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November 14, 2017

Subject: Clarification on Operating Result and Financial Position for the nine-month ended September 30, 2017

Attention: President

The Stock Exchange of Thailand

CH. Karnchang Public Company Limited (“the Company”) and its subsidiaries would like to clarify the consolidated operating result and financial position for the nine-month ended September 30, 2017 as follows:

Income Statement	For the nine-month ended September 30		Change	
	2017	2016	Amount	%
Unit: Million Baht				
Revenues from construction services and sales of construction materials	29,048.48	38,211.39	(9,162.91)	(23.98)
Other income	1,249.67	773.20	476.47	61.62
<b>Total revenues</b>	<b>30,298.15</b>	<b>38,984.59</b>	<b>(8,686.44)</b>	<b>(22.28)</b>
Cost of construction services and sales of construction materials	26,759.82	35,491.23	(8,731.41)	(24.60)
Administrative expenses	1,401.48	1,361.86	39.62	2.91
<b>Total expenses</b>	<b>28,161.30</b>	<b>36,853.09</b>	<b>(8,691.79)</b>	<b>(23.58)</b>
Profit before share of profit (loss) from investments in associated companies, finance cost and income tax expenses	2,136.85	2,131.50	5.35	0.25
Share of profit (loss) from investments in associated companies	601.16	422.78	178.38	42.19
Finance cost	(1,050.74)	(739.78)	(310.96)	42.03
Income tax expenses	(61.23)	(125.05)	63.82	(51.04)
<b>Profit for the period</b>	<b>1,626.04</b>	<b>1,689.45</b>	<b>(63.41)</b>	<b>(3.75)</b>
<b>Profit attributable to equity holders of the Company</b>	<b>1,595.47</b>	<b>1,660.27</b>	<b>(64.80)</b>	<b>(3.90)</b>
Profit attributable to non-controlling interests of the subsidiaries	30.57	29.18	1.39	4.76

**Profit attributable to equity holders of the Company for 9M/2017 was Baht 1,595.47 million, decreasing by Baht 64.80 million or 3.90%** The Company and its subsidiaries had profit attributable to equity holders of the Company amounting to Baht 1,595.47 million, down by Baht 64.80 million or 3.90% from the same period of the previous year. The decrease was a result of the extra revenue from additional construction work of Xayaburi project recognized in Q2 2016. However, the gross profit margin for the first nine months of 2017 was at 7.88%, higher than 7.12% for the same period in 2016. This is because the additional construction work of Xayaburi project has lower gross profit margin than the main contract.

**In 9M/2017, revenues from construction services and sales of construction materials dropped by Baht 9,162.91 million or 23.98% to Baht 29,048.48 million** The Company and its subsidiaries had revenues from construction services and sales of construction materials of Baht 29,048.48 million, representing 95.88% of total revenues, a drop of 23.98% or Baht 9,162.91 million from the same period of the prior year as a result of the additional construction work of Xayaburi project recognized in Q2 2016.

**Cost of construction services and sales of construction materials in 9M/2017 was Baht 26,759.82 million, a decline by Baht 8,731.41 million or 24.60%** The Company and its subsidiaries had cost of construction services and sales of construction materials amounting to Baht 26,759.82 million, a reduction by Baht 8,731.41 million or 24.60% from the same period of the previous year. Gross profit for 9M/2017 was Baht 2,288.66 million, a decrease by Baht 431.50 million or 15.86% from the same period of last year, while gross profit margin was strengthened from 7.12% in 9M/2016 to 7.88% in 9M/2017.

**Other income in 9M/2017 amounted to Baht 1,249.67 million, a surge by Baht 476.47 million or 61.62%** The Company and its subsidiaries had other income of Baht 1,249.67 million, a rise by Baht 476.47 million or 61.62% from the same period of last year. Most of the increase came from the interest income for the loan from Xayaburi Power Company Limited, in which the contract was signed on May 17, 2016.

**Share of profit from investments in associated companies for 9M/2017 was Baht 601.16 million, up by Baht 178.38 million** The Company and its subsidiaries had profit sharing from investments in associated companies of Baht 601.16 million in 9M/2017, up by Baht 178.38 million from 9M/2016. The surge was due to the increase of the Company's investment in Bangkok Expressway and Metro plc and their improved performance.

**Finance cost for 9M/2017 amounted to Baht 1,050.74 million, a rise by Baht 310.96 million or 42.03%** The Company and its subsidiaries had finance cost of Baht 1,050.74 million, increasing by Baht 310.96 million or 42.03% from the same period because in 2016, the Company's subsidiary deferred some finance cost expected to get compensation from its client.

**Income tax expenses for 9M/2017 amounted Baht 61.23 million, down by Baht 63.82 million or 51.04%**

The Company and its subsidiaries had income tax expenses of Baht 61.23 million, decreasing from the prior year by Baht 63.82 million or 51.04% as part of the profit in 9M/2017 came from the subsidiary with tax exempt.

Statement of Financial Position Unit: Million Baht	September 30, 2017	December 31, 2016	Change	
			Amount	%
Assets	78,145.63	94,928.37	(16,782.74)	(17.68)
Liabilities	55,638.46	73,074.05	(17,435.59)	(23.86)
Shareholders' equity	22,507.17	21,854.32	652.85	2.99

**As of September 30, 2017, total asset amounted to Baht 78,145.63 million, a 17.68% decrease from the end of prior year while total liabilities amounted to Baht 55,638.46 million, a 23.86% decline from the end of 2016**

As of September 30, 2017, the Company and its subsidiaries had total assets of Baht 78,145.63 million, a decrease of Baht 16,782.74 million or 17.68% from the end of prior year and total liabilities of Baht 55,638.46 million, a decrease of Baht 17,435.59 million or 23.86% from the end of prior year. The decreases in assets and liabilities mainly came from the fact that on September 29, 2017, the Company entered into the Agreement to Assign the Rights of Claim under the Concession Agreement for the M.R.T. Chalong Ratchadham Project, Phase 1, with the group of lenders and Bangkok Expressway and Metro plc; as a result, the group of lenders then become the creditors of Bangkok Expressway and Metro plc instead of the Company, and at the same time, the group of lenders released the Company from its obligations and duties under the Credit Facility Agreement, as well as releasing all collaterals. However, net debt to equity ratio was not significantly affected.

**Shareholders' equity as of September 30, 2017 amounted to Baht 22,507.17 million, a 2.99% rise from the end of 2016**

As of September 30, 2017, the Company and its subsidiaries had total shareholders' equity of Baht 22,507.17 million, an increase of Baht 652.85 million or 2.99% from the end of prior year mainly as a result of the Company and its subsidiaries' financial result deducted by dividend paid out during the period.

**In 9M/2017, Cash Flow Statement showed net cash from operating activities of Baht 1,847.94 million, net cash used in investing activities of Baht 211.76 million and net cash used in financing activities of Baht 4,612.65 million**

In 9M/2017, the Company and its subsidiaries had net cash from operating activities of Baht 1,847.94 million mainly due to cash received for construction services. Net cash used in investing activities was Baht 211.76 million, most of which came from additional investments in associated companies, loan to an associated company and purchase of fixed assets. Net cash used in financing activities was Baht 4,612.65 million, most of which came from repayment of bank loans. As a result, net cash decreased by Baht 3,065.20 million from the beginning balance.

**Net-Debt-to-Equity ratio as of September 30, 2017 was 1.35 times**

Net-Debt-to-Equity ratio according to the Company's consolidated financial statement as of September 30, 2017 was 1.35 times, increasing from 1.33 times at the end of prior year. Still, the ratio did not exceed 3.00 times, which is the covenant for bank loans and debentures.

Please be informed accordingly

Sincerely yours

(Mr. Plew Trivisvavet) (Mr. Prasert Marittanaporn)

Directors