit attributable to equity holders of the Company for 2016 amounted to Baht 2,002.40 Million, a decrease by Baht 190.24 Million, representing 8.68 percent

The Company and its subsidiaries had net profit attributable to equity holders of the Company amounted to Baht 2,002.37 Million, a decrease of Baht 190.24 Million from the previous year, representing 8.68 percent, mainly due to the fact that in 2016, the Company's gain from sales of investments reduced by Baht 1,740.03 Million from the previous year; however, the Company had an increase in gross profit from Baht 377.09 Million and a decrease in finance cost and income tax expenses as compared with that of the previous year.

Revenues from construction services and sales of construction materials for 2016 amounted to Baht 45,768.29 Million, an increase by Baht 10,921.35 Million, representing 31.34 percent

The Company and its subsidiaries had revenues from construction services and sales of construction materials in the amount of Baht 45,768.29 Million, representing 97.34 percent of total revenues, an increase by Baht 10,921.35 Million from the previous year, representing 31.34 percent, as a result of progress in construction of various projects, not to mention the remaining volume of contractual construction works and new construction works as awarded to the Company, such as, the Si Rat Expressway Project, the MRT Purple Line Project, Contract 4, the Cogeneration Power Project No. 2, and the 2nd Tap Water Production Plant Construction Project for production capacity expansion in Samut Sakhon - Nakhon Pathom Area, particularly the Xayaburi Hydroelectric Power Project, including additional construction works as approved by the employer in 2016.

Revenues from construction services for 2016 accounted for public and private work proportions of 14.34 percent and 85.66 percent, respectively, however, such proportions changed according to the economic conditions and government policy, per the details in the section entitled Nature of Business Operations.

Cost of construction services and sales of construction materials for 2016 amounted to Baht 42,530.06 Million, an increase by Baht 10,544.26 Million, representing 32.97 percent.

Other income for 2016 amounted to Baht 1,251.26 Million, a decrease by Baht 1,929.55 Million, representing 60.66 percent.

Administrative expenses for 2016 amounted to Baht 1,781.23 Million, an increase by Baht 22.72 Million, representing 1.29 percent.

Share of profit (loss) from investments in associated companies for 2016 amounted to Baht 577.61 Million, an increase by Baht 596.97 Million.

The Company and its subsidiaries had cost of construction services and sales of construction materials in the total amount of Baht 42,530.06 Million, an increase by Baht 10,544.26 Million from the previous year, representing 32.97 percent, due to progress of various projects, including the additional construction works of the Xayaburi Hydroelectric Power Project. The Company and its subsidiaries had gross profit of Baht 3,238.23 Million, an increase by Baht 377.09 Million from the previous year, representing 13.18 percent, and had gross margin ratio in 2016 representing 7.08 percent, a decrease from 8.21 percent in 2015, mainly due to the subsidiaries' recognition of the additional construction works of the Xayaburi Hydroelectric Power Project with the lower gross profit than that of main construction.

The Company and its subsidiaries had other income amounting to Baht 1,251.26 Million, a decrease by Baht 1,929.55 Million from 2015, representing 60.66 percent, due to a decrease in gain on sales of investments, including the decrease in dividend income after Bangkok Expressway and Metro Public Company Limited's amalgamation which was completed in December 2015. The Company recognized the share of profit instead of dividend.

The Company and its subsidiaries had administrative expenses amounting to Baht 1,781.23 Million, an increase by Baht 22.72 Million from the previous year, representing 1.29 percent. In 2015 and 2016, the Company and its subsidiaries had no incurred expenses for research and development.

The Company and its subsidiaries had share of profit from investments in associated companies amounting to Baht 577.61 Million, as compared with Baht 19.36 Million of the share of loss in the same period of the previous year, due to recognition of the share of profit from Bangkok Expressway and Metro Public Company Limited after completion of the amalgamation in December 2015.

Unit: Million Baht	2016	2015	Change	%
Bangkok Expressway and Metro Public Company Limited	648.32	3.65	644.67	17,662
Bangkok Metro Public Company Limited	-	(191.09)	191.09	(100)
Xayaburi Power Company Limited	-	(5.27)	5.27	(100)
CK Power Public Company Limited	(70.71)	173.34	(244.05)	(141)
Total	577.61	(19.37)	596.98	(3,082)

¹ On December 30, 2015, Bangkok Expressway Public Company Limited and Bangkok Metro Public Company Limited were amalgamated into a new company, named Bangkok Expressway and Metro Public Company Limited, as the Company's associated company.

² In June 2015, the Company sold ordinary shares in Xayaburi Power Company Limited and no longer recognized share of loss from such company.

Finance cost for 2016 amounted to Baht 1,165.80 Million, a decrease by Baht 378.87 Million, representing 24.53 percent.

Corporate income tax for 2016 amounted to Baht 77.62 Million, a decrease by Baht 381.39 Million, representing 83.09 percent.

In 2016, return on equity was equal to 9.16 percent and return on assets was equal to 2.11 percent.

The Company and its subsidiaries had finance cost amounting to Baht 1,165.80 Million, a decrease by Baht 378.87 Million as compared with that of the previous year, representing 24.53 percent, due to a reduction of average financial costs. Moreover, the Company's subsidiaries expected to be compensated for interest expenses by the employers in the future.

The Company and its subsidiaries had corporate income tax amounting to Baht 77.62 Million, a decrease by Baht 381.39 Million as compared with that of the previous year, representing 83.09 percent, due to a decrease in tax on gain on sales of investments.

The Company had return on equity equal to 9.16 percent, a decrease by 1.35 percent as compared with that of the previous year, and return on assets equal to 2.11 percent, a decrease by 0.25 percent as compared with that of the previous year, due to a decrease in net profit from a decrease in gain on sales of investments.

Statement of Financial Position Unit: Million Baht	December 31, 2016	December 31, 2015	Change	
			Amount	Percent
Assets	94,928.37	93,065.90	1,862.47	2.00
Liabilities	73,074.05	72,210.23	863.82	1.20
Shareholders' equity	21,854.32	20,855.67	998.65	4.79

Total assets as at December 31, 2016 amounted to Baht 94,928.37 Million, an increase by 2.00 percent from the previous year.

Total liabilities as at December 31, 2016 amounted to Baht 73,074.05 Million, an increase by 1.20 percent from the previous year.

Shareholders' equity as at December 31, 2016 amounted to Baht 21,854.32 Million, an increase by 4.79 percent from the previous year.

As at December 31, 2016, the Company and its subsidiaries had total assets amounting to Baht 94,928.37 Million, an increase by Baht 1,862.47 Million from the previous year, representing 2.00 percent, mostly resulting from an increase in cash, investments in associated companies due to the Company's additional investments in Bangkok Expressway and Metro Public Company Limited during the period and an increase in loans to associated companies.

As at December 31, 2016, the Company and its subsidiaries had total liabilities amounting of Baht 73,074.05 Million, an increase by Baht 863.82 Million from the previous year, representing 1.20 percent, mostly due to drawdown of short-term loans and issuance of additional debentures (see details in Notes 21 and 25 to Financial Statements).

As at December 31, 2016, the Company and its subsidiaries had shareholders' equity in the total amount of Baht 21,854.32 Million, an increase by Baht 998.65 Million from the previous year, representing 4.79 percent, resulting from the operational results of the Company and gain on value of investments in TTW Public Company Limited.

Cash Flow Statement Unit: Million Baht	Year	
	2016	2015
Net cash flows from (used in) operating activities	18,362.20	(9,982.97)
Net cash flows from (used in) investing activities	(14,133.17)	(1,246.67)
Net cash flows from (used in) financing activities	2,505.59	10,614.37
Effect of exchange rate changes on cash and cash equivalents	4.60	17.17
Net increase (decrease) in cash	6,739.21	(598.11)

In 2016, cash from operating activities amounted to Baht 18,362.20 Million; cash used in investing activities amounted to Baht 14,133.17 Million; and cash from financing activities amounted to Baht 2,505.59 Million.

In 2016, the Company and its subsidiaries had net cash from operating activities amounting to Baht 18,362.20 Million, due to the Company's receipt of payment for service charges from various projects, particularly the Xayaburi Hydroelectric Power Project; cash used in investing activities amounting to Baht 14,133.17 Million, mostly resulting from loans to associated companies, investments in associated companies and other current investments; cash from financing activities amounting to Baht 2,505.59 Million, resulting from an increase in loans from banks and debentures, therefore, net cash increased by Baht 6,739.21 Million.

14.1.3 Ability in Asset Management

The asset value of the Company, its subsidiaries and jointly controlled entities under the consolidated financial statements reflected value close to fair value since the Company, its subsidiaries and jointly controlled entities arranged for the assessment of value of various assets. In addition, if it was expected which asset value would be impaired, the Company, its subsidiaries and jointly controlled entities would set aside a provision to ensure that asset value under the financial statements did not materially differ from fair value. As for investments of the Company and its subsidiaries, the provision for loss was set aside should the Company and its subsidiaries deem that investments had a tendency to be impaired. In this connection, the Company and its subsidiaries believed that the provision for impairment of investments as recorded was sufficient and investment value under the financial statements was close to fair value.

Trade accounts and other receivables

As at December 31, 2016, the Company's trade accounts receivable amounted to Baht 7,046.36 Million, divided into related companies' trade accounts receivable representing

43.04 percent, such as, Bangkok Expressway and Metro Public Company Limited, Xayaburi Power Company Limited, TTW Public Company Limited, and non-related companies' trade accounts receivable representing 56.96 percent, such as, Mass Rapid Transit Authority of Thailand, the State Railway of Thailand, the Department of Highways, and other receivables amounted to Baht 873.77 Million, thereby rendering total receivables to Baht 7,920.13 Million, an increase by Baht 746.57 Million from the end of 2015, representing 28.29 percent. The Company's trade accounts and other receivables were mostly from construction and sale of construction materials. Normally, the Company provided a credit term for 30-65 days, and for 2016, the Company's average collection period equaled 62.30 days, a decrease by 1.48 days from 2015.

Trade accounts receivable were stated at the net realizable value. Allowance for doubtful accounts was provided by the Company and its subsidiaries for the estimated losses that might be incurred in uncollectible receivables. The allowance was generally based on collection history and analysis of debt aging (the analysis of debt aging was shown in Note 9 to Financial Statements).

Short-term loans to related parties and interest receivable

As at December 31, 2016, the Company's short-term loans to related parties and interest receivable amounted to Baht 283.91 Million, whereby allowance for doubtful debts amounted to Baht 3,442 Million, representing allowance for doubtful accounts for Joint Venture BBCD (see details in Note 6 to Financial Statements). Loans to Joint Venture BBCD were granted with a condition to waive interest under a resolution mutually passed by the Company and Bilfinger Berger AG, as joint venture partners, but they retained the right to claim such interest if the joint venture receives compensation for additional costs from the Expressway Authority of Thailand. The loan principal and interest were to be paid on the earlier of the date Joint Venture BBCD receives compensation for additional costs from the Expressway Authority of Thailand or the date when the Company called for the loan repayment.

Unbilled receivables

As at December 31, 2016, the Company's unbilled receivables amounted to Baht 2,715.07 Million, a decrease by Baht 10,431.86 Million from the end of 2015, due to receipt of payment for service charges of the Xayaburi Hydroelectric Power Project.

Construction in progress and construction supplies

As at December 31, 2016, the Company's construction in progress and construction supplies amounted to Baht 2,775.20 Million, a decrease from the end of 2015 by Baht 10,011.69 Million, due to the fact that during the year, the Company's subsidiary signed the Amendment to Engineering, Procurement and Construction Contract (EPC Contract) for the Xayaburi Hydroelectric Power Project with Xayaburi Power Company Limited, and therefore, such cost was recognized during the year.

Long-term loans to associated company and interest receivable

As at December 31, 2016, the Company had long-term loans to associated company amounting to Baht 10,055.43 Million and interest receivable amounting to Baht 304.28 Million, totaling Baht 10,359.71 Million. On May 16, 2016, the Board of Directors' Meeting resolved to grant approval for the Company to provide sponsors support to Xayaburi Power Company Limited (CK Power Public Company Limited's associated company). Thereafter, on May 17, 2016, the Company signed the Sponsors Loan Agreement with such company, under which the Company would extend loans in the amount of approximately Baht 13,547 Million to such company for use in construction of additional works of the Xayaburi Hydroelectric Power Project. Such loans are to carry the interest at the Minimum Loan Rate plus 0.25 percent (MLR + 0.25%) per annum during the project construction period and at the Minimum Loan Rate (MLR) during the period of the project's Commercial Operation Date (within 2019). The loan repayment was scheduled to be made and due in full by no later than 2031, at the same rate as that of loans from the lending banks for this project. In this regard, Xayaburi Power Company Limited would repay such loans and interest from the remaining cash after fulfillment of all provisions in the long-term loan agreements of the lending banks (see details in Note 6 to Financial Statements).

Investments in associated companies

As at December 31, 2016, the Company's investments in associated companies under the consolidated financial statements amounted to Baht 19,436.34 Million, an increase from the end of 2015 by Baht 2,171.21 Million, per the details as follows:

	2016	2015	2016	2015	Change	
	percent	percent	Million Baht	Million Baht	Million Baht	%
Bangkok Expressway and Metro Public Company Limited	30.62	28.50	16,197.95	13,761.71	2,436.24	17.70
CK Power Public Company Limited	28.77	30.25	3,238.39	3,497.42	(259.03)	(7.41)
Total			19,436.34	17,259.13	2,177.21	12.61

The increase in investments in associated companies was mainly caused by the Company's additional investments in Bangkok Expressway and Metro Public Company Limited during the year (see details of change in investments in associated companies in Note 16 to Financial Statements).

Long-term trade accounts receivable

As at December 31, 2016, the Company's long-term trade accounts receivable amounted to Baht 14,095.41 Million, a decrease from the end of the previous year by Baht 310.64 Million. The outstanding balance represented construction contract receivable from the Project Management Agreement, as well as for Supply and Installation of M&E Systems in the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khleng Bang Phai Station - Tao Poon Station) which the Company, as the contractor, signed with Bangkok Metro Public Company Limited. The Company carried out construction works and

recorded construction receivable based on the percentage of completion, to the extent that the Mass Rapid Transit Authority of Thailand (MRTA) already issued the acceptance certificates. All construction contract receivables were due for billing on the date of the Commissioning Certificate for operation on the MRT Purple Line Project, and the Company would receive payment for the work on a monthly basis, when Bangkok Metro Public Company Limited received compensation from the MRTA

14.1.4 Liquidity and Adequacy of Investments

Current ratio as at December 31, 2016 was equal to 1.14 times, a decrease from 1.47 times of the previous year.

The Company's current ratio under the consolidated financial statements as at December 31, 2016 was equal to 1.14 times, a decrease as compared with 1.47 times of the end of the previous year, due to the fact that the Company had unbilled receivables and construction in progress decreased; and quick ratio was equal to 0.43 times, an increase from 0.16 times of the end of the previous year, due to an increase in the Company's cash and current investments, whereby cash cycle stayed at approximately 31.27 days, a decrease from 133.39 days of the previous year (average collection period + average sale period - debt servicing period). Therefore, the Company was certain that the Company's liquidity was adequate for its operations, and the Company was able to service its debts, comply with the material borrowing conditions, as well as secure additional financing.

Debt to equity ratio as at December 31, 2016, was equal to 1.33 times, a decrease from 1.66 times of the previous year.	The Company's debt to equity ratio under the consolidated financial statements as at December 31, 2016 was equal to 1.33 times, a decrease as compared with 1.66 of the end of the previous year, due to a decrease in liabilities bearing net interest and an increase in shareholders' equity. The debt to equity ratio was still lower than the specified conditions of issuance of debentures at not exceeding 3.00 times.
Interest coverage for 2016 was equal to 3.60 times.	The interest coverage was equal to 3.60 times, an increase by 0.25 times as compared with 2016, due to a decrease in finance cost.

14.1.5 Obligations

As at December 31, 2016, the Company's significant obligations were as follows:

- The Company provided security for credits for two subsidiaries' construction projects, namely, CH. Karnchang (Lao) Co., Ltd. and Construction Material Supply Co., Ltd., which were extended by banks and financial institutions, in the total amount of Baht 47,020 Million.
- The Company and its subsidiaries had obligations relating to various construction projects and services, which the Company and its subsidiaries entered into agreements in the amounts of Baht 19,085 Million, USD 259 Million.
- Letters of guarantee were issued by banks in the name of the Company and its subsidiaries in connection with their obligations in the ordinary course of business in the total amount of Baht 28,348 Million.
- Subsidiaries incurred capital expenditures in the amount of approximately Baht 48 Million in connection with purchase of equipment.
- Subsidiaries were obligated to pay rentals under the office lease agreements in the total amount of Baht 10 Million.

- The Company was obligated to additionally invest in capital increase ordinary shares of the associated company (CK Power Public Company Limited).
- The Company was obligated to provide financial support to Xayaburi Power Company Limited (see details in Note 6 to Financial Statements).

14.1.6 Factors Affecting Future Operations

In 2016, the government sector expedited the approval to investment and bid opening for new basic infrastructure construction projects, such as, the Orange, Yellow and Pink Line Projects, the Motorway Projects, the Suvarnabhumi Airport Project, Phase 2, thereby propelling the economy movements against the economic slowdown and building more confidence in global market. Moreover, to ensure the continued investment in basic infrastructure, the government formulated the Transport Action Plan Year 2017 covering investment in rail, expressway and motorway systems, airport development, ports and logistics centers, in order to accommodate the growth of the national economy and transportation system to connect with other countries in the region.



REPORT ON RESPONSIBILITIES OF THE BOARD OF DIRECTORS TOWARDS THE FINANCIAL REPORT



The Company's Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure good management in accordance with laws, detailed objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings with integrity and prudence. The Board of Directors protects the benefits of the Company, shareholders and general investors by ensuring that the Company's financial report contains accurate and full accounting records that reflect the Company's actual financial position and operational results.

The Company's Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange to review and ensure the accuracy and sufficiency of the financial report, including accurate and complete disclosure of connected transactions or transactions with possible conflict of interest, in compliance with the requirements of the Stock Exchange and

relevant rules and regulations. In this regard, the Audit Committee has already reported their performance to the Company's Board of Directors.

The Company's Board of Directors is of the opinion that the financial statements for 2016 of the Company and the subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditor, reflect accurate financial position and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'S m T'.

(Dr. Supamas Trivisvavet)
President

A handwritten signature in black ink, appearing to read 'P. Marittanaporn'.

(Mr. Prasert Marittanaporn)
Director



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CH. Karnchang Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of CH. Karnchang Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of CH. Karnchang Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CH. Karnchang Public Company Limited and its subsidiaries and of CH. Karnchang Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are described below.

Recognition of revenue from construction services

The Company and its subsidiaries disclosed their policies on recognition of revenue from construction services, estimation of construction project costs and provision for losses on construction projects in Note 4 and Note 5 to the financial statements. I identified the recognition of revenue from construction services and the estimates of possible losses from construction contracts to be areas of significant risk in audit. This is because the amount of revenue from construction services that the Company and its subsidiaries recognise in each period forms a significant portion of the Group's total revenue.

In addition, the process of measurement, the determination of appropriate timing of recognition and the estimates of possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion of construction work, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction services and the estimates of possible losses from construction contracts.

I examined the recognition of revenue from construction services and the provision for losses on construction projects by assessing and testing the effectiveness of the internal controls put in place by the Company and its subsidiaries over the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from construction contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Company's and its subsidiaries' process to assess the percentage of completion and cost estimates for projects, checked estimates of project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred. In addition, I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Siraporn Ouaanunkun.

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 28 February 2017



CH. Kamchiang Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	11,406,172,752	4,636,562,444	8,156,485,577	3,730,529,489
Current investments	8	1,130,475,430	70,947,347	1,089,464,486	70,123,052
Trade and other receivables	6, 9	7,920,131,545	8,173,680,332	7,787,264,974	7,800,237,721
Short-term loans to related parties and interest receivable	6	283,913,284	283,913,284	4,502,064,004	20,587,117,326
Unbilled receivables	10	2,715,072,622	13,140,933,505	2,541,247,852	3,032,984,691
Construction in progress and construction supplies	11	2,775,186,871	12,786,883,923	798,271,124	1,501,415,360
Advance payment to subcontractors		6,209,781,995	1,233,238,116	2,541,025,061	1,959,911,599
Derivative financial assets		28,831,432	-	15,412,721	-
Other current assets	12	880,234,153	677,939,686	773,684,577	608,591,721
Total current assets		35,329,812,077	45,010,378,617	28,181,820,650	39,131,310,959
Non-current assets					
Restricted bank deposits	13	32,119,923	16,893,326	16,383,158	223,326
Long-term loans to associated company and interest receivable	6	10,359,710,476	-	10,359,710,476	-
Long-term loans to related company and interest receivable	6	5,262,792	12,383,952	5,262,792	12,383,952
Investments in subsidiaries	14	-	-	351,476,101	351,476,101
Investments in associated companies	16	19,436,337,429	17,259,130,911	22,286,657,323	20,057,172,747
Other long-term investments	17	8,312,219,720	8,007,595,850	8,209,339,720	7,988,715,850
Long-term trade receivables	9	14,095,406,437	14,408,045,910	14,095,406,437	14,408,045,910
Investment properties	18	417,259,576	382,973,637	498,944,568	498,950,371
Property, plant and equipment	19	8,609,884,536	7,329,632,687	5,527,676,265	3,653,921,013
Intangible assets	20	58,655,758	15,911,958	56,132,241	13,564,593
Accounts receivable - claims for additional costs	28	2,515,620,282	2,515,620,282	2,515,620,282	2,515,620,282
Less: Allowance for doubtful accounts	28	(2,515,620,282)	(2,515,620,282)	(2,515,620,282)	(2,515,620,282)
Accounts receivable - claims for additional costs, net		-	-	-	-
Advances for future projects		71,801,636	282,307,380	71,801,636	16,263,874
Withholding tax deducted at source		72,546,667	108,148,638	37,912,638	31,177,073
Deferred tax assets	30	103,553,591	116,250,582	12,102,217	90,952,594
Other non-current assets		18,674,001	27,176,518	5,731,378	17,104,558
Total non-current assets		61,598,562,742	48,025,517,849	61,688,326,926	47,167,752,202
Total assets		96,928,374,819	93,036,896,466	89,870,147,576	86,299,063,161

The accompanying notes are an integral part of the financial statements

CH. Karnchang Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank over-drafts and short-term loans from financial institutions	21	9,531,534,156	8,191,277,481	7,455,955,834	6,163,652,855
Trade and other payables	6, 22	6,440,968,073	6,902,048,717	4,837,855,827	5,107,907,274
Current portion of hire purchase creditors	23	90,883,806	153,517,708	70,449,452	177,542,366
Current portion of long term loans	24	4,547,791,382	5,089,471,750	3,903,750,724	2,413,085,750
Current portion of debentures	25	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Advances received from employers and construction revenue received in advance	6, 10	5,513,543,978	5,883,105,974	4,503,185,590	5,702,287,320
Retention for construction		907,481,188	1,145,622,385	672,730,192	930,390,148
Income tax payable		3,276,548	1,300,852	3,276,548	1,300,852
Unbilled output tax		138,395,067	1,201,231,880	180,061,195	1,219,470,572
Derivative financial liabilities		-	57,648,879	-	57,648,879
Other current liabilities		129,606,858	149,722,918	78,362,369	123,335,132
Total current liabilities		29,345,481,054	30,556,349,144	23,743,438,234	23,890,627,048
Non-current liabilities					
Long-term other payable	6	-	769,741,402	-	769,741,402
Hire purchase creditors, net of current portion	23	21,608,861	109,118,941	17,605,466	85,291,301
Long-term loans, net of current portion	24	14,631,228,920	16,768,086,593	14,631,228,920	15,083,159,785
Debentures, net of current portion	25	26,479,668,523	21,478,213,935	26,479,668,523	21,478,213,935
Provision for long-term employee benefits	26	612,159,232	588,443,855	299,556,879	316,758,965
Deferred tax liabilities	30	1,863,905,515	1,980,275,211	1,927,885,864	1,886,735,589
Total non-current liabilities		43,728,571,051	41,854,879,997	43,352,954,752	39,629,304,317
Total liabilities		73,074,052,105	72,210,229,141	67,096,392,986	63,520,131,365
Shareholders' equity					
Share capital					
Registered					
1,693,899,970 ordinary shares of Baht 1 each		1,693,899,970	1,693,899,970	1,693,899,970	1,693,899,970
Issued and fully paid-up					
1,693,898,872 ordinary shares of Baht 1 each		1,693,898,872	1,693,898,872	1,693,898,872	1,693,898,872
Share premium		4,869,410,139	4,869,410,139	4,869,410,139	4,869,410,139
Retained earnings					
Appropriated - statutory reserve	27	174,889,997	174,889,997	169,389,997	169,389,997
Unappropriated		10,637,105,554	9,781,926,154	8,364,143,037	8,481,593,437
Other components of shareholders' equity		4,105,277,046	3,937,167,112	7,650,014,501	7,537,641,711
Equity attributable to owners of the Company		21,480,638,608	20,457,263,271	22,778,854,596	22,751,652,156
Non-controlling interests of the subsidiaries		373,683,106	388,377,051	-	-
Total shareholders' equity		21,854,322,714	20,855,667,325	22,778,854,596	22,751,932,156
Total liabilities and shareholders' equity		94,928,374,819	93,065,896,466	89,875,247,582	86,272,063,221

The accompanying notes are an integral part of the financial statements



CH. Kamchhang Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit or loss:					
Revenues					
Revenues from construction services		45,705,033,394	34,814,594,147	19,575,211,548	23,579,552,077
Sales of construction materials		60,223,007	32,348,048	6,084,294	13,504,761
Other income					
Project management income	6	40,439,107	4,032,034	142,239,107	5,882,034
Rental income		18,567,627	18,567,443	150,266,703	159,893,647
Transportation income		6,446,800	12,381,400	59,778,533	54,545,010
Interest income	8	355,493,205	56,563,390	1,101,082,644	907,819,331
Dividend income	6	494,630,815	900,899,695	1,097,930,114	943,632,046
Gain on sales of investments in associated companies and other long-term investments	16	270,951,166	2,010,262,857	142,878,381	1,572,035,271
Others		64,484,291	147,284,778	78,098,353	144,852,533
Total revenues		47,019,543,202	38,027,754,960	22,535,523,010	27,375,817,704
Expenses					
Cost of construction services and sales of construction materials		42,630,058,424	31,985,734,278	18,147,035,770	21,662,810,331
Administrative expenses		1,781,237,171	1,768,512,125	1,621,070,307	1,626,641,537
Total expenses		44,411,295,595	33,754,246,403	19,768,076,077	23,289,451,868
Profit before share of profit (loss) from investments in associated companies, finance cost and income tax expenses		2,608,247,607	4,283,448,557	2,567,476,933	3,967,359,439
Share of profit (loss) from investments in associated companies	10	577,970,070	(10,359,755)	-	-
Profit before finance cost and income tax expenses		3,286,217,677	4,284,038,739	2,567,476,933	3,957,000,439
Finance cost:					
(for construction segment and investment segment)		(1,165,502,410)	(1,544,668,961)	(1,528,078,627)	(1,452,811,171)
Profit before income tax expenses		2,120,715,267	2,739,369,778	1,039,398,306	2,424,189,268
Income tax expenses					
(for construction segment and investment segment)	30	(77,514,788)	(409,072,572)	(57,788,262)	(427,263,963)
Profit for the year		2,043,200,479	2,280,297,206	981,610,044	1,996,925,305
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on changes in value of available-for-sale investments, net of income tax		133,653,248	(269,549,054)	124,652,061	(335,735,846)
Unrealized gain from cash flow hedges, net of income tax		52,345,426	437,317,519	17,720,729	347,779,027
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		186,028,074	167,768,465	142,372,790	12,043,181
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss), net of income tax		(51,289,012)	10,438,854	-	13,552,573
Other comprehensive income for the year		134,739,062	188,207,319	142,372,790	25,595,154
Total comprehensive income for the year		2,177,939,541	2,468,504,525	1,123,982,834	2,022,520,459

The accompanying notes are an integral part of the financial statements

CH. Karnchang Public Company Limited and its subsidiaries

Statement of comprehensive Income (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2016	2015	2016	2015
Profit attributable to:				
Equity holders of the Company	2,002,402,047	2,192,644,661	983,579,844	2,067,434,305
Non-controlling interests of the subsidiaries	10,045,041	67,762,585		
	<u>2,042,447,088</u>	<u>2,260,407,246</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	2,142,266,730	2,348,902,268	1,125,952,634	2,053,079,159
Non-controlling interests of the subsidiaries	34,940,220	67,412,097		
	<u>2,177,206,950</u>	<u>2,445,314,365</u>		
Earnings per share	31			
Basic earnings per share				
Profit attributable to equity holders of the Company	1.18	1.29	0.58	1.22
Weighted average number of ordinary shares (shares)	<u>1,693,896,872</u>	<u>1,693,896,872</u>	<u>1,693,896,872</u>	<u>1,693,896,872</u>

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

CHL Kamcheng Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Equity attributable to non-controlling shareholders				
	Other components of equity					Total equity attributable to owners of the Company				
	Issued and fully paid-up share capital	Share premium	Retained earnings	Surplus (deficit) or changes in value of available-for-sale investments	Unrealised gains (losses) from cash flow hedge	Other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling shareholders	Total	
Balance as at 1 January 2015	1,583,396,872	4,389,410,152	174,855,527	4,339,032,481	(539,864,352)	2,759,348,159	19,124,719,224	345,984,954	19,470,704,178	
Profit for the year	-	-	2,192,844,651	-	-	-	2,192,844,651	87,782,585	2,280,627,236	
Other comprehensive income for the year	-	-	18,435,854	(299,498,535)	437,317,512	137,318,553	152,257,527	29,849,502	182,107,029	
Total comprehensive income for the year	-	-	2,211,280,505	(299,498,535)	437,317,512	137,318,553	2,343,922,288	97,632,087	2,441,554,375	
Dividend paid (Note 55)	-	-	(1,516,337,015)	-	-	-	(1,516,337,015)	-	(1,516,337,015)	
Transfer to statutory reserve	-	-	570	-	-	-	570	-	570	
Decrease in non-controlling interests of the subsidiary from a dividend payment of the subsidiary	-	-	-	-	-	-	-	(45,000,000)	(45,000,000)	
Balance as at 31 December 2016	1,583,396,872	4,389,410,152	174,855,927	4,039,533,925	(102,368,811)	3,917,467,112	20,457,250,274	398,377,051	20,855,627,325	
Balance as at 1 January 2016	1,583,396,872	4,389,410,152	174,855,927	4,039,533,925	(102,368,811)	3,917,467,112	20,457,250,274	398,377,051	20,855,627,325	
Profit for the year	-	-	2,002,402,047	-	52,325,155	155,556,136	2,202,422,547	40,045,041	2,242,467,588	
Other comprehensive income for the year	-	-	(48,132,453)	103,667,975	52,325,155	155,556,136	159,850,683	(5,104,821)	154,745,862	
Total comprehensive income for the year	-	-	1,954,269,594	103,667,975	52,325,155	155,556,136	2,142,255,730	34,940,220	2,177,205,950	
Dividend paid (Note 55)	-	-	(1,101,030,194)	-	-	-	(1,101,030,194)	-	(1,101,030,194)	
Decrease in surplus on changes in value of available-for-sale investments	-	-	-	(17,908,202)	-	(17,908,202)	(17,908,202)	(14,604,185)	(32,512,387)	
Decrease in non-controlling interests of the subsidiary from a dividend payment of the subsidiary	-	-	-	-	-	-	-	(45,000,000)	(45,000,000)	
Balance as at 31 December 2016	1,583,396,872	4,389,410,152	174,855,927	4,155,015,701	(50,036,655)	4,125,277,648	21,492,835,620	370,603,105	21,863,438,725	

The accompanying notes are an integral part of the financial statements

CH. Karmchang Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2016

	Separate financial statements						(Unit: Baht)	
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity			Total shareholders' equity
			Appropriated	Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments	Unrealised gain (loss) from cash flow hedges		
Balance as at 1 January 2015	1,093,555,872	4,552,410,139	100,359,907	7,416,897,797	7,878,943,472	333,340,942	7,525,599,550	21,575,184,015
Profit for the year	-	-		2,067,484,345				2,067,484,345
Other comprehensive income for the year	-	-	-	13,552,673	(335,735,840)	347,779,027	12,042,181	25,004,854
Total comprehensive income for the year	-	-	-	2,081,037,018	(335,735,840)	347,779,027	12,042,181	2,063,079,159
Dividend as of (Note 25)	-	-	-	(1,015,331,019)	-	-	-	(1,016,331,018)
Transferred to statutory reserve	-	-	310	(310)	-	-	-	-
Balance as at 31 December 2015	1,093,555,872	4,552,410,139	109,359,907	8,451,593,437	7,543,203,020	(5,001,816)	7,537,641,711	22,751,932,150
Balance as at 1 January 2016	1,093,555,872	4,552,410,139	109,359,907	8,451,593,437	7,543,203,020	(5,001,816)	7,537,641,711	22,751,932,150
Profit for the year	-	-		985,579,544				985,579,544
Other comprehensive income for the year	-	-	-	-	124,652,001	1,120,729	142,372,790	142,372,789
Total comprehensive income for the year	-	-	-	985,579,544	124,652,001	1,120,729	142,372,790	1,125,952,834
Dividend as of (Note 25)	-	-	-	(1,101,030,134)	-	-	-	(1,101,030,134)
Balance as at 31 December 2016	1,093,555,872	4,552,410,139	109,359,907	8,350,563,307	7,667,859,637	(2,150,214)	7,660,014,501	22,776,954,598

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

CH. Karnchang Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2016

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	2,120,061,879	2,719,419,819	1,041,368,109	2,494,748,268
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	963,275,378	987,177,052	343,751,143	326,150,567
Withholding tax deducted at source written off	580,452	582,477	256,224	223,223
Dividend income	(464,630,615)	(900,899,895)	(1,087,933,114)	(943,637,045)
Gain on sales of current investments	(20,250,077)	(10,422,026)	(20,250,077)	(10,422,026)
Gain on sales of investments in associated companies and other long-term investments	(270,964,168)	(2,010,993,857)	(142,848,384)	(1,512,035,271)
Reversal of allowance for doubtful accounts	(17,490)	(2,130,023)	-	-
Gain on sales of property, plant and equipment	(2,702,531)	(33,970,208)	(4,154,719)	(44,922,090)
Transfer cost of construction services to building and equipment	(937,479,628)	-	(937,479,628)	-
Unrealised loss (gain) on exchange	(30,623,600)	(187,343,159)	(6,808,107)	4,788,625
Loss (gain) from foreign exchange contracts	(5,544,346)	50,894,284	(214,204)	50,894,284
Unrealised loss (gain) on changes in value of investments in marketable securities	(1,514,044)	379,760	(1,327,375)	397,125
Amortisation of deferred front end fee and deferred debenture issuing cost	37,610,318	25,870,558	21,806,736	16,711,726
Share of loss (profit) from investments in associated companies	(577,610,679)	19,359,788	-	-
Provision for long-term employee benefits	137,437,127	161,025,475	66,489,645	76,972,475
Interest expenses	1,113,918,193	1,503,825,036	1,488,754,810	1,431,414,446
Profit from operating activities before changes in operating assets and liabilities	2,344,943,969	2,906,675,083	1,049,657,056	1,891,083,337
Operating assets (increase) decrease				
Trade and other receivables	(1,614,035,732)	(7,015,503,886)	(86,413,660)	(7,904,484,186)
Unbilled receivables	10,731,860,883	362,722,652	481,736,839	1,142,172,879
Construction in progress and construction supplies	10,636,093,896	(4,224,586,698)	706,143,936	(908,118,793)
Advance payment to subcontractors	1,039,263,609	3,082,690,532	(521,017,803)	2,980,304,724
Other current assets	235,872,198	(165,775,575)	234,169,879	(157,356,627)
Advances for future projects	210,505,745	-	(55,537,761)	-
Other non-current assets	4,046,648	(5,965,400)	7,273,179	(3,866,407)
Operating liabilities increase (decrease)				
Trade and other payables	(966,038,622)	96,521,857	(1,019,083,638)	696,246,707
Advances received from employers and construction revenue received in advance	(326,317,508)	(2,425,747,490)	(1,199,091,330)	(2,085,899,970)
Retention for construction	(238,959,250)	236,095,977	(268,528,811)	218,006,122
Other current liabilities	(1,121,647,158)	(71,286,576)	(1,147,084,725)	(486,389,775)
Cash paid for long-term employee benefits	(106,500,117)	(21,221,019)	(83,897,732)	(2,467,860)
Cash flows from (used in) operating activities	20,527,268,755	(7,882,807,693)	(1,881,474,571)	(3,468,189,199)
Cash paid for interest expenses	(1,717,265,497)	(1,486,454,281)	(1,464,537,561)	(1,413,385,097)
Cash paid for corporate income tax	(447,825,683)	(603,617,859)	(447,089,037)	(602,769,806)
Net cash flows from (used in) operating activities	18,362,198,575	(9,882,673,733)	(3,793,101,169)	(5,484,354,102)

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

CH. Kamchang Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	(16,226,568)	7,289,014	(16,156,833)	7,289,014
Cash payment for purchase of current investments	(11,380,413,521)	(1,500,278,824)	(11,340,413,521)	(1,500,278,824)
Cash receipt from sales of current investments	10,344,144,548	2,132,725,203	10,344,144,548	2,132,725,203
Cash receipt from sales of current investments in associated companies and other long-term investments	382,755,777	5,408,474,708	764,883,015	5,192,009,645
Decrease (increase) in short-term loans to related parties and interest receivable	-	(252,704,495)	16,085,953,322	(5,988,742,476)
Increase in long-term loans to associated company	(10,055,430,000)	-	(10,055,430,000)	-
Decrease in long-term loans to related company	2,850,000	7,950,000	2,850,000	7,950,000
Dividend from subsidiary, associated companies and related companies	1,059,332,308	833,758,895	1,097,833,114	943,622,045
Increase in investments in associated companies	(2,476,024,575)	(4,592,555,505)	(2,476,024,575)	(4,590,550,748)
Increase in other long-term investments	(150,070,970)	(1,801,213,210)	(150,070,970)	(1,493,103,314)
Increase in property, plant and equipment	(1,885,788,145)	(1,660,098,528)	(1,768,304,887)	(1,386,851,548)
Increase in intangible assets	(570,210)	(8,258,297)	(338,230)	(8,182,897)
Proceeds from sales of property, plant and equipment	42,771,507	79,232,035	11,439,952	72,020,057
Net cash flows from (used in) investing activities	(14,133,167,879)	(1,248,674,754)	2,001,861,938	(8,582,079,842)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	1,966,305,960	3,730,099,770	1,294,106,473	2,933,393,757
Cash receipt from long-term loans	4,085,596,178	12,158,610,440	4,085,596,179	11,914,610,440
Repayment of long-term loans	(8,785,638,316)	(8,744,108,022)	(3,052,565,218)	(7,540,913,022)
Cash receipt from issuance of debentures	18,985,350,000	8,491,100,000	16,985,350,000	8,491,100,000
Repayment of debentures	(12,000,000,000)	(3,000,000,000)	(12,000,000,000)	(3,000,000,000)
Dividend payment	(1,101,030,194)	(1,016,531,018)	(1,101,030,194)	(1,016,331,018)
Dividend payment of subsidiary	(45,000,000)	(45,000,000)	-	-
Net cash flows from financing activities	2,565,585,826	10,614,370,170	6,211,457,239	11,781,860,157
Effect of exchange rate changes on cash and cash equivalents	4,595,096	17,173,040	5,398,062	745,282
Net increase (decrease) in cash and cash equivalents	6,739,210,318	(569,105,277)	4,425,556,068	(283,828,505)
Cash and cash equivalents at beginning of year	1,866,962,444	5,265,067,721	3,730,929,468	4,014,757,994
Cash and cash equivalents at end of year	11,406,172,762	4,696,962,444	8,156,485,536	3,730,929,489
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transactions				
Transfer other long-term investments to investments in associated company	-	6,786,194,085	-	5,959,380,000
Other payable from purchase of investment (Note 18)	-	1,369,741,482	-	1,369,741,482
Other receivable from sales of investment	121,305,368	-	121,305,368	-
Increase in property, plant, and equipment from other payables	10,968,686	-	7,312,482	-
Receivable from sales of equipment	1,608,740	-	-	-

The accompanying notes are an integral part of the financial statements



CH. Karnchang Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

CH. Karnchang Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholder of the Company is Mahasiri Siam Company Limited, which was also incorporated in Thailand. The Company is principally engaged in the provision of construction services. The registered office of the Company is at 587 Suthisarn Road, Khwaeng Dindaeng, Khet Dindaeng, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of CH. Karnchang Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") as follows:

Name of entity	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2016</u> Percent	<u>2015</u> Percent
<u>Investments in subsidiaries (held by the Company)</u>				
Construction Material Supply Company Limited	Manufacturer and distributor of construction materials	Thailand	99.99	99.99
CH. Karnchang Realstate Company Limited (included equity interest in Prompratarn Construction Limited Partnership and Prasertwit Construction Limited Partnership)	Investment company	Thailand	99.00	99.00
CH. Karnchang-Tokyu Construction Company Limited	Construction	Thailand	55.00	55.00
CH. Karnchang (Lao) Company Limited	Construction	The Lao People's Democratic Republic	100.00	100.00

Name of entity	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2016</u> Percent	<u>2015</u> Percent
<u>Investments in subsidiaries (held by subsidiary company)</u>				
Prompratarn Construction Limited Partnership (99.00 percent held by CH. Karnchang Realstate Company Limited)	Construction and construction equipment rental service	Thailand	98.01	98.01
Prasertwit Construction Limited Partnership (99.00 percent held by CH. Karnchang Realstate Company Limited)	Construction and construction equipment rental service	Thailand	98.01	98.01

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

2.4 The Company has joint arrangements which assessed as joint operations between the Company and other joint operators. The Company recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, to the separate financial statements, the details as follows:

Name of entity	Nature of Business	Country of incorporation	Interest in joint operations	
			<u>2016</u> Percent	<u>2015</u> Percent
Joint Venture CH. Karnchang Public Company Limited, Bilfinger Berger AG, Tokyu Construction Company Limited and CH. Karnchang-Tokyu Construction Company Limited (hereinafter called "Joint Venture BBCT")	Construction			
- Second Stage Expressway Project Sector B Route Phayathai - Bangkoklo		Thailand	99.97	99.97
- Second Stage Expressway Project Sector C+ Route Chaeng Wattana - Bang Phun & Bang Sai		Thailand	99.97	99.97
- Second Stage Expressway Project Sector D Route Asoke - Srinakarin		Thailand	99.97	99.97
- Second Stage Expressway Project Sector C1A Route Ngam Wong Wan - Chaeng Wattana		Thailand	99.97	99.97
Joint Venture BBCE Bilfinger Berger AG, CH. Karnchang Public Company Limited and Dyckerhoff & Widmann AG (hereinafter called "Joint Venture BBCE")	Construction	Thailand	35.00	35.00
Joint Venture CKET	Project management	Thailand	99.99	99.99
CKTC Joint Venture	Construction	Thailand	70.00	70.00
CH. Karnchang-Krungthon Engineers Joint Venture	Construction	Thailand	60.00	60.00
CKCH Joint Venture	Construction	Thailand	70.00	70.00

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenues and expenses recognition

a) Revenues from construction services

The Company and its subsidiaries recognised revenues from construction services on a percentage of completion basis. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position.

Revenues from additional work and other contracted work for which the working period does not exceed one year are recognised on the basis of work done and billed to the customer.

Revenues from moving infrastructure, additional work and other contracted work are recognised on the basis of work done and billed to the customer.

b) Sales of construction materials

Sales of construction materials are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

c) Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

d) Dividends

Dividends are recognised when the right to receive the dividends is established.

e) Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

Provision for losses on construction projects is made in the accounts in full when the possibility of loss is ascertained.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Unbilled receivables

Unbilled receivables comprises the costs of materials and labor, subcontractor charges, services and overheads plus the attributable net gains or losses less the amounts already billed to customers.

The excess of the value of a construction contract in progress over the amount billed to the customer is presented as current assets. The excess of the amount billed to a customer over the value of the construction contract in progress is presented as "Construction revenue received in advance" under current liabilities.

4.5 Construction in progress and construction supplies

Inventories and construction supplies are valued at the lower of cost (under the weighted average method) or net realisable value.

Supplies in process for installation and construction in progress are valued at cost.

Construction in progress comprise the costs of materials and labor, subcontractor charges, cost of service and overheads of projects for which contracts are in the process of being executed.

4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company and the subsidiary classify as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years and 35 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

4.8 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Condominium building	35 years
Buildings and construction	3, 5, to 8 and 20 years
Land improvement	5 years
Machinery and equipment	2, 3, 5 to 15 years
Furniture, fixtures and office equipment	2, 5 years
Motor vehicles	5 years
Building improvements	5, 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets of the Company and its subsidiary with finite useful lives comprise computer software, and have useful lives of 5, 10 and 20 years.

4.11 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.12 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, some subsidiaries and their employees have jointly established provident funds. The funds are monthly contributed by employees and by the Company and the subsidiaries. The fund's assets are held in separate trust funds and the Company's and subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, as an expense on a straight-line basis over five years from the date of adoption.

4.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Derivative financial instruments and hedging

Derivative financial instruments

The Company, subsidiary and associated companies use derivative financial instruments to manage its risks associated with exchange rate and interest rate, such as foreign exchange contracts and interest rate swap agreements.

Such derivatives are initially recognised and measured at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value, which has been calculated using the quoted market rates, at the end of reporting period. Gains or losses resulting from changes in the fair value of the derivative financial instruments are recognised as financial assets or financial liabilities when the gain or loss occurs. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss from changes in the fair value depends on the nature of the item being hedged.

Hedge accounting - Cash flow hedges

The Company, subsidiary and associated companies apply hedge accounting when the risk that has been hedged can be clearly identified and the effectiveness of the hedge can be measured. Gains or losses arising from changes in the fair value of hedging instruments or derivatives that effectively hedge exposure to fluctuations in cash flows that are either attributable to a particular risk associated with a recognised financial asset or financial liability, or to a highly probable forecast transaction, are recognised directly in other comprehensive income and transferred to be recognised in profit or loss when the hedged cash flow transaction occurs. However, if the hedge instrument is not effective, any gain or loss from a change in the fair value of the derivative financial instrument is recognised immediately to profit or loss.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The Company and the subsidiary treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Joint arrangements

Management applied judgement to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement. On this basis, the management of the Company determined that the Company has 6 investments in joint venture agreements that are joint operations (between the Company and other joint operators) in accordance with TFRS 11.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the managements are required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the managements are required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Estimated construction project costs

The Company and its subsidiaries estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on construction projects

Management applied judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2015	2016	2015	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Project management income	-	-	102	2	Based on contracts and agreed between the parties
Rental and transportation income	-	-	128	150	Close to service fee charged to third parties
Space rental and service income	-	-	8	8	Based on contracts
Interest income	-	-	762	851	Interest rates of MLR + 1.25%, MLR + 2% and LIBOR + 3.25% (2015: MLR + 1.25% and LIBOR + 3%)
Dividend income	-	-	55	55	As declared
Other income	-	-	14	20	Based on contracts and cost plus margin
Cost of construction materials and construction work	-	-	315	282	Close to prices charged by third parties
Sales of equipment	-	-	-	13	Agreed between the parties
Purchase of equipment	-	-	-	2	Agreed between the parties
Transactions with associated companies					
Revenues from construction services	35,241	9,875	8,801	833	Based on construction contracts
Project management income	1	4	1	4	Based on contracts
Rental income	1	1	1	1	Close to service fee charged to third parties
Space rental and service income	12	12	12	12	Based on contracts
Interest income	310	-	304	-	Interest rates of MLR + 0.25% and MLR + 1%
Dividend income	-	-	578	33	As declared
Other income	1	1	1	2	Based on contracts and cost plus margin
Cost of construction materials and construction work	107	91	105	66	Based on contract
Sale of investment in associated company	-	4,344	-	4,344	Based on contract
Purchase of buildings and equipment	-	5	-	9	Based on contracts and agreed between the parties
Sale of equipment	2	-	2	-	Agreed between the parties
Transactions with related parties					
Revenues from construction services	2,056	10,612	1,388	10,455	Based on construction contracts
Project management income	40	-	40	-	Based on contracts
Rental and transportation income	6	1	5	-	Close to service fee charged to third parties
Space rental and service income	14	14	14	14	Based on contracts
Interest income	1	2	1	2	Interest rates of MLR + 0.01% (2015: MLR + 0.01% and MLR + 1.75%)
Dividends income	464	901	464	856	As declared
Cost of construction materials and construction work	3	24	3	14	Close to prices charged by third parties
Administrative expenses	1	1	1	1	Agreed between the parties
Dividend payment	45	108	-	-	As declared
Purchase of land and equipment	635	550	635	550	Based on contracts and agreed between the parties
Purchase of investment in associated company	-	3,670	-	3,670	Based on contracts

The balances of the accounts as at 31 December 2016 and 2015 between the Company and those related parties are as follows:

a) Trade accounts receivable - related parties (Note 9)

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2016	2015	2016	2015
Construction contract receivables				
Subsidiary	-	-	285,522	285,522
Joint arrangements	5,424	24,510	5,424	24,510
Associated companies				
- Bangkok Expressway and Metro Public Company Limited	79,903	1,960,352	79,903	1,960,352
- Northern Bangkok Expressway Company Limited	-	553	-	553
- Xayaburi Power Company Limited	2,520,182	929,707	-	-
- Bangpa-in Cogeneration Limited	23,710	48,819	23,710	48,819
- Nam Ngum 2 Power Company Limited	99,004	-	-	-
	<u>2,722,799</u>	<u>2,939,431</u>	<u>103,613</u>	<u>2,009,724</u>
Related parties (common directors)				
Pathum Thani Water Company Limited	-	20,541	-	20,541
- TTW Public Company Limited	189,987	83,722	189,987	83,722
- Other related companies and related parties	127	-	-	-
	<u>190,114</u>	<u>104,263</u>	<u>189,987</u>	<u>104,263</u>
Total construction contract receivables	2,918,337	3,068,204	584,546	2,424,019
Retention as per contracts				
Joint arrangement	7,117	4,564	7,117	4,564
Associated companies				
- Bangkok Expressway and Metro Public Company Limited	56,646	152,988	56,646	152,988
- Northern Bangkok Expressway Company Limited	1,279	-	1,279	-
	<u>57,925</u>	<u>152,988</u>	<u>57,925</u>	<u>152,988</u>
Related parties (common directors)				
- Bangpa-in Land Company Limited	33,217	35,217	33,217	35,217
- Pathum Thani Water Company Limited	-	12,556	-	12,556
- TTW Public Company Limited	6,906	32,882	6,906	32,882
- Saha Tokyu Corporation Company Limited	9,241	6,269	-	-
	<u>49,354</u>	<u>86,924</u>	<u>40,123</u>	<u>80,655</u>
Total retention as per contracts	114,406	244,476	105,165	238,207
Total trade accounts receivable - related parties, net	3,032,743	3,312,680	689,711	2,662,226

b) Other receivables - related parties (Note 9)

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Receivables from sales of construction materials and others				
Subsidiaries	-	-	2,515,578	2,274,823
Joint arrangements	45,321	148	45,321	148
Associated companies	1,395	7,918	568	748
Related parties (common directors)				
- Expert Transport Company Limited	11,727	7,421	11,727	7,421
- TPW Public Company Limited	212	68	212	68
- Other related companies and related parties	2,411	673	2,411	556
	<u>14,350</u>	<u>8,162</u>	<u>14,350</u>	<u>8,045</u>
Other joint operator				
- Bilfinger Berger AG	<u>8,108</u>	<u>8,108</u>	<u>8,108</u>	<u>8,108</u>
Total other receivables - related parties	<u>69,174</u>	<u>24,336</u>	<u>2,583,923</u>	<u>2,291,872</u>

c) Advance payment to subcontractor - related party

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Subsidiary	<u>-</u>	<u>-</u>	<u>50,096</u>	<u>-</u>

d) Short-term loans to related parties and interest receivable

As at 31 December 2016 and 2015, the balances of short-term loans to related parties and interest receivable between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)					
		Consolidated financial statements			
Loans to	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December 2015	during the year	during the year	31 December 2016
Joint Venture BBOD	Joint operation	283,913	-	-	283,913

(Unit: Thousand Baht)

		Separate financial statements			
Loans to	Related by	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
- Construction Material Supply Company Limited	Subsidiary	29,635	31,547	(40,531)	20,651
- CH Karnchang (Laq) Company Limited	Subsidiary	20,232,346	3,159,173	(19,186,674)	4,154,845
- Prasertwit Construction Limited Partnership	Subsidiary	41,223	1,432	-	42,655
- Joint Venture BBOD	Joint operation	3,726,253	-	-	3,726,253
		24,029,457	3,142,152	(19,227,205)	7,944,404
Less: Allowance for doubtful accounts		(3,442,340)			(3,442,340)
		20,587,117			4,502,064

Loans to related parties are subject to interest at LIBOR plus stipulated margin and MLR minus stipulated margin per annum and due for repayment at call.

Loans to Joint Venture BBOD are granted with a condition to waive interest under a joint resolution between the Company and Bilfinger Berger AG, which are joint operators in this joint venture, but they retain the right to claim such interest if the joint venture receives compensation for additional costs from the Expressway Authority of Thailand. The loan principal and interest are to be paid on the earlier of (a) the date the Joint Venture BBOD receives compensation for additional costs from the Expressway Authority of Thailand and (b) the date when the Company calls the loan.

e) Long-term loans to associated company and interest receivable

As at 31 December 2016 and 2015, the balances of long-term loans to associated company and interest receivable between the Company and the associated company and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated and separate financial statements			
		Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Loans:					
- Xayaburi Power Company Limited		-	10,055,430	-	10,055,430
Interest receivable:					
- Xayaburi Power Company Limited		-	304,280	-	304,280
		-	10,359,710	-	10,359,710

On 16 May 2016, a meeting of the Company's Board of Directors passed a resolution to provide financial support to Xayaburi Power Company Limited (an associated company of CK Power Public Company Limited), and on 17 May 2016, the Company entered into a Sponsor Loan Agreement under which it will provide loans of Baht 13,547 million to that company to fund additional construction work on the Xayaburi Hydroelectric Power Project. The loans are to carry interest at the Minimum Loan Rate plus 0.25 percent (MLR + 0.25%) per annum during the construction period and the Minimum Loan Rate (MLR) from the Commercial Operation Date (within the year 2019). The loans are to be repaid in accordance with the loan repayment schedule for the loans from the financial institutions for this project and full settlement is to be made no later than 2031, however, that the payment of interest and principal will be subject to the cash flows available to the shareholders after fulfillment of all conditions stipulated in the long-term loan agreements.

As at 31 December 2016, Xayaburi Power Company Limited has drew Baht 10,055 million of these loans from the Company.

f) Long-term loans to related company and interest receivable

As at 31 December 2016 and 2015, the balances of long-term loans to related company and interest receivable between the Company and the related company and the movement are as follows:

		(Unit: Thousand Baht)		
		Consolidated and separate financial statements		
	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Loans:				
- Nakhon Ratchasima Solar Company Limited	11,550	-	(2,850)	8,700
Interest receivable:				
- Nakhon Ratchasima Solar Company Limited	834	553	(834)	553
	12,384	553	(3,684)	9,253

The loan is subject to interest at the Minimum Loan Rate less 0.01 percent (MLR - 0.01%) per annum and due for repayment after Nakhon Ratchasima Solar Company Limited has paid all indebtedness under the loan agreement from a financial institution.

g) Trade accounts payable - related parties (Note 22)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Subsidiaries	-	-	103,861	77,300
Joint arrangements	87	2,530	86	2,400
Associated companies	12,840	17,120	12,840	17,120
Related parties (common directors)				
- Silasaicrete Limited Partnership	2	191	2	191
- Other related companies and related parties	218	192	212	192
	<u>220</u>	<u>383</u>	<u>214</u>	<u>383</u>
Other joint operators				
- CH. Thawee Construction Company Limited	16,105	-	16,105	-
- Krungthon Engineers Company Limited	96	12,387	96	12,387
	<u>16,201</u>	<u>12,387</u>	<u>16,201</u>	<u>12,387</u>
Total trade accounts payable - related parties	<u>29,348</u>	<u>32,420</u>	<u>133,202</u>	<u>109,580</u>

h) Amounts due to related parties (Note 22)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Other payable				
Associated company				
- Bangkok Expressway and Metro Public Company Limited	1,029,562	-	1,029,562	-
Other joint operator				
- Bilfinger Berger AG	20,017	20,017	20,017	20,017
Total other payables	<u>1,049,579</u>	<u>20,017</u>	<u>1,049,579</u>	<u>20,017</u>
Payable from purchase of investment (Note 16)				
Associated company				
- Bangkok Expressway and Metro Public Company Limited	769,741	600,000	769,741	600,000
Total amounts due to related parties	<u>1,819,320</u>	<u>620,017</u>	<u>1,819,320</u>	<u>620,017</u>

i) **Advances received from employers - related parties**

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Joint arrangements	-	921	-	921
Associated companies				
- Bangkok Expressway and Metro Public Company Limited	3,906	398,250	3,906	398,250
- Northern Bangkok Expressway Company Limited	-	3,748	-	3,748
- Nam Ngum 2 Power Company Limited	88,235	-	-	-
	<u>93,141</u>	<u>401,996</u>	<u>3,906</u>	<u>401,996</u>
Related companies (common directors)				
- Pathum Thani Water Company Limited	-	9,318	-	9,318
- TTW Public Company Limited	8,948	292,527	8,948	292,527
	<u>8,948</u>	<u>301,845</u>	<u>8,948</u>	<u>301,845</u>
Total advances received from employers - related parties	<u>102,088</u>	<u>704,782</u>	<u>12,854</u>	<u>704,782</u>

j) **Retention for construction - related parties**

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Subsidiary	-	-	11,797	5,333
Other joint operators				
- CII Thawee Construction Company Limited	2,364	-	2,364	-
- Krunghon Engineers Company Limited	7,700	6,991	7,700	6,991
Total retention for construction - related parties	<u>10,064</u>	<u>6,991</u>	<u>21,861</u>	<u>12,327</u>

k) **Long-term other payable - related party (Note 16)**

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable from purchase of investment				
Associated company				
- Bangkok Expressway and Metro Public Company Limited	-	789,741	-	789,741

Directors and management's remuneration

During the year ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2016	2015	2016	2015
Short-term employee benefits	220	194	178	146
Post-employment benefits	6	12	5	9
Total	226	206	183	155

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 36.4 to the financial statements.

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2016	2015	2016	2015
Cash	13,326	8,158	10,194	5,227
Bank deposits	9,392,847	4,168,773	6,146,292	3,235,671
Bills of exchange	2,000,000	490,031	2,000,000	490,031
Total	11,406,173	4,666,962	8,156,486	3,730,929

As at 31 December 2016, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.05 and 1.45 percent per annum (2015: between 0.1 and 1.8 percent per annum).

8. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Fixed deposit	-	20,850	-	20,850
Investments in trading securities				
Marketable equity securities - Fair value	5,561	4,234	5,561	4,234
Investments in held-to-maturity debt security				
The bonds of the Ministry of Finance of The Lao People's Democratic Republic	-	10,000	-	10,000
Investments in available-for-sale securities				
Unit trust in fixed income open-ended fund	1,122,937	35,335	1,082,154	34,552
Add: Unrealised gain on changes in value of investments	1,977	528	1,749	487
Fair Value	1,124,914	35,863	1,083,903	35,039
Total current investments	1,130,475	70,947	1,089,464	70,123

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,531,382	2,299,942	255,689	1,370,235
Past due				
Up to 3 months	1,386,955	741,971	43,335	741,971
3 - 6 months	-	5,860	-	5,860
6 - 12 months	-	3,368	-	3,368
Over 12 months	-	17,063	285,522	302,585
Total trade receivables - related parties	2,918,337	3,068,204	584,546	2,424,019
Retention receivable as per contract	114,406	244,476	105,165	238,207
Total	3,032,743	3,312,680	689,711	2,662,226
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,545,208	1,590,847	3,336,217	1,462,703
Past due				
Up to 3 months	35,313	94,268	-	65,000
3 - 6 months	499	-	-	-
6 - 12 months	6,741	54,015	6,741	54,015
Over 12 months	225,051	261,472	216,021	252,424
Total	3,812,812	2,000,602	3,558,979	1,834,142
Less: Allowance for doubtful debts	(9,030)	(9,048)	-	-
Total trade receivables - unrelated parties, net	3,803,782	1,991,554	3,558,979	1,834,142
Retention receivable as per contract	209,838	120,933	143,382	106,667
Total	4,013,620	2,112,487	3,702,361	1,940,809
Total trade receivable - net	7,046,363	5,425,167	4,392,072	4,603,035
<u>Other receivables</u>				
Other receivables - related parties	69,174	24,336	2,583,923	2,291,872
Other receivables - unrelated parties	224,917	106,359	211,956	88,192
Accrued income	579,458	615,069	579,140	614,752
Interest receivable	220	2,629	174	2,387
Total other receivables	873,769	748,393	3,375,193	2,997,203
Total trade and other receivables - net	7,920,132	6,173,560	7,767,265	7,600,238

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2016</u>	<u>2015</u>
<u>Long-term trade accounts receivable</u>		
Unrelated party	14,095,406	14,406,046

The management of the Company believes that the allowance for doubtful accounts as set up in the accounts is adequate at this current stage.

Long-term trade receivable - unrelated party

The balances represent construction contract receivables from the Agreement for Project Management, as well as for Supply and Installation of M&E Systems in the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khlomg Bang Phai Station - Tao Poon Station) ("the MRT Purple Line Project") which the Company, as the contractor, signed with Bangkok Expressway and Metro Public Company Limited on 4 September 2013, the construction period is within 1,200 days after the Agreement date. This construction work is a part of the Concession Agreement of the MRT Purple Line Project for the supply of M&E Systems and O&M Services that Bangkok Expressway and Metro Public Company Limited signed with the Mass Rapid Transit Authority of Thailand ("MRTA").

The Company performs construction works and records construction receivable on a percentage of completion basis, to the extent that the MRTA has already issued acceptance certificates. All construction contract receivables are due for billing on the date of the letter of Commissioning Certificate for operation on the MRT Purple Line Project, and the Company will receive payment for the work on a monthly basis, when Bangkok Expressway and Metro Public Company Limited receives compensation from the MRTA. Bangkok Expressway and Metro Public Company Limited entered into an agreement to assign the proceeds under the agreement made with the MRTA to the Company, for use as collateral with the lender banks, as described in Note 24.

On 6 August 2016, the Company completed the construction works and delivered the project to the owner. The Company will receive payment for the work on a monthly basis as agreed under the construction contract. As at 31 December 2016, the Company therefore reclassified the related trade receivable of Baht 1,642 million as current assets under the caption of "Trade and other receivables".

10. Unbilled receivables/Advances received from employers and construction revenue received in advance

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Unbilled receivables				
Project value as per contract	40,708,638	118,616,856	34,315,816	39,832,056
Accumulated amount recognised as revenue				
on percentage of completion basis	21,502,554	78,160,081	15,815,209	32,792,819
Less: Value of total billed	(18,787,481)	(65,013,147)	(13,273,961)	(29,759,934)
Unbilled receivables	<u>2,715,073</u>	<u>13,146,934</u>	<u>2,541,248</u>	<u>3,032,985</u>
Retention receivable as per contracts	<u>324,244</u>	<u>365,409</u>	<u>248,547</u>	<u>344,874</u>
Advances received from employers and construction revenue received in advance				
Project value as per contract	181,972,533	64,351,916	81,940,506	57,258,461
Value of total billed	147,656,861	49,744,971	77,406,271	44,524,056
Less: Accumulated amount recognised as revenue on percentage of completion basis	(144,546,815)	(45,390,827)	(75,107,444)	(40,328,353)
Construction revenue received in advance	<u>3,110,046</u>	<u>4,354,144</u>	<u>2,298,827</u>	<u>4,195,703</u>
Advances received from employers	<u>2,403,498</u>	<u>1,528,965</u>	<u>2,204,369</u>	<u>1,506,584</u>
Total	<u>5,513,544</u>	<u>5,883,109</u>	<u>4,503,196</u>	<u>5,702,287</u>

11. Construction in progress and construction supplies

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Construction supplies	230,607	307,324	113,346	161,367
Spare parts	299,422	342,972	953	1,209
Construction in progress	2,230,678	12,136,588	669,480	1,341,839
Goods in transit	14,492	-	14,492	-
Total	<u>2,775,199</u>	<u>12,786,884</u>	<u>798,271</u>	<u>1,504,415</u>

12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Prepaid expenses	46,650	105,629	30,806	94,708
Refundable input tax	113,169	220,598	112,055	220,222
Unbilled input tax	139,491	207,757	129,373	198,772
Withholding tax deducted at source	532,684	114,077	478,802	79,182
Others	28,240	29,879	22,649	15,708
Total other current assets	<u>860,234</u>	<u>677,940</u>	<u>773,685</u>	<u>608,592</u>

13. Restricted bank deposits

The outstanding balances represent bank deposit accounts which have been pledged with banks to secure the issuance of bank guarantees for electricity utilisation, bidding, issuance of other bank guarantees, letters of credit opened for the Company, and as a guarantee of loans from bank of a subsidiary.

14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Separate financial statements						(Unit: Thousand Baht)	
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2018	2015	2018 (%)	2015 (%)	2018	2015	2018	2015
Construction Material Supply Company Limited	100,000	100,000	99.99	99.99	99,999	99,999	-	-
CH. Karnchang Realstate Company Limited	160,000	160,000	99.00	99.00	158,400	158,400	-	-
CH. Karnchang-Tokyu Construction Company Limited	100,000	100,000	55.00	55.00	55,000	55,000	55,000	55,000
CH. Karnchang (Lao) Company Limited								
(paid-up share capital of USD 1,000,000)	39,636	39,636	100.00	100.00	39,636	39,636	-	-
Total					353,035	353,035	55,000	55,000
Less: Allowance for loss or investments in subsidiaries					(1,559)	(1,559)		
Total investments in subsidiaries - net					351,476	351,476		

15. Joint arrangements - joint operations

Financial information of the Company only and the joint arrangements which are the joint operations in 6 entities as described in Note 2.4 to the financial statements are presented including in the separate financial statement as below.

	As at 31 December 2016			(Unit: Million Baht)
	The Company only	The joint arrangements	Elimination entries	Separate financial statement
Summarised information about financial position:				
Current assets	25,593	2,866	(274)	28,185
Non-current assets	61,467	247	(26)	61,688
Current liabilities	21,178	3,030	(465)	23,743
Non-current liabilities	43,371	8	(26)	43,353
Unappropriated retained earnings	8,096	51	217	8,364
Summarised information about profit or loss:				
For the year ended 31 December 2016				
	The Company only	The joint arrangements	Elimination entries	Separate financial statement
Total revenues	20,043	2,403	(110)	22,336
Total expenses	(17,600)	(2,265)	97	(19,768)
Profit before finance cost and income tax expenses	2,443	138	(13)	2,568
Finance cost	(1,516)	(10)	-	(1,526)
Profit before income tax expenses	927	128	(13)	1,042
Income tax expenses	(30)	(28)	-	(58)
Profit for the year	897	100	(13)	984

(Unit: Million Baht)

	As at 31 December 2015		
	The Company only	The joint arrangements	Elimination entries
			Separate financial statement
Summarised information about financial position:			
Current assets	38,876	429	(201)
Non-current assets	47,156	37	(25)
Current liabilities	23,815	489	(413)
Non-current liabilities	39,646	1	(18)
Unappropriated retained earnings	8,300	(49)	230
			8,481

(Unit: Million Baht)

	For the year ended 31 December 2015		
	The Company only	The joint arrangements	Elimination entries
			Separate financial statement
Summarised information about profit or loss:			
Total revenues	27,500	52	(237)
Total expenses	(23,130)	(250)	22
Profit (loss) before finance cost and income tax expenses	4,370	(198)	(215)
Finance cost	(1,463)	(2)	2
Profit (loss) before income tax expenses	2,907	(200)	(213)
Income tax expenses	(427)	(1)	1
Profit (loss) for the year	2,480	(201)	(212)
			2,067

16. Investments in associated companies

16.1 Details of associated companies:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Carrying amounts based on equity method	(Unit: Thousand Baht)	
			2016 (%)	2015 (%)	Cost	2016			2015
Bangkok Expressway and Metro Public Company Limited (29.73 percent held by the Company and 0.88 percent indirectly held by a subsidiary (2015: 27.47 percent held by the Company and 1.03 percent indirectly held by a subsidiary))	Construction and management of the expressway, the operation of metro services and commercial development	Thailand	30.62	28.50	18,502,583	16,131,093	16,197,948	13,761,707	
CK Power Public Company Limited	Making investment in other companies	Thailand	28.77	30.25	4,798,487	5,044,827	3,238,389	3,497,424	
Total					23,301,070	21,175,920	19,436,337	17,259,131	

Company's name	Nature of business	Country of incorporation	Separate financial statements						(Unit: Thousand Baht)	
			Shareholding percentage		Cost	Allowance for loss on investments		Carrying amounts based on cost method - net		
			2016 (%)	2015 (%)		2016	2015			2016
Bangkok Expressway and Metro Public Company Limited	Construction and management of the expressway, the operation of metro services and commercial development	Thailand	28.73	27.47	17,788,238	15,312,274	(259,928)	(259,928)	17,488,370	15,012,346
CK Power Public Company Limited	Making investment in other companies	Thailand	28.77	30.25	4,798,487	5,044,627	-	-	4,798,487	5,044,827
Total					22,586,785	20,357,101	(299,928)	(299,928)	22,286,857	20,057,173

16.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associated companies during the years		Share of other comprehensive income from investments in associates during the years	
	2016	2015	2016	2015
Bangkok Expressway and Metro Public Company Limited and its subsidiaries ⁽¹⁾	648,320	3,653	(36,580)	-
Bangkok Metro Public Company Limited and its subsidiary ⁽²⁾	-	(191,088)	-	3,008
Xayaburi Power Company Limited	-	(5,265)	-	147,800
CK Power Public Company Limited	(70,709)	173,340	33,100	(58,262)
Total	577,611	(19,360)	(5,480)	92,546

16.3 Fair value investments in listed associates

The fair values of investments in associated companies that are listed on the Stock Exchange of Thailand are based on the latest bid price of the last working days of December 2016 and 2015, as quoted on the Stock Exchange of Thailand. Such fair values are as follow:

Company's name	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Fair values as at 31 December		Fair values as at 31 December	
	2016	2015	2016	2015
Bangkok Expressway and Metro Public Company Limited ⁽¹⁾	34,562	22,783 ⁽²⁾	33,632	21,964 ⁽²⁾
CK Power Public Company Limited	7,506 ⁽³⁾	4,369 ⁽³⁾	7,506 ⁽³⁾	4,369 ⁽³⁾
Total	42,068	27,152	41,138	26,333

⁽¹⁾ On 30 December 2015, Bangkok Expressway Public Company Limited and Bangkok Metro Public Company Limited were amalgamated into a new company, named "Bangkok Expressway and Metro Public Company Limited", which is an associated company.

⁽²⁾ This fair value is based on the latest bid price of Bangkok Expressway Public Company Limited and Bangkok Metro Public Company Limited before the amalgamation.

⁽³⁾ This fair value excludes the fair values of warrants amounting to Baht 305 million (2015: Baht 211 million).

16.4 Summarised financial information as presented in the financial statements of associated companies

Summarised information about financial position

(Unit: Million Baht)

	Bangkok Expressway and Metro Public Company Limited and its subsidiaries		CK Power Public Company Limited and its subsidiaries	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current assets	9,219	5,869	7,666	5,196
Non-current assets	73,666	72,251	51,639	49,370
Current liabilities	(9,558)	(27,315)	(1,488)	(2,416)
Non-current liabilities	(43,445)	(21,675)	(27,311)	(20,338)
Net assets	29,782	29,130	30,506	31,812
Equity attributable to non-controlling interests of the subsidiaries in associated companies	(93)	(86)	(12,762)	(14,058)
Net assets of the Company	29,689	29,044	17,744	17,754
Shareholding percentage (%)	30.62%	28.50%	28.77%	30.25%
Share of net assets	9,091	8,277	5,105	5,370
Elimination entries and others	7,107	5,485	(1,867)	(1,873)
Carrying amounts of associates based on equity method	16,198	13,762	3,238	3,497

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	Bangkok Expressway and Metro Public Company Limited and its subsidiaries		CK Power Public Company Limited and its subsidiaries	
	<u>2016</u>	<u>2015⁽¹⁾</u>	<u>2016</u>	<u>2015</u>
Revenue	13,233	13,105	6,359	6,851
Profit	2,606	2,650	55	412
Other comprehensive income	(126)	(41)	99	(191)
Total comprehensive income	2,480	2,609	154	221

⁽¹⁾ This information is presented in the consolidated financial statements of Bangkok Expressway and Metro Public Company Limited which were prepared for the amalgamation under common control.

Bangkok Expressway and Metro Public Company Limited

In July 2015, the Company entered into a sale and purchase agreement with Bangkok Expressway Public Company Limited to purchase 2,050,134,895 ordinary shares in Bangkok Metro Public Company Limited, or a 10 percent shareholding, at a price of Baht 1.79 per share, or for a total of Baht 3,670 million. As a result, the Company's interest in the equity of Bangkok Metro Public Company Limited increased to 35.68 percent. The Company made payment Baht 2,000 million on the share transfer date, leaving an outstanding payable from the purchase of this investment Baht 1,670 million. The Company is to complete payment for the shares within August 2017, in five, six-monthly installments beginning in August 2015, with the first to the fourth installments amounting to Baht 300 million and the final installment amounting to Baht 470 million.

In September 2015, the Company sold 43.8 million ordinary shares, and as a result its interest in the equity of Bangkok Metro Public Company Limited decreased from 35.68 percent to 35.47 percent.

On 28 December 2015, the Joint Shareholders Meeting between the shareholders of Bangkok Metro Public Company Limited and the shareholders of Bangkok Expressway Public Company Limited approved the amalgamation of those companies in accordance with legally prescribed principles and methods. The merger of the companies was registered with the Ministry of Commerce on 30 December 2015 under of the name Bangkok Expressway and Metro Public Company Limited. As a result of the amalgamation, the Company and a subsidiary hold a 28.50 percent (the Company only: 27.47 percent) interest in Bangkok Expressway and Metro Public Company Limited and the status of Bangkok Expressway and Metro Public Company Limited is an associated company because the Company has significant influence over this company.

In January 2016, the Company purchased 106 million ordinary shares of Bangkok Expressway and Metro Public Company Limited amounting to Baht 556 million, as a result, its interest in the equity of such company increased from 27.47 percent to 28.16 percent.

Subsequently in September 2016, the Company purchased 240 million ordinary shares of Bangkok Expressway and Metro Public Company Limited for Baht 1,920 million. As a result, its interest in the equity of that company increased from 28.16 percent to 29.73 percent.

The Company is subject to restrictions on the sale, transfer or creation of obligations with respect to some share certificates for its investment in Bangkok Expressway and Metro Public Company Limited, in compliance with a condition of the Company's long-term loans and debentures.

A subsidiary has pledged some of the share certificates for its investment in Bangkok Expressway and Metro Public Company Limited with a bank to secure its short-term loans from the bank.

CK Power Public Company Limited

A 3-year silent period has been imposed on the 240.35 million shares of CK Power Public Company Limited held by the Company, counting from the initial trading date of the shares on the SET (18 July 2013). However, this silent period ended during July 2016.

The Company provided financial support to CK Power Public Company Limited and a subsidiary of CK Power Public Company Limited in the form of a guarantee to give financial support to the subsidiary of not more than Baht 620 million, should the subsidiary be unable to comply with its obligations under the Financing Documents, or default on loan repayment to the lending banks. However, in September 2016, this subsidiary signed a long-term loan agreement with a new group of domestic lenders in order to repay the existing loan and has cancelled guarantee.

In May 2015, the Company purchased 558.6 million of the new ordinary shares in proportion to its shareholding and 27.7 million ordinary shares in excess of its entitlement that were remaining after allocation, for a total of 586.3 million shares of Baht 3 each. The Company paid a total of Baht 1,758.8 million for those shares in the same month. As a result, the Company's interest in the equity of this associate increased from 29.87 percent to 30.25 percent. In addition, the Company received, at no cost, 586.3 million warrants to purchase newly issued ordinary shares of the associate at a ratio of 1 warrant to 1 ordinary share, with an exercise price of Baht 6 per share. The warrants have an exercise period of 5 years and are exercisable on the last business day of each quarter over the term of the warrants. The first and the last exercise dates are 30 September 2015 and 28 May 2020, respectively.

In October and December 2016, the Company sold 109 million ordinary shares of CK Power Public Company Limited at a price of approximately Baht 389 million and recorded the gain of approximately Baht 218 million on the sale of the investment in this associated company in profit or loss in the consolidated for the year 2016 (Baht 143 million recorded in profit or loss in the separate financial statements). As a result, the Company's interest in the equity of the above company will decrease from 30.25 percent to 28.77 percent.

Xayaburi Power Company Limited

On 21 January 2015, a meeting of the Company's Board of Directors passed a resolution approving the Company's sale of 805.83 million ordinary shares of Xayaburi Power Company Limited, representing 30 percent of registered capital, to CK Power Public Company Limited at a price of approximately Baht 4,344 million. Subsequently, in June 2015, the Company sold 805.83 million ordinary shares of Xayaburi Power Company Limited at a price of approximately Baht 4,344 million and recorded the gain of approximately Baht 1,657 million on the sale of the investment in this associated company in profit or loss in the consolidated financial statements for the second quarter of 2015 (Baht 1,210 million recorded in profit or loss in the separate financial statements).

17. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Shareholding	Investments		Shareholding	Investments	
	percentage	2016	2015	percentage	2016	2015
	Percent			Percent		
<u>Investments in available-for-sale - related company</u>						
TTW Public Company Limited	19.40	5,810,452	5,661,089	19.40	1,255,736	1,106,373
Add: Unrealised gain on changes in value of investments		2,472,180	2,317,627		7,026,896	6,872,343
		8,282,632	7,978,716		8,282,632	7,978,716
<u>Other investments - other companies</u>						
Bangkok Tokyu Department Store Company Limited	19.00	2,280	2,280	-	-	-
Kruasakul Company Limited	10.14	43,750	43,750	10.14	43,750	43,750
The Bangkok Club Company Limited	0.57	3,000	3,000	0.57	3,000	3,000
Chanthaburi Country Club Company Limited	0.25	2,708	2,000	0.25	2,708	2,000
Saha Tokyu Corporation Company Limited	5.00	16,600	16,600	-	-	-
		68,338	67,630		49,458	48,750
Loss: Provision for loss on diminution in value of investments		(43,750)	(43,750)		(43,750)	(43,750)
		24,588	23,880		5,708	5,000
<u>Investments in held-to-maturity debt securities</u>						
Subordinated Debentures of Bangkok Bank Public Company Limited No. 1/2012		5,000	5,000		5,000	5,000
		5,000	5,000		5,000	5,000
Other long-term investments, net		8,312,220	8,007,596		8,293,340	7,988,716

18. Investment properties

The net book value of investment properties as at 31 December 2016 and 2015 is presented below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Land	Office building for rent	Total	Land	Office building for rent	Total
31 December 2016:						
Cost	322,863	176,579	499,442	340,705	259,665	600,400
<u>Less</u> Accumulated depreciation	(18)	(38,050)	(38,068)	(18)	(58,602)	(58,621)
<u>Less</u> Allowance for diminution in value	(48,113)	-	(48,113)	(41,834)	-	(41,834)
Net book value	276,731	140,529	417,260	298,852	201,093	499,945
31 December 2015:						
Cost	252,760	219,089	471,849	270,809	302,178	572,987
<u>Less</u> Accumulated depreciation		(41,762)	(41,762)		(62,203)	(62,203)
<u>Less</u> Allowance for diminution in value	(48,113)	-	(48,113)	(41,834)	-	(41,834)
Net book value	206,647	177,327	383,974	228,975	239,975	468,950

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	383,974	398,994	468,950	486,376
Transfers	37,461	(9,915)	37,474	(9,908)
Depreciation charged	(4,175)	(5,105)	(6,479)	(7,518)
Net book value at end of year	417,260	383,974	499,945	468,950

The fair value of the investment properties as at 31 December 2016 and 2015 stated below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land	576,877	314,288	716,477	397,500
Office building for rent	273,282	241,505	344,015	306,603

The fair values have been determined based on valuations performed by an independent valuer, using the market prices.

19. Property, plant and equipment

	Consolidated financial statements							(Unit: Thousand Baht)	
	Lane and land improvement	Condominium building	Buildings and construction	Building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	Total
Cost									
31 December 2014	1,145,249	404,856	2,343,740	333,757	5,768,538	427,985	421,870	181,265	11,027,260
Additions	741,307	-	38,280	7,687	22,515	22,997	8,852	313,283	1,063,721
Disposals/write off	-	-	(14,581)	-	(168,438)	(24,724)	(16,736)	-	(224,479)
Reclassification/transfer in (out)	312,007	11,719	(106,007)	(311,745)	445,341	1,392	43	(348,140)	8,510
31 December 2015	2,198,483	418,575	2,262,432	29,699	6,266,968	427,650	413,828	148,408	12,185,012
Accumulated depreciation									
31 December 2014	42,267	66,997	438,868	328,745	2,527,467	238,414	348,748	-	3,991,500
Depreciation for the year	5,142	9,656	353,666	1,329	493,330	67,229	27,219	-	957,871
Depreciation on disposals/write off	-	-	(14,441)	-	(136,650)	(22,438)	(16,720)	-	(190,249)
Reclassification/transfer in (out)	312,882	1,969	(56,441)	(311,745)	55,223	325	40	-	2,333
31 December 2015	360,371	78,616	721,852	18,329	2,939,370	289,530	359,287	-	4,761,455
Allowance for impairment loss									
31 December 2014	73,924	-	-	-	-	-	-	-	73,924
31 December 2015	73,924	-	-	-	-	-	-	-	73,924
Net book value									
31 December 2014	1,028,059	337,865	1,904,872	5,072	3,241,071	189,571	73,122	181,265	6,861,836
31 December 2015	1,765,188	337,959	1,540,480	11,370	3,327,586	144,120	54,542	148,408	7,326,633
Depreciation for the year									
2014 (Baht 936 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									954,328
2015 (Baht 928 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									957,871

(Unit: Thousand Baht)

Separate financial statements

	Land and land improvement	Condominium building	Buildings and construction	Building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	Total
Cost									
31 December 2014	1,089,112	340,933	157,072	331,710	2,432,131	238,934	312,701	140,374	5,037,887
Additions	740,028	-	38,280	7,887	96,485	14,387	4,684	251,717	1,155,268
Disposals/write off	-	-	(14,581)	-	(119,432)	(17,529)	(14,782)	-	(186,384)
Reclassification/transfer in (out)	313,115	(1,119)	(1,277)	(311,745)	254,662	-	-	(255,052)	11,382
31 December 2015	2,142,255	352,652	174,454	27,652	2,865,746	235,792	302,593	137,039	8,038,183
Accumulated depreciation									
31 December 2014	39,802	57,103	117,281	325,983	1,186,948	149,126	278,850	-	2,149,881
Depreciation for the year	5,085	8,240	2,781	1,283	232,574	32,542	18,631	-	301,116
Depreciation on disposals/write off	-	-	(14,441)	-	(97,249)	(15,757)	(14,776)	-	(142,223)
Reclassification/transfer in (out)	312,863	1,963	(1,277)	(311,745)	-	-	-	-	1,884
31 December 2015	357,850	67,306	98,384	18,511	1,322,271	185,911	282,505	-	2,313,738
Allowance for impairment loss									
31 December 2014	73,824	-	-	-	-	-	-	-	73,824
31 December 2015	73,824	-	-	-	-	-	-	-	73,824
Net book value									
31 December 2014	975,386	283,830	40,711	4,717	1,245,185	89,808	34,051	140,374	2,814,062
31 December 2015	1,710,481	285,346	76,070	11,141	1,543,475	89,881	20,088	137,039	3,653,521
Depreciation for the year									
2014 (Baht 294 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									317,452
2015 (Baht 277 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									301,116

As at 31 December 2016, the Company and its subsidiary had machinery, vehicles and equipment under finance lease agreements with net book values amounting to Baht 436 million (2015: Baht 634 million) (Separate financial statements: Baht 387 million (2015: Baht 576 million)).

As at 31 December 2016, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 1,626 million (2015: Baht 1,296 million) (Separate financial statements: Baht 1,397 million (2015: Baht 998 million)).

The Company is subject to restrictions on the sale, transfer or creation of obligations with respect to certain plots of land belonging to the Company, in compliance with a condition of the Company's long-term loans and debentures.

20. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	152,024	151,454	147,332	146,994
Accumulated amortisation	(93,368)	(75,476)	(90,600)	(73,430)
Net book value	58,656	75,978	56,732	73,564
Amortisation expenses included in the profit or loss for the year	17,892	18,201	17,171	17,516

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	75,978	85,921	73,565	82,898
Acquisition of computer software	570	8,258	338	8,182
Amortisation	(17,892)	(18,201)	(17,171)	(17,516)
Net book value at end of year	58,656	75,978	56,732	73,564

21. Bank overdrafts and short-term loans from financial institutions

	Interest rate (% p.a.)	Consolidated		(Unit: Thousand Baht)	
		financial statements		Separate financial statements	
		2016	2015	2016	2015
Short-term loans from banks	2.8 to 3.05, MLR - 2.625 and FDR + 2.75	3,805,978	3,165,700	3,805,978	3,140,700
Trust receipts	3.625 to 6.25, LIBOR + margin and MLR - margin	2,535,556	2,025,577	459,978	23,153
Bills of exchange	1.67 to 1.98	3,190,000	3,000,000	3,190,000	3,000,000
Total		9,531,534	8,191,277	7,455,956	6,163,853

Parts of the short-term loans from financial institutions of the Company are secured by the transfer of rights over collection of revenues from construction projects.

Bank overdrafts and short-term loans from financial institutions of subsidiaries are secured by certain saving deposits of a subsidiary, certain share certificates of Bangkok Expressway and Metro Public Company Limited owned by a subsidiary, the transfer of the rights over saving deposits of a subsidiary, the transfer of rights over receipt of payment under construction contracts of subsidiaries, the transfer of bank guarantees provided by subcontractors and are guaranteed by the Company and subsidiaries' shareholders.

Trust receipts of subsidiaries are guaranteed by the Company.

22. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables - related parties	29,348	32,420	133,202	109,590
Trade payables - unrelated parties	3,942,125	5,158,701	2,446,227	3,789,657
Amounts due to related parties	1,819,320	620,017	1,819,320	620,017
Accrued interest expenses	182,163	161,444	181,992	160,074
Accrued expenses	450,729	602,014	293,638	405,332
Other payables	17,283	27,453	13,277	23,237
Total trade and other payables	6,440,968	6,602,049	4,887,656	5,107,907

23. Hire purchase creditors

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Liabilities under hire purchase	115,688	315,924	87,235	267,316
Less: Deferred interest expenses	(3,194)	(12,887)	(2,181)	(10,480)
	112,494	303,037	85,054	256,836
Less: Portion due within one year	(90,884)	(193,918)	(70,449)	(171,542)
Liabilities under hire purchase - net of current portion	<u>21,610</u>	<u>109,119</u>	<u>14,605</u>	<u>85,294</u>

The Company and its subsidiary have entered into hire purchase agreements with leasing companies for rental of equipment and motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 to 5 years.

24. Long-term loans

As at 31 December 2016 and 2015, the balances of the long-term loans are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>The Company:</u>				
CH. Karnchang Public Company Limited	18,240,981	17,496,246	18,240,981	17,496,246
CKCH Joint Venture	294,000	-	294,000	-
<u>Subsidiary:</u>				
CH. Karnchang (Lao) Company Limited	644,040	4,372,313	-	-
Long-term loans	19,179,021	21,868,559	18,534,981	17,496,246
Less: Current portion	(4,547,791)	(5,099,472)	(3,903,751)	(2,413,086)
Long-term loans - net of current portion	<u>14,631,230</u>	<u>16,769,087</u>	<u>14,631,230</u>	<u>15,083,160</u>

The Company

As at 31 December 2016, the Company's long-term loans from bank comprise credit facilities from 7 local commercial banks. Details of interests and repayments are as follows:

- Loans amounting to Baht 14,708 million represent those under the loan agreement the Company made with a group of commercial banks in Thailand to provide a loan to fund project work under the Agreement for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khleng Bang Phai Station - Tao Poon Station), whereby the Company had signed as the Contractor for the Agreement for Project Management, as well as for Supply and Installation of M&E Systems in the MRT Purple Line Project with Bangkok Expressway and Metro Public Company Limited. The loans comprise long-term credit facilities of Baht 15,689 million and a bank guarantee facility of Baht 700 million. The long-term loans carry interest at a fixed rate of 5.75 percent per annum from the date of the loan agreement until March 2017, and thereafter until repayment of all loans, at the fixed deposit rate plus a stipulated margin per annum. The Company will repay the loan principal and interest in 120 installments, starting from the earlier of (a) March 2017 or (b) the date falling 60 days after Bangkok Expressway and Metro Public Company Limited starts operation on the MRT Purple Line Project. Bangkok Expressway and Metro Public Company Limited entered into an agreement to assign the proceeds under the agreement made with the Mass Rapid Transit Authority of Thailand to the Company, for use as collateral with the lender banks.
- The balance of loan, amounting to Baht 1,550 million, carry interest at the Minimum Loan Rate minus a stipulated margin (Prime rate - margin) per annum and is repayable in 8 quarterly installments in the amounts stipulated in the long-term loan agreement, starting from July 2015. The conditions of the loan include covenants that, among other things, prohibit the Company from selling, transferring or creating any commitments with respect to some plots of land belonging to the Company and some share certificates for its investment in an associated company, and require it to maintain a certain debt to equity ratio.
- The balance of loan, amounting to Baht 2,000 million, carry interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum and the loan principals are to be repaid in semi-annual base. Full settlement of these loans are to be made within October 2018 to November 2021.

- The balance of loan of CKCH Joint Venture, amounting to Baht 294 million (per the Company's interest in the joint operation), carry interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum. The loan is repayable in installments each time a payment for construction work is received, at the percentage stipulated in the loan agreement. Full settlement of these loans are to be made within October 2019.

Partial long-term loans of the Company are secured by the transfer of rights over collection of revenues from construction projects.

Under the loan agreement, the Company is required to comply with the same conditions and restrictions as those applicable for the Company's debentures (as described in Note 25 to the financial statements) and to maintain a certain debt to equity ratio.

As at 31 December 2016, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,386 million (2015: Baht 3,507 million).

CH. Karnchang (Lao) Company Limited

Loan from banks of CH. Karnchang (Lao) Company Limited represented loans from three local commercial banks. The loans comprise long-term credit facilities of Baht 10,000 million, and short-term credit facilities that consist of loans under promissory notes, overdrafts, letter of credit facilities and trust receipts totaling Baht 16,650 million and a bank guarantee facility of Baht 8,200 million. The long-term loans carry interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum and are repayable in installments each time a payment for construction work is received from the employer, starting from the 13th payment, at the percentages stipulated in the loan agreements. The subsidiary is to complete repayment of all principals when the subsidiary has received accumulated construction work installments equal to 90 percent of the construction contract value and will repay all loan principals within January 2020. Under the long-term loan agreements, the subsidiary has commitment to pay front-end fee and commitment fee to syndicate lenders in percentage of the total loan facilities and the undrawn amounts of the loan, respectively, as specified in the loan agreements. These loans are secured by the pledge and the transfer of rights over savings deposits of the subsidiary, the transfer of rights over collection of revenues from construction project of the subsidiary and guaranteed by the Company.

25. Debentures

(Unit: Thousand Baht)

					Consolidated and separate financial statements	
Debentures	Life	Date of issue	Maturity date	Interest rate	2018	2015
					(% p.a.)	
1	4 years 9 months	28 October 2011	28 July 2016	5.25, 5.75 and 6.25	-	2,000,000
2	8 years 9 months	28 October 2011	28 July 2018	5.4, 5.75, 6.25 and 6.75	1,000,000	1,000,000
3	4 years 9 months	18 July 2012	18 April 2017	5.5	2,000,000	2,000,000
4	5 years 9 months	7 June 2013	7 March 2019	5.0	-	4,000,000
5	4 years	21 February 2014	21 February 2018	4.7 and 4.9	-	2,000,000
6	5 years 9 months	21 February 2014	21 November 2019	4.8 and 5.0	-	1,000,000
7	6 years	30 July 2014	30 July 2020	4.92	-	500,000
8	5 years 9 months	28 August 2014	28 May 2020	4.8	-	2,500,000
9	6 years	6 March 2015	6 March 2021	4.16	4,000,000	4,000,000
10	3 years	7 August 2015	7 August 2018	2.52	1,000,000	1,000,000
11	4 years	7 August 2015	7 August 2019	2.86	500,000	500,000
12	7 years	7 August 2015	7 August 2022	3.88	3,000,000	3,000,000
13	3 years	7 March 2016	7 March 2019	2.19	1,500,000	-
14	7 years	7 March 2016	7 March 2023	3.36	4,000,000	-
15	7 years	26 May 2016	26 May 2023	3.22	1,000,000	-
16	8 years	7 June 2016	7 June 2024	3.50	500,000	-
17	3 years	8 July 2016	8 July 2019	2.24	2,500,000	-
18	8 years	8 July 2016	8 July 2024	3.51	1,500,000	-
19	10 years	8 July 2016	8 July 2026	3.82	2,700,000	-
20	11 years 8 months	8 July 2016	8 March 2028	3.99	800,000	-
21	11 years	11 July 2016	11 July 2027	3.85	1,000,000	-
22	11 years	8 November 2016	8 November 2027	4.05	1,000,000	-
23	11 years	17 November 2016	17 November 2027	4.05	500,000	-
Total					28,500,000	23,500,000
Less: Deferred debenture issuing costs					(20,333)	(21,786)
Less: Current portion of debentures					(2,000,000)	(2,000,000)
Debentures - net of current portion					26,479,667	21,478,214

All debentures of the Company are unsecured, registered, senior debentures with trustees and with a par value of Baht 1,000 each. The interest is payable every 3 months throughout the life of the debenture, except for the interest of debentures presented in item 22 and 23 of the above table is payable every 6 months.

On 28 April 2016, the 2016 Annual General Meeting of the Company's shareholders passed a resolution approving an increase in the maximum outstanding balance of the debentures from a limit of Baht 25,000 million to a limit of Baht 35,000 million.



Debentures presented in item 1 of the above table carry interest at three rates, with the first rate applicable for the first and the second year, the second rate applicable for the third and the fourth year and the third rate applicable for the remaining period of 9 months.

Debentures presented in item 2 of the above table carry interest at four rates, with the first rate applicable for the first and the second year, the second rate applicable for the third and the fourth year, the third rate applicable for the fifth and the sixth year and the fourth rate applicable for the remaining period of 9 months.

Debentures presented in item 5 of the above table carry interest at two rates, with the first rate applicable for the first two years and a second rate then applicable until maturity.

Debentures presented in item 6 of the above table carry interest at two rates, with the first rate applicable for the first three years and a second rate then applicable until maturity.

The conditions of the debentures include covenants that, among other things, prohibit the Company from selling, transferring or creating any commitments with respect to some share certificates for its investment in an associated company and some plots of land of the Company, and require it to maintain a certain debt to equity ratio.

26. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Defined benefit obligation at beginning of year	568,444	486,407	316,759	281,096
Current service cost	124,992	96,718	59,528	46,266
Interest cost	13,288	16,938	7,805	10,177
Past service costs and gains or losses on settlement	(843)	6,961	(843)	(1,372)
Actuarial (gain) loss arising from				
Demographic assumptions changes	638	(46,037)	-	(36,189)
Financial assumptions changes	7,285	37,624	-	25,555
Experience adjustments	4,855	(8,846)	-	(6,306)
Benefits paid during the year	<u>(106,500)</u>	<u>(21,321)</u>	<u>(83,692)</u>	<u>(2,468)</u>
Provisions for long-term employee benefits at end of year	<u>612,159</u>	<u>568,444</u>	<u>299,557</u>	<u>316,759</u>

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current service cost	124,992	96,718	59,528	46,266
Interest cost	13,288	16,938	7,805	10,177
Transitional liability recognised during the year	-	40,408	-	21,901
Past service costs and gains or losses on settlement	(843)	6,961	(843)	(1,372)
Total expense recognised in profit or loss	137,437	161,025	66,490	76,972

The Company and its subsidiaries expect to pay Baht 36 million of long-term employee benefits during the next year (2015: Baht 38 million) (Separate financial statements: Baht 26 million) (2015: Baht 23 million)).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 0.5 - 9.3 years (2015: 0.5 - 9.1 years) (Separate financial statements: 0.5 - 7.2 years) (2015: 0.5 - 7.2 years)).

Significant actuarial assumptions are summarised below.

	Consolidated and separate financial statements	
	<u>2016</u>	<u>2015</u>
	(% per annum)	(% per annum)
Discount rate	2.26 - 2.80	2.26 - 3.73
Future salary increase rate - average (depending on age of employees)	0 - 8.0	5.0 - 8.0
Staff turnover rate - average	0 - 26.0	0 - 26.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Million Baht)

	As at 31 December 2016			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(38.38)	44.22	(21.07)	23.96
Salary increase rate	47.00	(41.79)	25.96	(23.37)
Turnover rate	(41.65)	22.09	(23.12)	12.27

(Unit: Million Baht)

	As at 31 December 2015			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(27.18)	31.20	(18.02)	20.49
Salary increase rate	29.21	(26.11)	19.18	(17.30)
Turnover rate	(29.68)	16.53	(19.78)	10.50

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

28. Accounts receivable - claims for additional costs

In 2000, Joint Venture BBCE had claimed for payment of additional construction costs from the Expressway Authority of Thailand (the employer). The employer's consulting engineer considered the joint venture's claims and issued a letter confirming its acceptance of the additional costs. Subsequently, the Arbitral Tribunal issued its award, ruling that the employer was to pay the joint venture for such additional costs and accrued interest. Later the employer sent a letter to the joint venture informing that, after consideration, the employer had decided to comply with the arbitral award. Consequently, the joint venture had recorded such amounts as asset and income in the financial statements of 2001. The Company's interest in the joint operation is approximately Baht 2,500 million.

As a result of the delay in the payment, the joint venture filed a lawsuit against the employer with a Civil Court to ordering compliance with the arbitral award. On 30 December 2003, the court ruled in favor of the joint venture, ordering compliance with the arbitral award requiring the Expressway Authority of Thailand (the employer) to pay the joint venture in accordance with the arbitral award. Subsequently, in January 2004, the employer appealed the ruling to the Supreme Court of Thailand.

On 15 February 2007, the Supreme Court handed down a judgment reversing that of the Civil Court enforcing the arbitral award requiring the employer to make payments to the Joint Venture BBOD. The joint venture therefore recorded allowance for doubtful accounts for the full amount of the accounts receivable recorded in respect of the claim for additional costs as an expense in the profit or loss of 2006, with the Company's interest in the joint operation being approximately Baht 2,500 million.

Subsequently, after the management of the Company carefully reviewed the details of the Supreme Court's judgment, on 11 February 2008 a lawsuit was filed against the employer with the Civil Court, to recover costs paid by the Joint Venture BBOD from the employer, on the grounds of undue enrichment. Such costs and accrued interest calculated up to the date of filing of the lawsuit amounted to approximately Baht 3,400 million (per the Company's interest in the joint operation).

On 15 September 2011, the Civil Court handed down a judgment ruling that the employer was to pay the Joint Venture BBOD Baht 1,750 million (per the Company's interest in the joint operation) together with interest at a rate of 7.5 percent per annum on the principal from 15 February 2007 to the date that employer pays the debt to the Joint Venture BBOD. The employer and the Joint Venture BBOD appealed the ruling to the Appeal Court.

On 27 December 2013, the Appeal Court overturned the judgment made in favor of the Joint Venture BBOD. Subsequently, in February 2014 the joint venture filed an appeal with the Supreme Court, petitioning it to enforce the employer's payment of all additional costs and accrued interest until payment is made. Currently, the case is in the process of consideration of the Supreme Court.

29. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries and wages and other employee benefits	4,087,823	4,432,788	2,068,301	2,294,853
Depreciation	935,349	962,976	326,581	308,634
Construction materials and consumables used and subcontractors costs	36,114,568	24,527,324	15,303,579	17,708,198
Repair and maintenance expenses	180,338	297,049	92,256	92,813

30. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	66,235	481,087	42,770	447,026
Deferred tax:				
Relating to origination and reversal of temporary differences	11,380	(22,074)	15,018	(19,762)
Income tax expense reported in the statement of comprehensive income	<u>77,615</u>	<u>459,013</u>	<u>57,788</u>	<u>427,264</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to				
Gain (loss) on changes in value of				
available-for-sale investments	31,163	(67,295)	31,163	(83,767)
Unrealised gain from cash flow hedges	4,430	86,945	4,430	86,945
Actuarial gain (loss)	(2,556)	4,140	-	3,388
	<u>33,037</u>	<u>23,790</u>	<u>35,593</u>	<u>6,566</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	<u>2,120,062</u>	<u>2,719,420</u>	<u>1,041,368</u>	<u>2,494,748</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	424,012	543,884	208,274	498,950
Effects of:				
Non-deductible expenses	19,795	8,376	17,916	2,392
Exemption of income and additional expense deductions allowed	(98,040)	(171,538)	(222,092)	(180,331)
Additional taxable income	47,185	44,534	47,185	44,534
Tax losses (profit) of a subsidiary granted tax-exemption privileges	(186,465)	57,133	-	-
Share of loss (profit) from investments in associated companies	(115,522)	3,872	-	-
Others	(13,350)	(27,248)	6,505	61,719
Total	<u>(346,397)</u>	<u>(84,871)</u>	<u>(150,486)</u>	<u>(71,686)</u>
Income tax expenses reported in the statement of comprehensive income	<u>77,615</u>	<u>459,013</u>	<u>57,788</u>	<u>427,264</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for asset impairment	2,747	2,747	-	-
Property, plant and equipment	13,993	18,081	5,073	8,745
Provision for long-term employee benefits	76,238	75,540	59,893	62,897
Derivative financial liabilities	-	11,529	-	11,529
Others	10,616	8,354	7,136	7,782
Total	103,594	116,251	72,102	90,953
Deferred tax liabilities				
Unrealised gain on changes in value of investments	1,973,390	1,949,634	1,917,380	1,885,952
Amortisation of deferred debenture issuing costs	4,067	4,357	4,067	4,357
Derivative financial assets	3,040	-	3,040	-
Others	3,409	6,284	3,409	5,827
Total	1,983,906	1,960,275	1,927,896	1,896,136

As at 31 December 2016, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 32.4 million (2015: Baht 69.6 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 32.4 million will expire by 2020.

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

32. Contracts in progress

As at 31 December 2016, the aggregate amount of construction cost incurred and recognised profits or losses to date for contracts in progress of the Company and its subsidiaries was approximately Baht 156,774 million (2015: Baht 132,226 million) (Separate financial statements: Baht 84,567 million (2015: Baht 72,224 million)), gross amounts due from customers for contracts in progress were approximately Baht 4,949 million (2015: Baht 25,276 million) (Separate financial statements: Baht 3,211 million (2015: Baht 4,375 million)), and gross amounts due to customers for contracts in progress were approximately Baht 3,110 million (2015: Baht 4,354 million) (Separate financial statements: Baht 2,299 million (2015: Baht 4,196 million)).

33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Chairman of the Executive Board.

The Group is principally engaged in construction and provision of related services and investment in infrastructure, and the two geographic areas in which these activities are carried on are Thailand and the Lao People's Democratic Republic, where operations are carried out by a subsidiary.

The performance of operating segments is measured on a basis consistent with that used to determine the profit or loss of the operations reported in the financial statements. The profit or loss of the investment in infrastructure business segment comprised dividend income, share of profit or loss from investments under the equity method, gains or losses on sales of investments and related finance costs.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries operating segments for the year ended 31 December 2016 and 2015:

	(Unit: Million Baht)					
	Construction and related service segment		Investment in infrastructure business segment		Consolidated	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue						
Revenue from external customers	45,864	34,912	1,313	2,893	47,177	37,805
Depreciation and amortisation	913	944	-	-	913	944
Administrative expenses	1,430	1,432	351	327	1,781	1,759
Interest expenses	627	690	539	855	1,166	1,545
Segment operating profit	1,393	1,008	727	1,711	2,120	2,719
Unallocated income and expenses:						
Income tax expenses					(78)	(459)
Profit for the year					2,042	2,260

Geographic information for construction and related service segment

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
Revenue from external customers is based on locations of the customers		
Thailand	21,683	26,078
The Lao People's Democratic Republic	24,181	8,834
Total	<u>45,864</u>	<u>34,912</u>

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
Non-current assets*		
Thailand	58,520	44,312
The Lao People's Democratic Republic	2,777	3,597
Total	<u>61,297</u>	<u>47,909</u>

* Other than financial instruments and deferred tax assets.

Major customers

In 2016, the Company and its subsidiaries had revenues from provision of construction services to major customers, which consisted of a group of government agencies and two private customers, amounting to Baht 8,796 million, Baht 6,106 million and Baht 23,294 million, respectively, arising from the construction and related service segment (2015: revenues from provision of construction services to major customers which consisted of a group of government agencies and two private customers, amounting to Baht 6,384 million, Baht 9,289 million and Baht 8,834 million, respectively).

34. Provident funds

The Company, some subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries and their employees contribute to the funds monthly at the rate of 5 percent of basic salary. The funds, which are managed by Krung Thai Asset Management Public Company Limited and TISCO Asset Management Company Limited (Separate financial statements: Krung Thai Asset Management Public Company Limited) will be paid to employees upon termination in accordance with the fund rules. The contribution for the years 2016 and 2015 were recognised as expenses amounting to Baht 79.0 million and Baht 61.7 million, respectively (Separate financial statements: Baht 70.9 million and Baht 54.3 million, respectively).

35. Dividends payment

On 30 April 2015, the 2015 Annual General Meeting of the Company's shareholders passed resolutions approving the appropriation of Baht 4.1 million of the 2014 net profit to the statutory reserve and the payment of a dividend of Baht 0.35 per share in respect of the operations of July to December 2014, or a total of Baht 592.9 million. The dividend was paid on 29 May 2015. Together with the payment of an interim dividend of Baht 0.20 per share in respect of the operations of January to June 2014, total dividends for the year 2014 thus amount to Baht 0.55 per share, or a total of Baht 931.6 million.

On 26 August 2015, a Meeting of the Company's Board of Directors passed resolutions approving the payment of an interim dividend for the six-month period ended 30 June 2015 of Baht 0.25 per share to the Company's shareholders, or a total of Baht 423.5 million. The dividend was paid on 23 September 2015.

On 28 April 2016, the 2016 Annual General Meeting of the Company's shareholders passed resolutions approving the appropriation of Baht 310 of the 2015 net profit to the statutory reserve and the payment of a dividend of Baht 0.40 per share in respect of the operations of July to December 2015, or a total of Baht 677.6 million. The dividend was paid on 27 May 2016. Together with the payment of an interim dividend of Baht 0.25 per share for the operations of January to June 2015, total dividends for the year 2015 thus amount to Baht 0.65 per share, or a total of Baht 1,101 million.

On 29 August 2016, a Meeting of the Company's Board of Directors passed resolutions approving the payment of an interim dividend for the six-month period ended 30 June 2016 of Baht 0.25 per share to the Company's shareholders, or a total of Baht 423.5 million. The dividend was paid on 27 September 2016.

36. Commitments and contingent liabilities

36.1 Capital commitments

As at 31 December 2016, the Company and a subsidiary had capital commitment of approximately Baht 48 million (Separate financial statements: Baht 8 million) (2015: Consolidated financial statements: Baht 57 million) relating to the acquisition of equipment.

36.2 Operating lease commitments

As at 31 December 2016, the Company and its subsidiary had rental commitments totaling Baht 10 million in respect of lease agreements for office building space (Separate financial statements: Baht 9 million) (2015: Consolidated financial statements: Baht 0.3 million).

36.3 Service commitments and other commitments

As at 31 December 2016, the Company and its subsidiaries have the following service commitments and other commitments:

- a) The Company and its subsidiaries have commitments totaling Baht 19,085 million, USD 259 million (2015: Baht 28,698 million, USD 452 million, CHF 1 million, Euro 2 million, Japanese Yen 4,225 million and SGD 9 million) (Separate financial statements: Baht 12,157 million and USD 6 million (2015: Baht 16,308 million, USD 1 million, Euro 2 million, Japanese Yen 4,225 million and SGD 9 million)) in respect of project construction costs and services, which the Company and its subsidiaries had already entered into agreements.
- b) The Company has a commitment in respect of its undertakings to provide financial support to an associated company, as stipulated in the conditions in the agreement (as described in Note 6e)).

36.4 Related party guarantees

As at 31 December 2016, the Company has provided guarantees totaling Baht 47,020 million (2015: Baht 47,020 million) for bank credit facilities on behalf of two subsidiaries.

36.5 Bank guarantees

As at 31 December 2016 and 2015, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries. The details of bank guarantees are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Guarantee of construction contracts, bidding and debt repayment	17,785	13,962	12,570	8,831
Guarantee of advance payment bond and retention	10,236	10,436	7,109	7,321
Other guarantees	327	318	151	131
	<u>28,348</u>	<u>24,716</u>	<u>19,830</u>	<u>16,283</u>

37. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Financial assets measured at fair value								
Held for trade investments								
Equity instruments	6	4	-	-	-	-	6	4
Available-for-sale investments								
Equity instruments	8,283	7,979	-	-	-	-	8,283	7,979
Debt instruments	-	-	1,125	36	-	-	1,125	36
Derivatives								
Foreign currency forward contracts	-	-	29	-	-	-	29	-
Financial liabilities measured at fair value								
Derivatives								
Foreign currency forward contracts	-	-	-	59	-	-	-	58
Assets for which fair value are disclosed								
Investment properties	-	-	850	558	-	-	850	556
Derivatives								
Interest rate swap contracts	-	-	33	46	-	-	33	46

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Financial assets measured at fair value								
Held for trade investments								
Equity instruments	6	4	-	-	-	-	6	4
Available for sale investments								
Equity instruments	8,283	7,979	-	-	-	-	8,283	7,979
Debt instruments	-	-	1,064	35	-	-	1,064	35
Derivatives								
Foreign currency forward contracts	-	-	15	-	-	-	15	-
Financial liabilities measured at fair value								
Derivatives								
Foreign currency forward contracts	-	-	-	58	-	-	-	58
Assets for which fair value are disclosed								
Investment properties	-	-	1,060	704	-	-	1,060	704
Derivatives								
Interest rate swap contracts	-	-	33	46	-	-	33	46

38. Financial instruments

38.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise the following:

<u>Financial assets</u>	<u>Financial liabilities</u>
<ul style="list-style-type: none">- Cash and cash equivalents- Current investments- Trade and other receivables- Short-term loans to related parties and interest receivable- Restricted bank deposits- Long-term loans to associated company and interest receivable- Long-term loans to related company and interest receivable- Other long-term investments- Long term trade receivables	<ul style="list-style-type: none">- Bank overdrafts and short-term loans from financial institutions- Trade and other payables- Hire purchase creditors- Retention for construction- Long-term other payable- Long-term loans- Debentures

The financial risks associated with these financial instruments and how they are managed is described below.

a) Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to construction receivables and loans. However, since the majority of the Company's and its subsidiaries' construction contracts are made with government agencies and other creditworthy customers, they do not anticipate material losses from their debt collection outside those for which provision has already been set aside.

b) Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, lendings, bank overdrafts and short-term loans, hire purchase creditors, long-term borrowings and debentures. Most of these financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

31 December 2018							
Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	2,100	-	-	9,011	295	11,406	0.05 to 1.45
Current investments	-	-	-	-	1,130	1,130	-
Trade and other receivables	-	-	-	-	7,920	7,920	-
Short-term loans to related parties and interest receivable	-	-	-	283	1	284	MLR - 1.25
Restricted bank deposits	-	17	-	16	-	33	0.375 to 1.05
Long-term loans to associated company and interest receivable	-	-	-	10,360	-	10,360	MLR + 0.25
Long-term loans to related company and interest receivable	-	-	-	9	-	9	MLR - 0.01
Other long-term investments	-	-	5	-	8,307	8,312	4.375
Long-term trade receivables	-	-	-	-	14,095	14,095	-
	2,100	17	5	19,679	31,748	53,549	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	6,990	-	-	2,542	-	9,532	1.67 to 6.25, FDR + 2.75, LIBOR + margin and MLR - margin
Trade and other payables	-	-	-	-	6,441	6,441	-
Hire purchase creditors	91	21	-	-	-	112	1.96 to 4.85
Retention for construction	-	-	-	-	907	907	-
Long-term loans	-	14,631	-	4,548	-	19,179	5.75, MLR - margin and Prime rate - 1.375
Debentures	2,000	10,480	16,000	-	-	28,480	2.19 to 6.25
	9,081	25,132	16,000	7,090	7,348	64,651	

(Unit: Million Baht)

31 December 2015

Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	630	-	-	3,925	112	4,667	0.1 to 1.8
Current investments	31	-	-	-	40	71	1.0 to 4.5
Trade and other receivables	-	-	-	-	6,174	6,174	-
Short-term loans to related parties and interest receivable	-	-	-	283	1	284	MLR - 1.25
Restricted bank deposits	-	17	-	-	-	17	0.50 to 1.75
Long-term loans to related company and interest receivable	-	-	-	12	-	12	MLR - 0.01
Other long-term investments	-	-	5	-	8,003	8,008	4.375
Long-term trade receivables	-	-	-	-	14,406	14,406	-
	661	17	5	4,220	28,736	33,639	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	5,480	-	-	2,711	-	8,191	2.0 to 4.0, LIBOR + margin and MLR - margin
Trade and other payables	-	-	-	-	6,802	6,802	-
Bill purchase creditors	194	109	-	-	-	303	2.62 to 2.9
Retention for construction	-	-	-	-	1,146	1,146	-
Long-term other payable	-	-	-	-	770	770	-
Long-term loans	-	13,034	-	8,835	-	21,869	5.75, FDR + 2.75, MLR - margin and Prime rate - 1.375
Debentures	2,000	14,478	7,000	-	-	23,478	2.52 to 6.25
	7,674	27,621	7,000	11,546	8,518	62,359	

(Unit: Million Baht)

31 December 2016

Separate financial statements

	Fixed interest rates					Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	2,000	-	-	6,156	-	8,156	0.05 to 1.45
Current investments	-	-	-	-	1,089	1,089	-
Trade and other receivables	-	-	-	-	7,817	7,817	-
Short-term loans to related parties and interest receivable	-	-	-	4,501	1	4,502	MLR - 2.00 and MLR - 1.25
Restricted bank deposits	-	-	-	16	-	16	0.375
Long-term loans to associated company and interest receivable	-	-	-	10,360	-	10,360	MLR + 0.25
Long-term loans to related company and interest receivable	-	-	-	9	-	9	MLR - 0.01
Other long-term investments	-	-	5	-	8,288	8,293	4.375
Long-term trade receivables	-	-	-	-	14,095	14,095	-
	<u>2,000</u>	<u>-</u>	<u>5</u>	<u>21,042</u>	<u>31,290</u>	<u>54,337</u>	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	6,990	-	-	466	-	7,456	1.67 to 6.25, FDR + 2.75 and MLR - margin
Trade and other payables	-	-	-	-	4,888	4,888	-
Hire purchase creditors	70	15	-	-	-	85	2.5 to 4.85
Retention for construction	-	-	-	-	673	673	-
Long-term loans	-	14,631	-	3,904	-	18,535	5.75, MLR - margin and Prime rate - 1.375
Debentures	2,000	10,480	16,000	-	-	28,480	2.19 to 8.25
	<u>9,060</u>	<u>25,126</u>	<u>16,000</u>	<u>4,370</u>	<u>5,561</u>	<u>60,117</u>	

(Unit: Million Baht)

31 December 2015

	Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	490	-	-	3,214	27	3,731	0.1 to 1.8
Current investments	31	-	-	-	38	70	1.0 to 4.8
Trade and other receivables	-	-	-	-	7,600	7,600	-
Short term loans to related parties and interest receivable	-	-	-	20,586	1	20,587	MLR - 1.75, MLR - 1.25 and LIBOR + 3
Long-term loans to related company and interest receivable	-	-	-	12	-	12	MLR - 0.01
Other long term investments	-	-	5	-	7,984	7,989	4.375
Long-term trade receivables	-	-	-	-	14,406	14,406	-
	521	-	5	23,812	30,057	54,385	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	5,480	-	-	684	-	6,164	2.0 to 4.0, LIBOR + margin and MLR - margin
Trade and other payables	-	-	-	-	5,108	5,108	-
Hire purchase creditors	172	85	-	-	-	257	2.9
Retention for construction	-	-	-	-	930	930	-
Long-term other payable	-	-	-	-	770	770	-
Long term loans	-	13,033	-	4,463	-	17,496	5.75, FDR + margin, MLR - margin and Prime rate - 1.3/5
Debentures	2,000	14,478	7,000	-	-	23,478	2.52 to 6.25
	7,652	27,596	7,000	5,147	6,808	54,203	

The Company entered into interest rate swap agreements with a local commercial bank to manage risk associated with some of its debentures, carrying interest at fixed rates. As at 31 December 2016, the Company has interest rate swap agreements for a total notional amount of debentures of Baht 3,000 million, to swap fixed interest rates of 5.5 - 6.75 percent per annum to the Minimum Loan Rate minus stipulated margins (MLR - margin) per annum. The interest rate swap agreements terminate in April 2017 and July 2018.

c) Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from construction contracts, purchasing transactions, advances received from employers and borrowings that are denominated in foreign currencies.

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		as at 31 December	
	as at 31 December		as at 31 December			
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	40	20	72	72	35.83	36.09
Japanese Yen	-	-	-	2,380	0.31	0.30
Euro	-	-	3	5	37.76	39.44
SGD	-	-	-	3	24.80	25.52

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		as at 31 December	
	as at 31 December		as at 31 December			
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	1	6	1	1	35.83	36.09
Japanese Yen	-	-	-	2,380	0.31	0.30
Euro	-	-	2	1	37.76	39.44
SGD	-	-	-	3	24.80	25.52

As at 31 December 2016 and 2015, outstanding foreign exchange contracts of the Company and its subsidiary are summarised below.

2016			
Foreign currency	Bought amount	Contractual exchange rate - Bought	Contractual Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	22	33.39 - 35.48	January 2017 - October 2017
2015			
Foreign currency	Bought amount	Contractual exchange rate - Bought	Contractual Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	32	33.19 - 33.50	April 2016 - August 2017
Japanese Yen	5,450	0.3224 - 0.3343	January 2016 - September 2016

The Company and its subsidiary use foreign exchange contracts to hedge cash flow risk arising from changes in foreign exchange rates.

38.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of the derivatives is as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
			financial statements	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
	<u>Fair value</u>	<u>Fair value</u>	<u>Fair value</u>	<u>Fair value</u>
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
Derivatives				
Forward exchange contracts	29	(58)	15	(58)
Interest rate swap contracts	33	46	33	46

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

During the current year, there were no transfers within the fair value hierarchy.

39. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. The Group has to maintain a debt-to-equity ratio as stipulated in long-term loan agreements and condition of debentures.

40. Events after the reporting period

On 28 February 2017, a meeting of the Company's Board of Directors passed resolutions approving the payment of a dividend of Baht 0.25 per share in respect of the operations of July to December 2016. Together with the payment of an interim dividend of Baht 0.25 per share for the operations of January to June 2016, total dividends for the year 2016 thus amount to Baht 0.50 per share, or a total of Baht 846.9 million. This resolution will be proposed for approval by the Annual General Meeting of the Company's shareholders for the year 2017.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2017.



ATTACHMENT

- 244 Attachment 1 : Details of the Company's Directors, Executives,
Controllers and Company Secretary
- 269 Attachment 2 : Details of Directors of Subsidiaries
- 270 Attachment 3 : Details of Head of Internal Audit Unit and
Head of Compliance Unit

Attachment 1

Details of the Company's Directors, Executives, Controllers and Company Secretary

1. Information of the Company's Directors, Executives, Controllers and Company Secretary are as follows:



Mr. Aswin Kongsiri

Position Chairman of the Board of Directors

Appointment Date as Director October 10, 1994

Age 71 years

Shareholding (%) - None -

Family Relationship among Directors and Executives - None -

Education/Training

- B.A. (Hons.) in Philosophy, Politics and Economics, Oxford University, England
- National Defence Course for the Joint State Private Sector, Class 6, National Defence College
- Chairman 2000 Course (Class 5/2001), Thai Institute of Directors Association
- Director Certification Program (DCP 11/2001), Thai Institute of Directors Association
- "Ethics: CG Conscience", Stock Exchange of Thailand
- Corporate Governance VS Corporate Performance: Duty or Choice?, Thai Institute of Directors Association (IOD)

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2007 - Present	Chairman of the Board of Directors	CH. Karnchang Plc.
2005 - Present	Independent Director	Bangkok Aviation Fuel Services Plc.
1999 - Present	Director and Chairman of	OHTL Plc.
1994 - Present	the Audit Committee	CH. Karnchang Plc.
1993 - Present	Independent Director	Thai Reinsurance Plc.
1981 - Present	Independent Director	Padaeng Industry Plc.
2010 - 2012	Independent Director	Thoresen Thai Agencies Plc.
2009 - 2012	Chairman of the Board of Directors	Electricity Generating Plc.
2009 - 2010	Vice Chairman of the Board of Directors	Thoresen Thai Agencies Plc.
2005 - 2010	Director and Audit Committee Member	Krung Thai Bank Plc.
2001 - 2012	Director and Executive Director	Electricity Generating Plc.
1999 - 2003	Independent Director	Siam Commercial Bank Plc.

Other Companies

Period	Position	Organization/Company
2010 - Present	Chairman of the Board of Directors	Thai Orix Leasing Co., Ltd.
2011 - 2014	Monetary Policy Committee Member	The Bank of Thailand
2006 - 2008	Member of the National Legislative Assembly	The National Legislative Assembly
1990 - 1998	Director and General Manager	Industrial Finance Corporation of Thailand



Mr. Plew Trivisvavet

Position Director / Chairman of the Executive Board / Nomination and Remuneration Committee Member / Corporate Governance and Risk Management Committee Member / Authorized Signatory Director

Appointment Date as Director October 10, 1994

Age 71 years

Shareholding (%) 1.07

Family Relationship among Miss Supamas Trivisvavet's father

Directors and Executives Mr. Sittidej Trivisvavet's uncle,
Mr. Nattavut Trivisvavet's father

Education/Training

- Honorary Doctorate (Civil Engineering), Kasetsart University
- Honorary Doctorate of Sciences (Engineering), Thai-Nichi Institute of Technology
- M.Sc. (Electrical Engineering), Osaka University, Japan
- B.A. (Electrical Engineering), Osaka University, Japan
- Director Accreditation Program (DAP 18/2004), Thai Institute of Directors Association
- Director Certification Program (DCP 50/2004), Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND 13/2004), Thai Institute of Directors Association
- Capital Market Academy Leadership Program, Capital Market Academy (CMA 4/2007)
- National Defence Course (Class 366), National Defence College
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2016 - Present	Director and Chairman of the Executive Board	Bangkok Expressway and Metro Plc.
2011 - Present	Director	CK Power Plc.
2007 - Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
2006 - Present	Director	TTW Plc.
2003 - Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
1994 - Present	Chairman of the Executive Board	CH. Karnchang Plc.
1998 - 2015	Chairman of the Board of Directors and Chairman of the Executive Committee	Bangkok Metro Plc.
1998 - 2015	Director and Chairman of the Executive Board	Bangkok Expressway Plc.
1994 - 2015	Chief Executive Officer	CH. Karnchang Plc.

Other Companies:

Period	Position	Organization/Company
2010 - Present	Director	Xayaburi Power Company Limited
2006 - Present	Director and Chairman of the Executive Committee	Nam Ngum 2 Power Company Limited
2004 - Present	Director	SouthEast Asia Energy Limited
1999 - Present	Director	Construction Material Supply Co., Ltd.
1996 - Present	Chairman of the Board of Directors and Chairman of the Executive Committee	Northern Bangkok Expressway Company Limited
1991 - Present	Director	CH. Karnchang Real Estate Co., Ltd.
1981 - Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.



Mr. Vitoon Tejatussanasoontorn

Position Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee / Chairman of the Corporate Governance and Risk Management Committee

Appointment Date as Director April 30, 1999

Age 76 years

Shareholding (%) 0.02

Family Relationship among Directors and Executives - None -

Education/Training

- B.A. in Commerce, Thammasat University
- Director Certification Program (DCP 2/2000), Thai Institute of Directors Association
- IOD Chartered Directors, Thai Institute of Directors Association, Class 1/2007
- Advanced Audit Committee Programs (AACP 3/2010), Thai Institute of Directors Association
- Role of Compensation Committee (RCC 12/2011), Thai Institute of Directors Association
- New Auditor's Report: What's in it for you?, Thai Institute of Directors Association, in association with Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- Directors Compensation Survey 2016, Thai Institute of Directors Association

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
Feb 2016 - Present	Chairman of the Audit Committee	Bangkok Expressway and Metro Plc.
Dec 2015 - Present	Director and Nomination and Remuneration Committee Member	Bangkok Expressway and Metro Plc.
2014 - Present	Chairman of the Nomination and Remuneration Committee	CH. Karnchang Plc.
2007 - Present	Chairman of the Corporate Governance and Risk Management Committee	CH. Karnchang Plc.
1999 - Present	Director and Chairman of the Audit Committee	CH. Karnchang Plc.
1991 - Present	Deputy Senior Managing Director	AGC Flat Glass (Thailand) Plc.
2005 - 2015	Director, Audit Committee	Bangkok Metro Plc.
	Member, and Nomination and Remuneration Committee Member	

Other Companies:

Period	Position	Organization/Company
2015 - Present	Director and Chairman of the Audit Committee	Thaisri Insurance Plc.
2004 - Present	Director	Asahi Glass Foundation of Thailand
1988 - Present	Director	Pattaya Estate Co., Ltd.
1988 - Present	Director and Executive Director	Kiarti Thaneey Country Club Co., Ltd.
1987 - Present	Director	Diachrome Chemicals Limited
1986 - Present	Director and Executive Director	Sakata-Thai Corporation Ltd.



Mr. Thawansak Sukhawun

Position Director / Audit Committee Member / Nomination and Remuneration Committee Member / Corporate Governance and Risk Management Committee Member

Appointment Date as Director February 29, 2000

Age 79 years

Shareholding (%) - None -

Family Relationship among Directors and Executives - None -

Education/Training

- M.A. in Political Science with the Certificate in International Affairs, University of North Carolina at Chapel Hill, N.C., U.S.A.
- Bachelor of Arts, Chulalongkorn University
- Certificate of Modern Management, National Defence College (NDC) of Thailand
- Director Certification Program (DCP 61/2005), Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND 19/2005), Thai Institute of Directors Association
- Fraud and Corruption Risk in Economic Downturn, Thai Institute of Directors Association
- Advanced Audit Committee Programs (AACP 3/2010), Thai Institute of Directors Association
- Advanced Security Management Program (ASMP 3/2012), National Defence College Association of Thailand

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2014 - Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
2007 - Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
2000 - Present	Director and Audit Committee Member	CH. Karnchang Plc.

Other Company:

Period	Position	Organization/Company
1989 - 1998	Director-General	Thai News Agency
	Deputy Director-General	Mass Communication Organization of Thailand (M.C.O.T.)



Mr. Pavich Tongroach

Position Director / Audit Committee Member / Chairman of the Corporate Social and Environmental Responsibility Committee

Appointment Date as Director October 12, 2007

Age 70 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Doctor of Philosophy (Ph.D.) in Brain Pharmacology, The University of London, U.K.
- Post-doctoral Research on brain function at Faculty of Medicine, University of Tokyo, Japan
- Master of Science (M.Sc.) in Brain Biology, The University of London, U.K
- Bachelor of Pharmacy, Chulalongkorn University
- Director Certification Program (DCP 131/2010), Thai Institute of Directors Association
- National Defence Course (Class 4212), National Defence College
- Financial Statements for Directors (FSD 26/2014), Thai Institute of Directors Association

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2014 - Present	Audit Committee Member	CH. Karnchang Plc.
2014 - Present	Chairman of the Corporate Social and Environmental Responsibility Committee	CH. Karnchang Plc.
2007 - Present	Director	CH. Karnchang Plc.
2005 - 2006	Director	MCOT Plc.

Other Companies:

Period	Position	Organization/Company
Present	Executive Board Member	National Research Council of Thailand
Present	Chairman of the Chemical and Pharmaceutical Science Committee	
Present	Member and Vice Chairman	Higher Education Commission
Present	President of the Nakhon Phanom University Council	Nakhon Phanom University
Present	Adjunct Professor	Naresuan University
Present	Distinguished Scholar	Chulalongkorn University
2008 - 2014	Chairman of the Kalasin Rajabhat University Council	Kalasin Rajabhat University
2007 - 2010	President	The Pharmacy Council
2007	Director and Chairman of the Nomination and Remuneration Committee	Thailand Post Co., Ltd.
2005- 2006	President and Vice Chairman of the University Council	Nakhon Phanom University
2005	President and Vice Chairman of the University Council	Princess of Narathiwat University
2005	Acting President	King Mongkut's Institute of Technology Ladkrabang



Miss Supamas Trivisvavet

Position Director / Executive Director / President / Authorized Signatory Director

Appointment Date as Director July 1, 2015

Age 42 years

Shareholding (%) 0.10

Family Relationship among Mr. Plew Trivisvavet's daughter

Directors and Executives Mr. Nattavut Trivisvavet's elder sister

Education/Training

- Doctor of Philosophy in Public Administration (2004), University of Southern California, U.S.A., Dean's Merit Scholarship
- Master of Public Policy (1999), Duke University, U.S.A.
- Bachelor of Arts, Chulalongkorn University (1995)
- Director Certification Program (DCP 106/2008), Thai Institute of Directors Association
- Developing Corporate Governance Policy, Thai Institute of Directors Association
- Company Secretary Program (CSP 37/2010), Thai Institute of Directors Association
- Board Reporting Program (BRP 33/2010), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 22/2016), Capital Market Academy

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2015 - Present	Director, , Executive Director, and President	CH. Karnchang Plc.
2012 - Present	Director,	CK Power Plc.
2009 - 2012	Executive Vice President: Office of President	CH. Karnchang Plc.

Other Companies:

Period	Position	Organization/Company
2016 - Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
2016 - Present	Director	Mahasiri Siam Co., Ltd.
2016 - Present	Director	CH. Karnchang Holding Co., Ltd.
2016 - Present	Director	CK. Office Tower Co., Ltd.
2008 - Present	Director	Bang Pa-in Land Development Co., Ltd.
2008 - Present	Director	Cholavet Civil Co., Ltd.
2011 - 2016	Director	Bangkhenchai Company Limited
2009 - 2011	Director	Bangpa-in Cogeneration Limited
2008 - 2009	Lecturer of Graduate School of Public Administration	National Institute of Development Administration
1999 - 2000	Research Assistant	The World Bank Office, Thailand



Mr. Narong Sangsuriya

Director / Executive Director / Nomination and Remuneration Committee Member

Position / Corporate Governance and Risk Management Committee Member /
Authorized Signatory Director

Appointment Date as Director October 10, 1994

Age 72

Shareholding (%) 0.03

**Family Relationship among
Directors and Executives** - None -

Education/Training

- Bachelor of Engineering (Civil), Chulalongkorn University
- Director Certification Program (DCP 54/2005), Thai Institute of Directors Association
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2012 - Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
2011 - Present	Director	CK Power Plc.
2007 - Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
1994 - Present	Director and Executive Director	CH. Karnchang Plc.
2000 - 2015	Director	TTW Plc.

Other Companies:

Period	Position	Organization/Company
2016 - Present	Director	Expert Transport Co., Ltd.
2006 - Present	Director	Nam Ngum 2 Power Company Limited
2004 - Present	Director	SouthEast Asia Energy Limited
1999 - Present	Director	Construction Material Supply Co., Ltd.
1990 - Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
2009 - 2015	Director	Bangpa-in Cogeneration Limited



Mr. Prasert Marittanaporn

Position Director / Executive Director / Corporate Social and Environmental Responsibility Committee Member / Authorized Signatory Director

Appointment Date as Director April 28, 2006

Age 60 years

Shareholding (%) - None -

Family Relationship among Directors and Executives - None -

Education/Training

- Master of Business Administration, Kasetsart University
- Bachelor of Accounting, Chulalongkorn University
- Director Certification Program (DCP 54/2005), Thai Institute of Directors Association
- Role of the Compensation Committee (RCC 6/2008), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (CMA 9/2009), Capital Market Academy
- Successful Formulation & Execution of Strategy (SFE 6/2010), Thai Institute of Directors Association
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2011 - Present	Director	CK Power Plc.
2007 - Present	Executive Director	CH. Karnchang Plc.
2006 - Present	Director	CH. Karnchang Plc.
2009 - 2015	Senior Executive Vice President: Administration Group	CH. Karnchang Plc.
2001 - 2008	Executive Vice President: Accounting and Finance	CH. Karnchang Plc.
2000 - 2012	Director	TTW Plc.

Other Companies:

Period	Position	Organization/Company
2008 - Present	Director	Nam Ngum 2 Power Company Limited
2007 - Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
2004 - Present	Director	SouthEast Asia Energy Limited
1999 - Present	Director	Construction Material Supply Co., Ltd.
2005 - 2007	Director	Pathum Thani Water Co., Ltd.



Mr. Ratn Sanataannop

Position Director / Executive Director / Authorized Signatory Director

Appointment Date as Director April 28, 2006

Age 73 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Bachelor of Engineering (Civil), Chulalongkorn University
- Director Certification Program (DCP 88/2007), Thai Institute of Directors Association
- Understanding the Fundamental of Financial Statements (UFS 9/2007), Thai Institute of Directors Association

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2007 - Present	Executive Director	CH. Karnchang Plc.
2006 - Present	Director	CH. Karnchang Plc.
2001 - 2015	Executive Vice President: Construction 1	CH. Karnchang Plc.

Other Companies:

Period	Position	Organization/Company
2010 - Present	Director	Thai Water Operations Co., Ltd.
2006 - Present	Director	CH. Karnchang (Lao) Co., Ltd.
2007 - 2552	Director	BJT Water Co., Ltd.
2007 - 2551	Director	Bangkok Concrete Industry Co., Ltd.
2005 - 2550	Director	Pathum Thani Water Co., Ltd.



Mr. Anukool Tuntimas

Position Director / Executive Director / Corporate Social and Environmental Responsibility Committee Member / Authorized Signatory Director

Appointment Date as Director April 28, 2006

Age 49 years

Shareholding (%) - None -

Family Relationship among Directors and Executives - None -

Education/Training

- Doctor of Business Administration, University of South Australia
- Master of Engineering (Engineering Management), Dhurakij Pundit University
- Master of Laws, Chulalongkorn University
- Master of Business Administration, Kasetsart University
- Barrister at Law, The Institute of Legal Education
- Bachelor of Laws, Chulalongkorn University
- Bachelor of Business Administration (Accounting and Finance), Ramkhamhaeng University
- Director Certification Program (DCP 43/2004), Thai Institute of Directors Association
- Advanced Audit Committee Programs (AACP 1/2009), Thai Institute of Directors Association
- Corporate Governance and Social Responsibility (CSR 1/2007), Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND 38/2007), Thai Institute of Directors Association
- Role of the Compensation Committee (RCC 9/2009), Thai Institute of Directors Association
- Tackling Corruption through Public-Private Collaboration, Thai Institute of Directors Association
- Director Certification Program Update (DCPU 2/2014), Thai Institute of Directors Association
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)
- Boards that Make a Difference (BMD 1/2016), Thai Institute of Directors Association

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2014 - Present	Corporate Social and Environmental Responsibility Committee Member	CH. Karnchang Plc.
2007 - Present	Executive Director	CH. Karnchang Plc.
2006 - Present	Director	CH. Karnchang Plc.
2001 - Present	Executive Vice President: Human Resource and General Administration	CH. Karnchang Plc.
2004 - 2012	Director and Executive Committee Member	Bangkok Metro Plc.

Other Companies:

Period	Position	Organization/Company
2009 - Present	Director	Bangkok Metro Networks Limited
2004 - 2008	Director	Metro Mall Development Limited
	Director	Triads Networks Co., Ltd.
	Director	BMCL Network Limited
2004 - 2006	Director and Vice President, Academic Affairs	Lawyers Association of Thailand



Mr. Viboon Mongkolpiyathana

Position Senior Executive

Appointment Date February 16, 2016

Age 66 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Bachelor of Engineering (Civil), Songklanakarin University
- Director Certification Program (DCP 132/2010), Thai Institute of Directors Association

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Senior Executive	CH. Karnchang Plc.
2001 - 2015	Executive Vice President: Construction 2	CH. Karnchang Plc.
1997 - 2000	Project Manager	CH. Karnchang Plc.

Other Companies

Period	Position	Organization/Company
2011 - 2016	Director	Bangkhenchai Company Limited
2011 - 2016	Director	Chiangrai Solar Limited
2011 - 2016	Director	Nakhon Ratchasima Solar Limited
1994 - 1996	Engineering Manager	CH. Karnchang-Tokyu Construction Co., Ltd.



Mr. Sittidej Trivisvavet

Position Senior Executive Vice President: Administration Group

Appointment Date February 16, 2016

Age 63 years

Shareholding (%) 0.09

Family Relationship among Mr. Plew Trivisvavet's nephew

Directors and Executives

Education/Training

- Bachelor of Business Administration in Construction Management, Sukhothai Thammathirat Open University
- Director Certification Program (DCP 127/2010), Thai Institute of Directors Association
- Advanced Certificate Course in Promotion of Peaceful Society, King Prajadhipok's Institute
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Senior Executive Vice President: Administration Group	CH. Karnchang Plc.
2009 - 2015	Executive Vice President: Purchasing	CH. Karnchang Plc.

Other Companies:

Period	Position	Organization/Company
2013 - Present	Director	Construction Material Supply Co., Ltd.
2000 - Present	Director	Expert Transport Co., Ltd.
1994 - Present	Director	Vetprasert Co., Ltd.
1979 - Present	Director	Songvet Co., Ltd.



Mr. Phongsarit Tantisuvanitchkul

Position Senior Executive Vice President: Operation Group

Appointment Date February 16, 2016

Age 44 years

Shareholding (%) 0.009

Family Relationship among - None -

Directors and Executives

Education/Training

- Master of Engineering, University of Michigan Ann Arbor
- Bachelor of Engineering, Kasetsart University
- Understanding the Fundamental of Financial Statements (UFS 9/2007), Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND 35/2007), Thai Institute of Directors Association
- Director Certification Program (DCP 155/2012), Thai Institute of Directors Association

Experience in Last Five Years

Listed Companies:

Period	Position	Organization/Company
2016 - Present	Director	Bangkok Expressway and Metro Plc.
2016 - Present	Senior Executive Vice President: Operation Group	CH. Karnchang Plc.
2016 - Present	Director	TTW Plc.
2011 - 2015	Executive Vice President: Business Development	CH. Karnchang Plc.
2014 - 2015	Director	Bangkok Metro Plc.

Other Companies:

Period	Position	Organization/Company
2016 - Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
2009 - Present	Director	Bangkok Metro Networks Limited
2012 - 2015	Director	Transit Expert Co., Ltd.



Mr. Pornnarong Siriyothin

Position Executive Vice President: Construction 1

Appointment Date February 16, 2016

Age 66 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Bachelor of Engineering (Irrigation Engineering), Kasetsart University

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Executive Vice President: Construction 1	CH. Karnchang Plc.
1990 - 2015	Project Manager	CH. Karnchang Plc.

Other Companies:

Period	Position	Organization/Company
1981 - 1990	Project Manager	Sanga Machinery Ltd. Part.
1979 - 1981	Civil Engineer, Level 5	Office of Central Land Consolidation, Office of the Permanent Secretary for Agriculture and Cooperatives
1975 - 1979	Civil Engineer, Level 4	Royal Irrigation Department
1973 - 1975	Irrigation Engineer	Royal Irrigation Department



Mr. Praon Chanpradubfa

Position Executive Vice President: Construction 2

Appointment Date February 16, 2016

Age 61 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Bachelor of Business Administration in Construction Management, Sukhothai Thammathirat Open University

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Executive Vice President: Construction 2	CH. Karnchang Plc.
1982 - 2015	Project Manager	CH. Karnchang Plc.

Other Company:

-None-



Mr. Phairat Prom-in

Position Executive Vice President: Construction 3

Appointment Date February 16, 2016

Age Executive Vice President: Construction 3

Shareholding (%) - None -

**Family Relationship among
Directors and Executives** - None -

Education/Training

- Bachelor of Engineering (Civil), Songklanakarin University

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Executive Vice President: Construction 3	CH. Karnchang Plc.
2014 - 2015	Si Rat Expressway Construction Project Manager	CH. Karnchang Plc.
2011 - 2014	MRT Purple Line Project 1 Manager	CH. Karnchang Plc.

Other Companies:

Period	Position	Organization/Company
1981 - 1990	Site Engineer, Civil Unit	The Electricity Generating Authority of Thailand
1980 - 1981	Supervising Engineer	Italian-Thai Development Corporation Limited



Mr. Thammanoon Surarat

Position Executive Vice President: Construction 4
Appointment Date February 16, 2016
Age 72 years
Shareholding (%) - None -
Family Relationship among Directors and Executives - None -

Education/Training

- Bachelor of Engineering, Civil Engineering, Chulalongkorn University
- Safety Officer in Management Level Course, Class 4, SAFETECH- Safety and Environment Technology Center
- Taiwan High-Speed Railway Track Construction, The Engineering Institute of Thailand
- Challenges of Thai Tunnel Engineers from Diversion Tunnel Construction for the Nam Ngum 2 Hydroelectric Power Project, The Engineering Institute of Thailand

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Executive Vice President: Construction 4	CH. Karnchang Plc.
1995 - 2015	Project Manager	CH. Karnchang Plc.

Other Company:

-None-



Mr. Watchara Sanghattawattana

Position Executive Vice President: Engineering

Appointment Date July 25, 2011

Age 58 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Bachelor of Engineering (Civil), Chiang Mai University
- Director Certification Program (DCP 155/2012), Thai Institute of Directors Association
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
1997 - Present	Executive Vice President: Engineering	CH. Karnchang Plc.
1997 - 2011	Business Development Manager	CH. Karnchang Plc.

Other Company:

- None -



Mr. Phichai Choeibamrung

Position Executive Vice President: Purchasing

Appointment Date February 16, 2016

Age 56 years

Shareholding (%) 0.008

Family Relationship among - None -

Directors and Executives

Education/Training

- Bachelor of Engineering (Civil Engineering), King Mongkut's Institute of Technology Ladkrabang
- Reinforced-Concrete Structure Repair, The Engineering Institute Of Thailand
- Pre-Injection Technology, The Engineering Institute of Thailand
- The Leadership Grid, Grid Thailand
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Executive Vice President: Purchasing	CH. Karnchang Plc.
2009 - 2015	Vice President: Purchasing/Procurement	CH. Karnchang Plc.

Other Company:

- None -



Mrs. Rinrada Tangtrongkid

Position Executive Vice President: Accounting and Finance

Appointment Date February 16, 2016

Age 56 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Master of Business Administration, Kasetsart University
- Bachelor of Accountancy, Ramkhamhaeng University
- Director Certification Program (DCP 234/2017), Thai Institute of Directors Association
- Anti-Corruption: The Practical Guide, Class 35/2016, Thai Institute of Directors Association
- Strategic CFO in Capital Markets Program, Class 3/2016 Stock Exchange of Thailand
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Executive Vice President: Accounting and Finance	CH. Karnchang Plc.
1990 - 2015	Vice President: Accounting	CH. Karnchang Plc.

Other Company:

- None -



Mr. Wiboon Ungapipathanachai

Position Executive Vice President: Internal Audit Office

Appointment Date February 16, 2016

Age 61 years

Shareholding (%) - None -

Family Relationship among - None -

Directors and Executives

Education/Training

- Bachelor of Science (Accounting), Kasetsart University
- Project Management Program, Chulalongkorn University
- Internal Audit Program, Chulalongkorn University
- International Accounting Standard Program
- Propelling Guidelines for Stipulating Appropriate Internal Control Measures for Legal Entities Against Bribery, Office of the National Anti-Corruption Commission (NACC)

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2016 - Present	Executive Vice President: Internal Audit Office	CH. Karnchang Plc.
2008 - 2015	Vice President: Internal Audit Department	CH. Karnchang Plc.

Other Company:

- None -



Mr. Nattavut Trivisvavet

Position Company Secretary

Appointment Date June 26, 2013

(Details of duties and responsibilities of Company Secretary appear on pages 81 of the Annual Report)

Age 37 years

Shareholding (%) 0.148

Family Relationship among Mr. Plew Trivisvavet's son

Directors and Executives Miss Supamas Trivisvavet's brother

Education/Training

- Master of Management Science & Engineering, Stanford University, U.S.A.
- Bachelor of Science in Electrical Engineering, Brown University, U.S.A.
- Bachelor of Fine Arts in Visual Art, Brown University, U.S.A.
- Company Secretary Program (CSP 51/2013), Thai Institute of Directors Association

Experience in Last Five Years

Listed Company:

Period	Position	Organization/Company
2013 - Present	Company Secretary	CH. Karnchang Plc.
2012 - Present	Vice President:Office of President	CH. Karnchang Plc.
2012 - 2013	Assistant Secretary of the Board of Directors	CH. Karnchang Plc.
2011 - 2012	Vice President: Strategy and Planning	CH. Karnchang Plc.

Other Companies:

Period	Position	Organization/Company
2015 - Present	Director / Managing Director	Bangkok Metro Networks Limited
2009 - 2011	Valuation AVP	Barclays Capital Inc, New York, NY
2006 - 2009	Valuation Senior Associate	International Fund Services (State Street), New York, NY

2. Directors, Executives and Controllers Holding Positions as Directors or Executives in Subsidiaries, Associated Companies or Related Companies

Director Name	CH. Karnchang Public Company Limited	Subsidiaries					
		CH. Karnchang- Tokyu Construction Co., Ltd.	CH. Karnchang Real Estate Co., Ltd.	Construction Material Supply Co., Ltd.	CH. Karnchang (Lao) Co., Ltd.	Phrompratharn Construction Limited Partnership	Prasertvit Construction Limited Partnership
Mr. Aswin Kongsiri	X	-	-	-	-	-	-
Mr. Plew Trivisvavet	/, //, o	X	/	/	-	-	-
Mr. Vitoon Tejatussanasoontorn	/	-	-	-	-	-	-
Mr. Thawansak Sukhawun	/	-	-	-	-	-	-
Mr. Pavich Tongroach	/	-	-	-	-	-	-
Miss Supamas Trivisvavet	/, //, o	/	-	-	-	-	-
Mr. Narong Sangsuriya	/, //, o	/	-	/	-	-	-
Mr. Prasert Marittanaporn	/, //, o	/	-	/	-	-	-
Mr. Ratn Santaannop	/, //, o	-	-	-	/	-	-
Mr. Anukool Tuntimas	/, //, o	-	-	-	-	-	-
Mr. Viboorn Mongkolpiyathana	o	-	-	-	-	-	-
Mr. Sittidej Trivisvavet	o	-	-	/	-	-	-
Mr. Phongsarit Tantisuvanitchkul	o	/	-	-	-	-	-
Mr. Pornnarong Siriyothin	o	-	-	-	-	-	-
Mr. Prapon Chanpradubfa	o	-	-	-	-	-	-
Mr. Phairat Prom-in	o	-	-	-	-	-	-
Mr. Thammanoon Surarat	o	-	-	-	-	-	-
Mr. Watchara Sanghattawattana	o	-	-	-	-	-	-
Mr. Phichai Choeibamrung	o	-	-	-	-	-	-
Mrs. Rinrada Tangtrongkid	o	-	-	-	-	-	-
Mr. Wiboon Ungapipathanachai	o	-	-	-	-	-	-

Remark X = Chairman / = Director // = Executive Director /// = Managing Partner O = Executive



Director Name	CH. Karnchang Public Company Limited	Associated Companies		Related Companies					
		Bangkok Expressway and Metro Public Company Limited	CK Power Public Company Limited	TTW Public Company Limited	Bangkok Metro Networks Limited	CH. Karnchang Holding Co., Ltd.	SouthEast Asia Energy Limited	Bangpa-in Cogeneration Limited	Xayaburi Power Company Limited
Mr. Aswin Kongsiri	X	-	-	-	-	-	-	-	-
Mr. Plew Trivisvavet	/, //, o	/	/	/	-	/	/	-	/
Mr. Vitoon Tejatussanasoontorn	/	/	-	-	-	-	-	-	-
Mr. Thawansak Sukhawun	/	-	-	-	-	-	-	-	-
Mr. Pavich Tongroach	/	-	-	-	-	-	-	-	-
Miss Supamas Trivisvavet	/, //, o	-	/	-	-	/	-	-	-
Mr. Narong Sangsuriya	/, //, o	-	/	-	-	-	/	-	-
Mr. Prasert Marittanaporn	/, //, o	-	/	-	-	-	/	-	-
Mr. Ratn Santaannop	/, //, o	-	-	-	-	-	-	-	-
Mr. Anukool Tuntimas	/, //, o	-	-	-	/	-	-	-	-
Mr. Viboon Mongkolpiyathana	o	-	-	-	-	-	-	-	-
Mr. Sittidej Trivisvavet	o	-	-	-	-	-	-	-	-
Mr. Phongsarit Tantisuvanitchkul	o	/	-	/	/	-	-	-	-
Mr. Pornnarong Siriyothin	o	-	-	-	-	-	-	-	-
Mr. Prapon Chanpradubfa	o	-	-	-	-	-	-	-	-
Mr. Phairat Prom-in	o	-	-	-	-	-	-	-	-
Mr. Thammanoon Surarat	o	-	-	-	-	-	-	-	-
Mr. Watchara Sanghattawattana	o	-	-	-	-	-	-	-	-
Mr. Phichai Choeibamrung	o	-	-	-	-	-	-	-	-
Mrs. Rinrada Tangtrongkid	o	-	-	-	-	-	-	-	-
Mr. Wiboon Ungapipathanachai	o	-	-	-	-	-	-	-	-

Remark X = Chairman / = Director // = Executive Director; O = Executive

Director Name	CH. Karnchang Public Company Limited	Related Companies							
		CK. Office Tower Co., Ltd.	Expert Transport Co., Ltd.	Mahasiri Siam Co., Ltd.	Mahasiri Co., Ltd	Bang Pa-in Land Development Co., Ltd.	Nakhon Ratchasima Solar Limited	Chiangrai Solar Limited	Bangk- henchai Company Limited
Mr. Aswin Kongsiri	X	-	-	-	-	-	-	-	-
Mr. Plew Trivisvavet	/, //, O	/	/	/	/	/	-	-	-
Mr. Vitoon Tejatussanasoontorn	/	-	-	-	-	-	-	-	-
Mr. Thawansak Sukhawun	/	-	-	-	-	-	-	-	-
Mr. Pavich Tongroach	/	-	-	-	-	-	-	-	-
Miss Suparnas Trivisvavet	/, //, O	/	-	/	-	/	-	-	-
Mr. Narong Sangsuriya	/, //, O	-	/	-	-	-	-	-	-
Mr. Prasert Marittanaporn	/, //, O	-	/	-	-	-	-	-	-
Mr. Ratn Santaannop	/, //, O	-	-	-	-	-	-	-	-
Mr. Anukool Tuntimas	/, //, O	-	-	-	-	-	-	-	-
Mr. Viboon Mongkolpiyathana	O	-	-	-	-	-	-	-	-
Mr. Sittidej Trivisvavet	O	-	/	-	-	-	-	-	-
Mr. Phongsarit Tantisuvanitchkul	O	-	-	-	-	-	-	-	-
Mr. Pornnarong Siriyothin	O	-	-	-	-	-	-	-	-
Mr. Prapon Chanpradubfa	O	-	-	-	-	-	-	-	-
Mr. Phairat Prom-in	O	-	-	-	-	-	-	-	-
Mr. Thammanoon Surarat	O	-	-	-	-	-	-	-	-
Mr. Watchara Sanghattawattana	O	-	-	-	-	-	-	-	-
Mr. Phichai Choeibamrung	O	-	-	-	-	-	-	-	-
Mrs. Rinrada Tangtrongkid	O	-	-	-	-	-	-	-	-
Mr. Wiboon Ungapipathanachai	O	-	-	-	-	-	-	-	-

Remark X = Chairman; / = Director; // = Executive Director; O = Executive



Attachment 2

Details of Directors of Subsidiaries

Subsidiary Name Director Name	CH. Karnchang- Tokyu Construction Co., Ltd.	CH. Karnchang Real Estate Co., Ltd.	Construction Material Supply Co., Ltd.	CH. Karnchang (Lao) Co., Ltd.	Phrompratharn Construction Limited Partner- ship	Prasertvit Con- struction Limited Partner- ship
Mr. Thep Trivisvavet	-	/	-	-	-	-
Mr. Yim Trivisvavet	-	/	-	-	///	-
Mr. Plew Trivisvavet	X	/	X	-	-	-
Miss Supamas Trivisvavet	/	-	-	-	-	-
Mr. Prasert Trivisvavet	-	/	-	-	-	-
Mr. Sittidej Trivisvavet	-	-	/	-	-	-
Mr. Narong Sangsuriya	/	-	/	-	-	-
Mr. Prasert Marittanaporn	/	-	/	-	-	-
Mr. Phongsarit Tantisuvanitchkul	/	-	-	-	-	-
Miss Khajornwit Sae-chia	/	-	-	-	-	-
Mr. Hideo Miyagawa	/	-	-	-	-	-
Mr. Tsuneo Izuka	/	-	-	-	-	-
Mr. Kunito Sakai	/	-	-	-	-	-
Mr. Motoyuki Takagi	/	-	-	-	-	-
Mr. Hideo Nitta	/	-	-	-	-	-
Mr. Ratn Santaannop	-	-	-	/	-	-
Mr. Prasarn Gerjarusak	-	-	/	-	-	-

Remark X = Chairman; / = Director; /// = Managing Partner

Attachment 3

Details of Head of Internal Audit Unit and Head of Compliance Unit

1. Head of Internal Audit Unit

Mr. Wibul Angkaphiphatthanachai

Executive Vice President: Internal Audit Office

Education

- Bachelor of Science (Accountancy) Kasetsart University

Work Experience

2016 - Present Executive Vice President: Internal Audit Office

2008 - 2015 Vice President: Internal Audit Department

Related Training

- Project Management Program Chulalongkorn University
- Internal Audit Program Chulalongkorn University
International Accounting Standards

Duties and Responsibilities

- Internal audit works
 - 1.1 Preparing the annual internal audit plan;
 - 1.2 Supervising the review of performance, adequacy and appropriateness of the internal control system of the Company's internal work systems in compliance with the plan;
 - 1.3 Concluding the results, together with observations and suggestions for improvement of the audited works, as well as following up the suggested improvement;
 - 1.4 Reporting on the audit results to management and the Audit Committee.
- Works in support of the Audit Committee
 - 2.1 Reviewing the annual and quarterly financial statements;
 - 2.2 Preparing information in support of the selection and nomination of the Company's auditor;
 - 2.3 Reviewing the disclosure of information to ensure compliance with the rules and regulations and the good corporate governance principles;
 - 2.4 Coordinating and organizing the Audit Committee's meetings.
- Other works as assigned by the Audit Committee.

2. Head of Compliance Unit

Mrs. Thipwaree Athagrisna

Vice President: Legal Department / Compliance Manager

Education

- Master of Laws Ramkhamhaeng University
- Bachelor of Laws Thammasat University

Work Experience

2016 - Present Vice President: Legal Department

2008 - 2015 Compliance Manager

2006 - 2007 Legal Manager

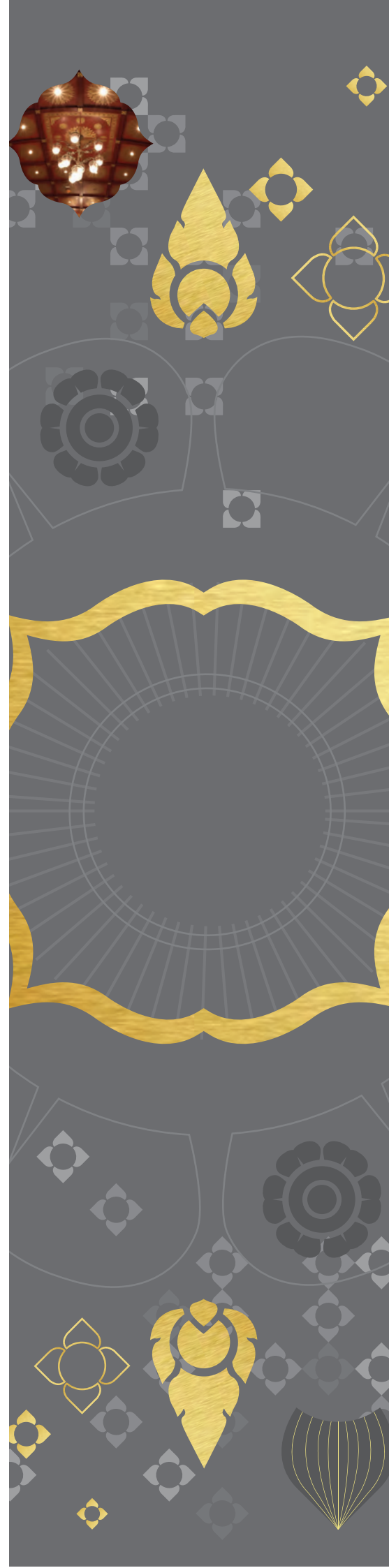
Related Training

- Corporate Secretary Development Program (CSDP 15)
Thai Listed Companies Association
- Company Secretary Program (CSP 29/2009)
Thai Institute of Directors Association
- Board Reporting Program (BRP 4/2010)
Thai Institute of Directors Association
- Effective Minute Taking (EMT 18/2012)
Thai Institute of Directors Association

Duties and Responsibilities

- Reviewing the appropriateness and adequacy of the Company's good corporate governance policy, as well as their revisions to meet the international practices for good corporate governance;
- Reviewing with management as to compliance with the good corporate governance principles as specified by the Company and disclosed in the Annual Report;
- Providing suggestions for preparation of the Company's corporate governance development plan in compliance with the good corporate governance principles;
- Providing advice and suggestions on the good corporate governance practices to the Board of Directors.







CH. KARNCHANG PUBLIC COMPANY LIMITED

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Bangkok 10400

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