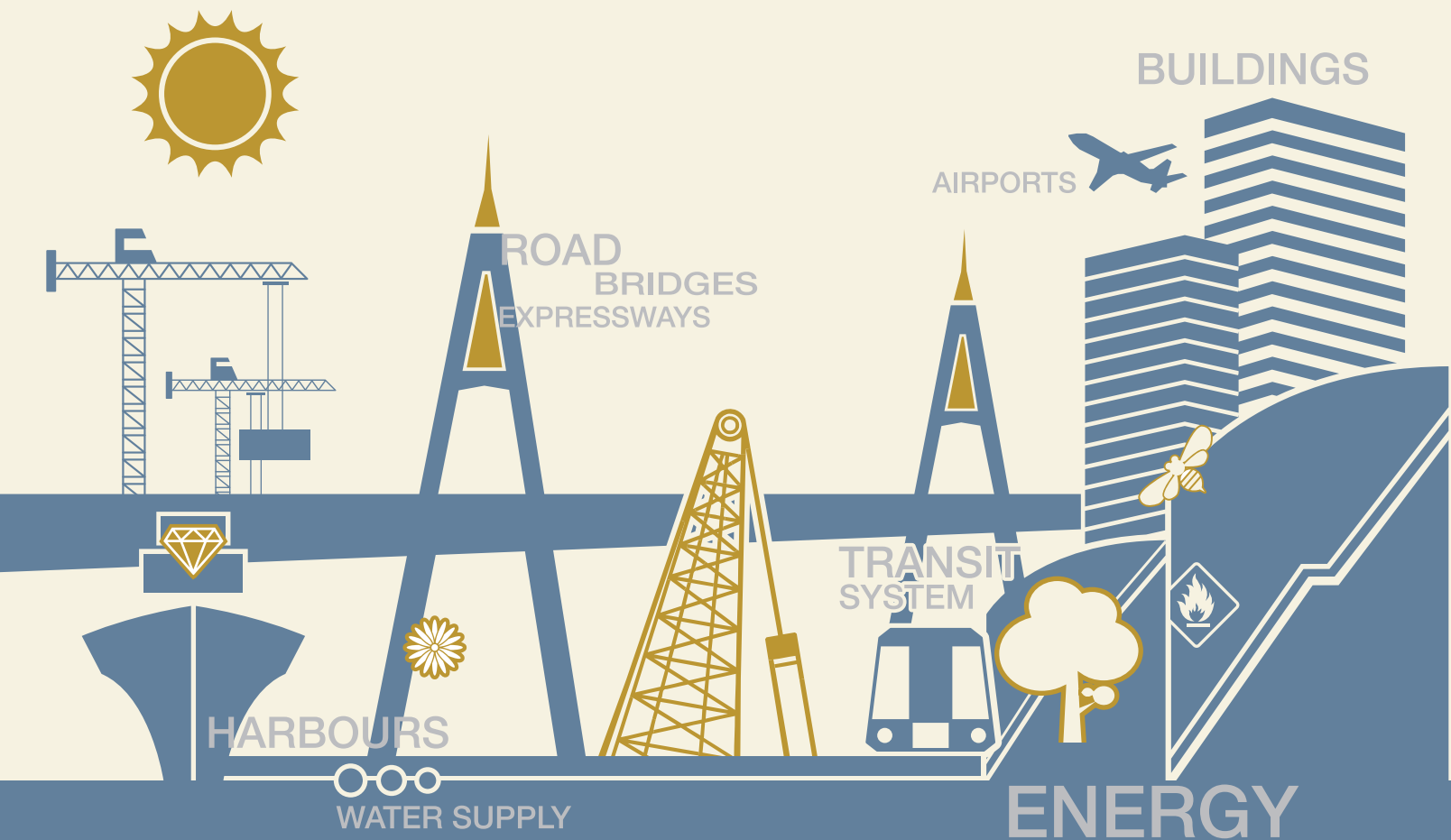




Building a better life

CH. Karnchang Public Company Limited Annual Report 2012





Milestones (1972-2012)



Starting as a general contractor with initial focus on buildings and civil works, we were committed to become the leader in construction business. We partnered with competent companies to share technology and cultivate long-term strategic relationships while developing our own team and expertise. In 1994, we listed in the Stock Exchange of Thailand and entered a high growth period. Since then, we continuously enhance our organization, human capital and expand our business into large-scale basic infrastructure investments. As we move toward the 40th year of our operation, we are proud to be one of the leaders in construction business and comprehensive infrastructure developer in Southeast Asia. Going forward, CH. Karnchang remains committed to achieve sustainable growth and to contribute to the development of our society and our country.

1

1972 to 1982:

The Foundation and Development of Expertise and Teamwork

1972 - Founding of CH. Karnchang Company Limited

1981 - Founding of CH. Karnchang – Tokyu Company Limited

1982 - Construction of Koomklao Building, Bhumibol Adulyadej Hospital

2

1983 to 1992:

Large-Scale Infrastructure Construction and Investments

1983 - Construction of Chulachomklao Royal Military Academy

1984 - Construction of Rama 9 Bridge

1984 - Construction of Bangkok International Airport Expansion Project Domestic, Taxiway C, Pier Building, Apron Flood Light, Cargo Terminal & Cargo Agent Building

1987 - Founding of Bangkok Expressway Company Limited

1990 - Construction the Second Stage Expressway

2002

1992

1982

2012

3



1993 to 2002:

IPO and Expansion to Utilities and Mass Transit Businesses

- 1994 - CH. Karnchang Company Limited was listed on the SET
 - Founding of Pathum Thani Water Supply Company Limited
- 1995 - Construction of Pathum Thani Rangsit Water Plant
 - Construction of Bangna – Bangpli – Bangpakong Expressway
 - Bangkok Expressway Company Limited was listed on the SET
- 1996 - Thailand's First Underground Mass Transit Construction Project
- 1998 - Founding of Bangkok Metro Company Limited
 - Founding of Thai Tap Water Supply Company Limited
- 2000 - Construction of Nakhon Pathom – Samut Sakhon Water Plant
- 2002 - CH. Karnchang Public Company Limited was certified ISO 9001: 2000

2003

1993

4

2003 to 2012:

Towards Power Businesses

- 2004 - Founding of SouthEast Asia Energy Limited
- 2006 - Bangkok Metro Company Limited was listed on the SET
 - Construction of Nam Ngum II Hydro-Electric Project in Lao PDR
- 2008 - Thai Tap Water Supply Limited was listed on the SET
- 2009 - Founding of Bang Pa-In Cogeneration Company Limited
- 2010 - Founding of Xayaburi Power Company Limited
 - Founding of Nakhon Ratchasima Solar Company Limited and Chiangrai Solar Company Limited
- 2011 - Founding of CK Power Company Limited
 - Acquired shares of Bangkhenchai Company Limited (Solar)
 - Construction of MRT Purple Line Project: Bang Yai to Bang Sue Section, Contract 1: Elevated Structures (East)
 - Construction of MRT Blue Line Extension Project: Contract 2: Underground Civil Works; Sanam Chai-Tha Phra Section and Contract 5: Trackwork
 - Construction of MRT Green Line Project: Bearing-Samutprakan Section Contract 1: Civil Work
- 2012 - Construction of Xayaburi Hydroelectric Power Project in Lao PDR

1983

1972

BUILDING Annual Report ๒๐๑๒

a better life

CH. Karnchang Public Company Limited

content

- 5 Vision, Missions, Corporate Values and Strategies
- 6 Financial Highlights
- 8 Message from the Chairman of the Board of Directors
- 10 Message from the Chairman of the Executive Board
and the Chief Executive Officer
- 12 Board of Directors
- 13 Management Team
- 13 Advisors Committee for Board of Directors and the Executive Board
- 14 Shareholding and Management Structure
- 48 Nature of Business Operations
- 51 Construction Industry Outlook and CK's Strategic Direction
- 55 Corporate Social Responsibility: CSR
- 66 General Information
- 72 Corporate Governance Policy
- 75 Risk Factors
- 80 Connected Transactions
- 91 Audit Committee's Report
- 93 Financial Position and Operational Results
- 115 Report and consolidated financial statements



Vision, Missions, Corporate Values and Strategies

○ 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 Values (Q-C-I-S-T)

- Quality of Services
- Customer Satisfaction
- Integrity
- Social Responsibility
- 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
- Expand to regional market with an emphasis on Southeast Asia
- Enhance business opportunities in basic infrastructure investment projects that contribute to the country's development in order to generate construction works and to create opportunities for long-term infrastructure concessions
- Develop organizational capacity - human capital and management structure - to increase the company's competitiveness
- Develop and continuously update technology and knowledge to strengthen the company's comparative advantage



Financial Highlights

Summary of Financial Information of CH. Karnchang Public Company Limited

Unit : Thousand Baht

Items	Amount		
	December 31, 2010	December 31, 2011	December 31, 2012
Total assets	28,017,187	35,229,346	44,470,746
Total liabilities	21,029,014	25,972,717	32,740,835
Shareholders' equity	6,988,173	9,256,629	11,729,912
Total revenues	4,014,430	10,772,480	13,265,903
Gross profit (loss)	175,815	97,054	1,038,946
Net profit (loss)	374,419	2,773,806	954,435
Earnings (loss) per share	0.23	1.68	0.58

Summary of Financial Information of CH. Karnchang Public Company Limited, Subsidiaries and Jointly Controlled Entities

Unit : Thousand Baht

Items	Amount		
	December 31, 2010	December 31, 2011	December 31, 2012
Total assets	30,469,990	36,639,521	51,184,836
Total liabilities	24,258,249	30,044,515	42,324,463
Shareholders' equity	6,211,741	6,595,006	8,860,373
Total revenues	9,893,843	13,839,717	22,094,362
Gross profit (loss)	247,889	591,560	2,366,879
Net profit (loss)	(335,055)	927,401	568,404
Earnings (loss) per share	(0.21)	0.56	0.34



**PROFESSIONAL
MANAGEMENT**



Message from the Chairman of the Board of Directors

The Thai economy achieved a remarkable recovery following the devastating floods in 2011. Thailand's GDP has now recorded a growth rate of 6.4% for the whole of 2012 after a higher than expected expansion of 18.9% in the last quarter of the year. This momentum is expected to carry into 2013 as economic conditions supported by strong investment and consumption continue to be positive and GDP growth forecasts are being revised upwards to over 5.0%. While challenges remain from the uncertain performance of the global economy, we believe that Thailand can maintain a stable environment for solid growth with an excellent outlook for the infrastructure and construction industries.

The recovery year of 2012 was supported by various factors such as the prompt and effective rehabilitation and stimulus programs implemented by the Government as well as strong investments by both the public and private sectors. These efforts fostered domestic consumption and helped turn around the domestic economic conditions. As for CH. Karnchang Public Company Limited, the year 2012 marked the 40th Anniversary of the company's establishment. And we were able to celebrate this special year with great news as CH. Karnchang benefited from these aforementioned investments and stimulus programs post flood crisis and achieved the backlog worth more than Baht 160,000 Million, the highest backlog in the 40 years of the company's history. For the year 2012, CH. Karnchang Public Company Limited was able to achieve a satisfactory performance by turning a net profit of Baht 568 Million on our Consolidated Financial Statement and a net profit of Baht 954 Million on our Separated Financial Statement.

In addition to the record-high volume of our construction backlog, in 2012 CH. Karnchang successfully restructured our investment portfolio. The restructure enabled the company to refocus our construction business in preparation for the expansion of our construction backlog. Moreover, on the investment side, the company created a new power Holding Company, CK Power gearing up for new power-related business opportunities. The newly founded CK Power, the flagship company of CH. Karnchang Group in power business, is now in the process of listing on the Stock Exchange of Thailand. With a new investment portfolio and strong contributions from good investments in various companies, CH. Karnchang is stronger than ever. Our debt and equity structure will be at an appropriate level, putting us in a good position to be able to expand our business and take on more projects. This is reflected in our share price, which has been rising since the last quarter of 2012, showing investors' and shareholders' confidence in our performance and our future.

The outlook for CH. Karnhang Public Company Limited for 2013 is very positive. More large scale projects will continue to be implemented, especially with the Government's budget appropriation and policies to sustain economic recovery and to speed up Thailand's infrastructure and competitiveness for the coming AEC. CH. Karnchang is in the best position – technology, know-how and manpower-wise as well as financially – to participate and compete in these new projects. We also continue to look for good opportunities outside of Thailand with a focus on neighboring countries in SouthEast Asia. With our past record of work in Lao PDR, Vietnam and Cambodia, we believe that the AEC will open the door to new markets and opportunities for CH. Karnchang in the near future.

CH. Karnchang Public Company Limited remains committed to the philosophy of a Sustainable Development organization and we strive to improve our business performance and to being a responsible corporate citizen of our society. We are proud to report that CH. Karnchang Public Company Limited was rated “Very Good” for corporate governance by the Thai Institute of Directors Association (IOD) for five consecutive years. This year corporate governance rating is very meaningful to us as the criteria and rating scores were much stricter in 2012 as IOD and other regulatory bodies attempted to introduce higher international standards for corporate governance for the upcoming AEC. Thus, we are proud to maintain a high standard of corporate governance and we are committed to continuously improving our organization in all areas including technology, human capital management as well as corporate social responsibility. We are confident that going forward, CH. Karnchang will step into our 41st year with strength, competitiveness, good corporate governance and corporate social responsibility. We will continue to deliver excellent performance, bring optimal and fair returns to our shareholders and be an integral part of the sustainable development of our society.



Mr. Aswin Kongsiri
Chairman of the Board of Directors





Message from the Chairman of the Executive Board and the Chief Executive Officer

2012 is a special year for CH. Karnchang Public Company Limited as we celebrated our 40th Anniversary of CH. Karnchang's establishment on November 27, 2012. We are proud that CH. Karnchang was founded as a small family-run company and has grown into a public company listed in the Stock Exchange of Thailand with well-recognized works and consistently good performance. The 40 successful years of stable and sustainable growth demonstrate the business vision of our founders, the professionalism and capability of the management and its spirit of teamwork, as well as the prudent guidance under a commitment to good Corporate Governance from our Board of Directors.

The year 2012 is also a year of great recovery for Thailand, after the flood crisis in 2011. To stimulate the Thai economy and to strengthen Thailand's long-term competitiveness and resilience, the Government implemented various economic stimulus policies and packages and was able to implement them effectively. Many large-scale construction and infrastructure projects namely mass transit projects, double track trains, high-speed trains, motor way, airport expansion projects, and water management projects, were the result of such effective measures. Such strong and committed economic stimuli from the Government have generated tremendous growth in the construction industry and CH. Karnchang will be able to benefit from this increase in projects from 2012 onwards to the foreseeable future.

CH. Karnchang's backlog for the financial year 2012 was more than Baht 1.6 Billion, the highest in our 40 year history. One important project includes the Xayaburi Hydro-Power Project in the Lao PDR with the contract value of more than Baht 7.6 Billion. Upon completion, Xayaburi Hydro-Power Plant will sell clean, renewable, stable and cheap energy back to Thailand, a boon for both Thailand and Lao PDR. In Mass transit, the MRT Blue Line Extension Contract Two and Five, where CH. Karnchang is constructing the first underground tunnel under the Chao Praya River, the first tunnel under the river in Thailand : the Purple Line, the Green Line, Sri-Rat Second-Stage Expressway; Solar Plants and Gas-Fired Co-Generation Power Plant. These projects are first and foremost beneficial for Thailand as they play important role in the country's development and enhancement of the country's competitiveness. Also, these projects will bring good returns and generate revenues to CH. Karnchang in many years to come.

In 2012, CH. Karnchang Public Company Limited was able to deliver satisfactory performance. For the Consolidated Financial Statement year ending 2012, the Company's total revenues were Baht 22,094 million and total expenditures of were Baht 22,028 million. The total assets amounted to Baht 51,184 million, total liabilities were Baht 42,324 million. The consolidated gross profit margin was 11.37%, a increase of 5.4% from the previous year. Our net profit for year ending 2012 was Baht 568 million. Our revenue from Construction was doubled, increasing from Baht 10,812 million to Baht 20,684 million in 2012. In addition to construction business, CH. Karnchang's investments in good infrastructure projects in the transportation, water, utilities and power sectors have shown satisfactory returns, demonstrating the prudent vision to utilize infrastructure investments to complement construction business. Good and long-term investments in infrastructure and concession businesses have proven to help generate construction works, bring consistent revenues and create opportunities for more projects and investments.

To further improve our investments, CH. Karnchang restructured our investment portfolio by founding CK Power Company Limited in order to be both a Holding Company and its flagship

company for CH. Karnchang Group's future ventures and investments in power. CK Power is a holding company with SouthEast Asia Energy Company Limited, the major shareholder of Nam Ngum 2 Power Company Limited, as its main asset and is currently in the process to be listed on the Stock Exchange of Thailand. CH. Karnchang, is proud that CK Power will be one of the first companies to be listed in the Stock Exchange of Thailand as Holding Companies with its main assets abroad. We will be part of the effort to promote regional investments and co-operation, to open up doors for Thai investors to invest in good assets aboard and for foreign businesses to gain access to the Thai Capital Market. This effort is a crucial path towards becoming an active player of the ASEAN Economic Community (AEC).

Going forward, CH. Karnchang is confident that the Thai economy will continue to show improvement as the Government remains committed to assuring economic growth as well as the strengthening Thailand's competitiveness in preparation for the up-coming AEC. As a result, the outlook for the construction industry is very positive and we expect further growth for our business performance. We also see positive outlooks for infrastructure projects and concessions as the Government has shown strong commitment in laying down strong infrastructure foundations for Thailand. Many Public-Private Partnerships (PPP) projects are anticipated. Whether the projects would be in the form of joint-investments or service or management service contracts, CH. Karnchang and its Group companies have a comparative advantage and have shown expertise to be the prime player in such projects.

Forty years have proven CH. Karnchang's expertise in the construction business and as the developer/investor in large-scale infrastructure projects. The accumulated experience, with the long-held business philosophy that quality works and business integrity can help build a better life for all, in the realms of economy, society and environment. CH. Karnchang lives by our philosophy: first, the construction projects and investments we undertake must be beneficial to our country and society; second, we must manage our business in a professional and fair way to all of stakeholders and last but not the least, we must be responsible to our society and environment and we must instill good and responsible culture in our organization, in our community and in our people.

On behalf of the CH. Karnchang Management Team, I would like to thank our shareholders, customers in the public and private sectors, business partners, as well as financial institutions for your continued support. I would like also to thank our founders, directors, management and all of the employees of CH. Karnchang for being such important parts of our forty years of fighting, learning, developing and growing to become a successful company. We stay committed to continuously improving our capability in technology, knowledge, human capital, management and corporate governance as well as our responsibility to the society and the environment. Going towards the 41st year, CH. Karnchang will move towards stable and sustainable growth, as we continue to **Build a Better Life** and bring good and fair returns to our shareholders.



Mr. Plew Trivisvavet
Chairman of the Executive Board
and the Chief Executive Officer





Board of Directors

- Mr. Aswin Kongsiri**
- Chairman of the Board of Directors
 - Independent Director



- Mr. Plew Trivisvavet**
- Director
 - Chairman of the Executive Board
 - Nomination and Remuneration Committee Member
 - Corporate Governance and Risk Management Committee Member



- Mr. Vitoon Tejatussanasoontorn**
- Director
 - Chairman of the Audit Committee
 - Chairman of the Corporate Governance and Risk Management Committee
 - Nomination and Remuneration Committee Member
 - Independent Director



- Mr. Don Pramudwinai**
- Director
 - Audit Committee Member
 - Chairman of the Corporate Social and Environmental Responsibility Committee
 - Chairman of the Nomination and Remuneration Committee
 - Independent Director



- Mr. Thawansak Sukhawun**
- Director
 - Audit Committee Member
 - Corporate Governance and Risk Management Committee Member
 - Independent Director



- Mr. Pavich Tongroach**
- Director
 - Corporate Social and Environmental Responsibility Committee Member
 - Independent Director



- Mr. Narong Sangsuriya**
- Director
 - Executive Director
 - Nomination and Remuneration Committee Member
 - Corporate Governance and Risk Management Committee Member



- Mr. Kamthorn Trivisvavet**
- Director
 - Executive Director



- Mr. Prasert Marittanaporn**
- Director
 - Executive Director
 - Corporate Social and Environmental Responsibility Committee Member



- Mr. Ratn Santaannop**
- Director
 - Executive Director



- Mr. Sombat Kitjalaksana**
- Director



- Mr. Anukool Tuntimas**
- Director
 - Executive Director



Management Team



Mr. Plew Trivisvavet
Chief Executive Officer



Mr. Narong Sangsuriya
Senior Executive Vice
President:
Operation Group



Mr. Prasert Marittanaporn
Senior Executive Vice
President:
Administration Group



Mr. Ratn Santaannop
Executive Vice President:
Construction 1



Mr. Viboon Mongkolpiyathana
Executive Vice President:
Construction 2



Mr. Watchara Sanghattawattana
Executive Vice President:
Engineering



Mr. Anukool Tuntimas
Executive Vice President:
Human Resource and
General Administration



Mr. Sittidej Trivisvavet
Executive Vice President:
Purchasing



Mr. Vorapote Uchupaiboonvong
Executive Vice President:
Accounting and Finance



Mr. Phongsarit Tantisuvanitchkul
Executive Vice President:
Business Development



Miss Supamas Trivisvavet
Executive Vice President:
Office of President



Advisors Committee for Board of Directors and the Executive Board



Pol. General Narong Mahanonda
Chairman of the Advisory Committee



Pol. Major General Sawat Vijaranakorn
Senior Executive Advisor



Mr. Prasert Trivisvavet
Advisory Committee for Executive Board



Mr. Thep Trivisvavet
Advisory Committee for Executive Board



Mr. Yim Trivisvavet
Advisory Committee for Executive Board



Mr. Charn Chongchit
Legal Advisor

Shareholding and Management Structure

© 1. Shareholders

Top ten major shareholders of the Company on January 4, 2013 as at the most recent closing date of the shareholders register book are as follows:

	Shareholders	Total Shares	Percentage of Shareholding (%)
1	Trivisvavet Family		
	1.1 Mrs. Sopida Trivisvavet	13,678,200	0.828
	1.2 Mr. Plew Trivisvavet	20,825,851	1.260
	1.3 Mr. Prasert Trivisvavet	12,420,100	0.752
	1.4 Mrs. Saikasem Trivisvavet	3,744,285	0.226
	1.5 Mr. Kamthorn Trivisvavet	71,000	0.004
	1.6 Mahasiri Siam Co., Ltd. ¹	332,109,625	20.096
	1.7 CH. Karnchang Holding Co., Ltd. ²	171,216,127	10.361
	1.8 CK. Office Tower Co., Ltd. ³	91,071,427	5.511
	1.9 Bang Pa-in Land Development Co., Ltd. ⁴	17,692,500	1.071
2	Thai NVDR Co., Ltd. ⁵	76,176,561	4.610
3	Mrs. Pranee Tongkittikul	50,217,902	3.039
4	Bangkok Bank Public Company Limited	38,000,000	2.299
5	TFB FOR MFC-THAI FUND INVESTMENT PLAN	35,806,600	2.167
6	Mr. Charnarong Wongseenin	30,857,142	1.867
7	Hicrete Products and Technology Co., Ltd.	27,442,100	1.661
8	STATE STREET BANK EUROPE LIMITED ⁶	20,736,113	1.255
9	Miss Thanawadee Tangsitthichok	17,150,000	1.038
10	Hi-Steel Products Company Limited	16,803,100	1.017

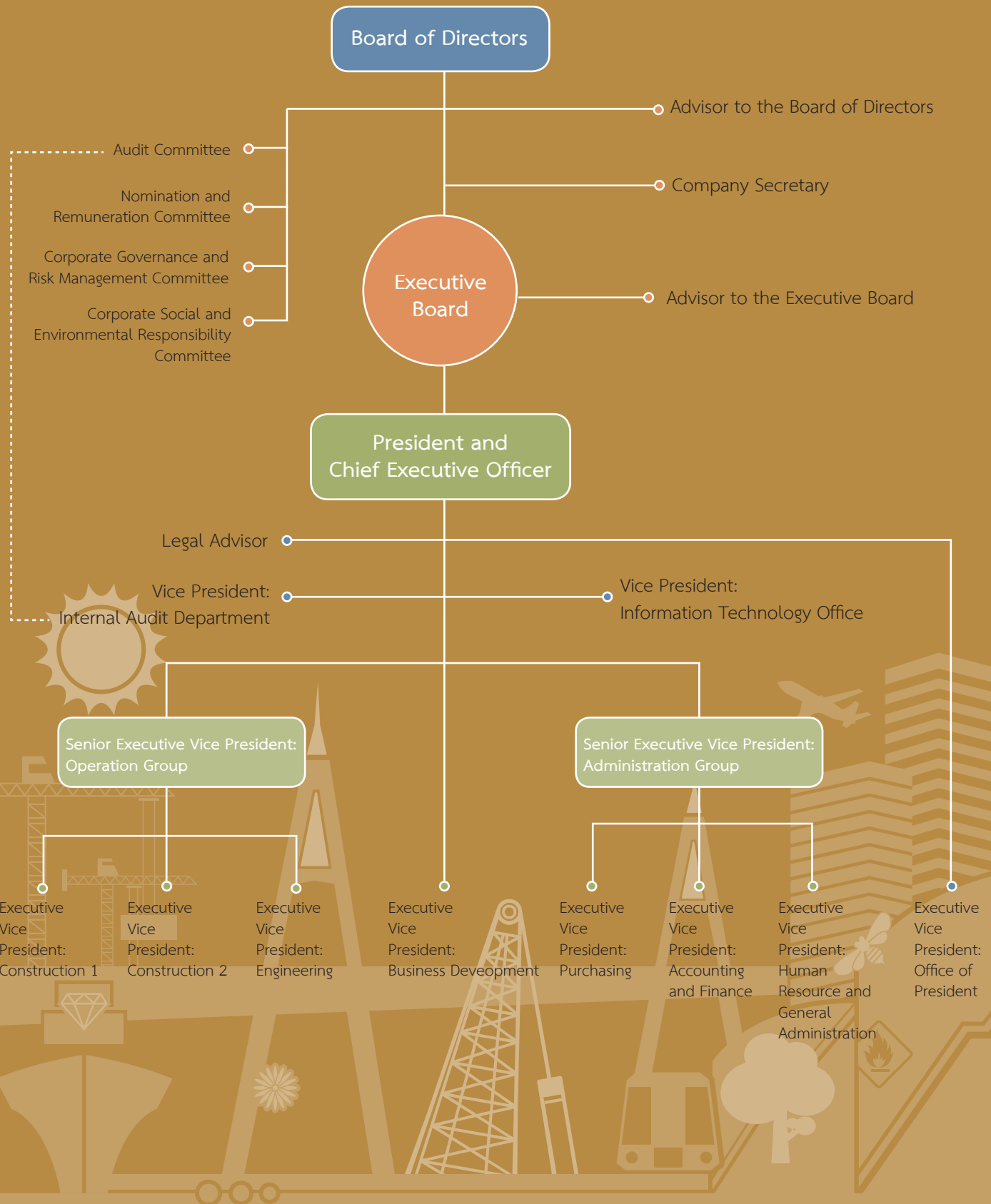
- Remarks:**
- 1 The Trivisvavet Family holds shares representing 93.09 percent, and all directors of the company are the Trivisvavet Family.
 - 2 The Trivisvavet Family holds shares representing 87.50 percent, and all directors of the company are the Trivisvavet Family.
 - 3 The Trivisvavet Family holds shares representing 100.00 percent.
 - 4 The Trivisvavet Family holds shares representing 91.66 percent.
 - 5 This is a subsidiary established by the Stock Exchange. NVDR represents automatically listed securities. NVDR investors enjoy the same financial benefits as investment in ordinary shares in companies, except that they have no right to vote in the shareholders' meeting.
 - 6 This is a foreign company trading securities on the Stock Exchange of Thailand without disclosing whether its shareholding is for personal interest or for others. In this regard, the Company has no power to request such shareholder to disclose the said information.



© 2. Management

(1) Management Structure

Organization Chart of CH. Karnchang Public Company Limited



The Company's management structure consists of the Board of Directors and 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, including Chief Executive Officer as the top executive of the management team comprising eleven persons.

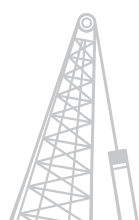
The Board of Directors consists of seven non-executive directors (five independent directors representing more than one-third of the total number of directors) and five executive directors.

The names of members of the Board and five subcommittees and executives, including authority and responsibilities of the respective committees are as follows:

A. Board of Directors

1. As at December 31, 2012, the Board of Directors consists of 12 directors as listed below (details are shown in Attachment):

Names	Positions	Category
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 Chief Executive Officer	Executive Director
3. Mr. Vitoon Tejatussanasoontorn	Director Chairman of the Audit Committee Chairman of the Corporate Governance and Risk Management Committee Nomination and Remuneration Committee Member	Independent Director
4. Mr. Don Pramudwinai	Director Audit Committee Member Chairman of the Nomination and Remuneration Committee Chairman of the Corporate Social and Environmental Responsibility Committee	Independent Director
5. Mr. Thawansak Sukhawun	Director Audit Committee Member Corporate Governance and Risk Management Committee Member	Independent Director
6. Mr. Pavich Tongroach	Director Corporate Social and Environmental Responsibility Committee Member	Independent Director
7. Mr. Narong Sangsuriya	Director Executive Director Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Executive Director



Names	Positions	Category
8. Mr. Kamthorn Trivisvavet	Director Executive Director	Non-Executive Director
9. Mr. Prasert Marittanaporn	Director Executive Director Corporate Social and Environmental Responsibility Committee Member	Executive Director
10. Mr. Ratn Santaannop	Director Executive Director	Executive Director
11. Mr. Sombat Kitjalaksana	Director	Non-Executive Director
12. Mr. Anukool Tuntimas	Director Executive Director	Executive 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 per the details of independent directors' qualifications 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.

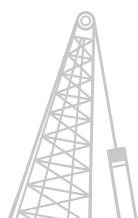
2. The Company's authorized signatory directors are two of the following four directors, namely, Mr. Plew Trivisvavet, Mr. Kamthorn Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, jointly sign and affix the Company's seal, or any one of the said four directors and either Mr. Ratn Santaannop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

3. Board of Directors' Authority

- 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;

- 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;

- 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;

- 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;

- 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.

- Considering and granting approval for capital increase, issuance of debentures, for submission to the shareholders' meeting for further approval;

- Considering and granting approval for operating expenses in excess of the amount authorized to be approved by **the Managing Director**, 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 Stock Exchange 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.

B. Executive Board

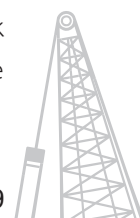
1. As at December 31, 2012, the Executive Board consists of six executive directors, namely:

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

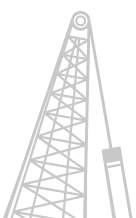
The Executive Board meets monthly for consideration of various matters within the scope of the authority assigned by the Board of Directors and for screening matters to be proposed to the Board of Directors for consideration and approval.

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

- 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;



- Approving proposals submitted by various working groups for the purposes of managing work and conducting business in accordance with the Company’s objectives;
- 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;
- 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;
- Prescribing, considering, approving regulations, rules, work management and business operation policy guidelines or any actions binding the Company;
- Providing advice, consultation and determining policy guidelines and authorities of the Chief Executive Officer and special working groups;
- 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;
- Proceeding with other matters in accordance with the policy as assigned by the Board of Directors;
- 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;
- 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;
- 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;
- 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;
- Considering and approving for authorization of executives to operate and manage business in accordance with the relevant rules, regulations and requirements;
- 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.



C. Audit Committee

1. As at December 31, 2012, the Audit Committee consists of three members, namely:

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

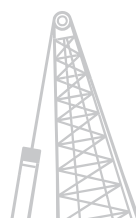
With a three-year term of office.

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 2012, the Audit Committee convened a total of five meetings.

2. Audit Committee's Authority

- Reviewing to ensure that the Company's financial reports are accurate and adequate;
- 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;
- 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;
- Considering, selecting, submitting for appointment 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;
- 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;
- 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.

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

D. Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee⁽¹⁾ to nominate and consider remuneration for directors and **the Managing Director** to ensure transparency and fairness. Mr. Don Pramudwinai, an independent director, was appointed as Chairman of the Nomination and Remuneration Committee in line with the good corporate governance principles stipulating that chairmen of subcommittees should be an independent director. As at December 31, 2012, the Nomination and Remuneration Committee consists of four members, namely:

Names	Positions
1. Mr. Don Pramudwinai ⁽²⁾	Chairman of the Nomination and Remuneration Committee
2. Mr. Vitoon Tejatussanasoontorn	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.

Remarks:

⁽¹⁾ The Board of Directors' Meeting No. 2/2012 which was held on June 12, 2012 resolved to grant approval to combine the Nomination Committee and the Remuneration Committee into a single committee.

⁽²⁾ Mr. Don Pramudwinai was appointed as Chairman of the Nomination and Remuneration Committee to replace Mr. Vitoon Tejatussanasoontorn, effective since June 12, 2012.

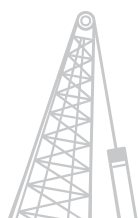
In 2012, the Nomination Committee convened one meeting for nomination of qualified persons to be proposed and appointed as directors to replace those who were due to retire by rotation and the Remuneration Committee convened one meeting for consideration of remuneration for directors for 2012 and bonus for 2011 for submission to the 2012 Annual Ordinary General Meeting of Shareholders for consideration and approval, and consideration of remuneration for **the Managing Director** for submission to the Board of Directors for consideration and approval.

Nomination and Remuneration Committee's Authority

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 Managing Director** to the Board of Directors for appointment;

3. Considering and determining criteria on consideration for remuneration for directors and **the Managing Director**;



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 Managing Director** and proposing the same to the Board of Directors for approval;
6. Proceeding with other matters as assigned by the Board of Directors.

E. 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 good corporate governance principles and to oversee and support the risk management to achieve success in the organizational level. As at December 31, 2012, 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. Plew Trivisvavet	Corporate Governance and Risk Management Committee Member
3. Mr. Thawansak Sukhawun	Corporate Governance and Risk Management Committee Member
4. Mr. Narong Sangsuriya ⁽¹⁾	Corporate Governance and Risk Management Committee Member

With a three-year term of office.

Remark:

⁽¹⁾ Mr. Narong Sangsuriya was appointed to hold such position on June 12, 2012.

The Corporate Governance and Risk Management Committee met to follow up and evaluate the results of compliance with the good corporate governance principles and the risk management plan of the Company. In 2012, the Corporate Governance and Risk Management Committee convened four meetings.

Corporate Governance and Risk Management Committee's Authority

- 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;

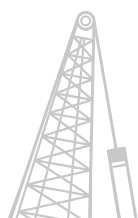
5. Establishing any working group as it deems appropriate.

F. 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, 2012, the Corporate Social and Environmental Responsibility Committee consists of three members, namely:

Names	Positions
1. Mr. Don Pramudwinai	Chairman of the Corporate Social and Environmental Responsibility Committee
2. Mr. Pavich Tongroach	Corporate Social and Environmental Responsibility Committee Member
3. Mr. Prasert Marittanaporn	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 2012, the Corporate Social and Environmental Responsibility Committee convened one meeting.

Corporate Social and Environmental Responsibility Committee's Authority

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.

G. Management Team

As at December 31, 2012, the management team⁽¹⁾ of the Company consists of 11 persons (as per details in Attachment) as listed below:

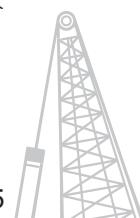
Names	Positions
1. Mr. Plew Trivisvavet	Chief Executive Officer
2. Mr. Narong Sangsuriya	Senior Executive Vice President: Operation Group
3. Mr. Prasert Marittanaporn	Senior Executive Vice President: Administration Group
4. Mr. Ratn Santaannop	Executive Vice President: Construction 1
5. Mr. Viboon Mongkolpiyathana	Executive Vice President: Construction 2
6. Mr. Watchara Sanghattawattana	Executive Vice President: Engineering
7. Mr. Phongsarit Tantisuvanitchkul	Executive Vice President: Business Development
8. Mr. Sittidej Trivisvavet	Executive Vice President: Purchasing
9. Mr. Vorapote Uchupaiboonvong	Executive Vice President: Accounting and Finance
10. Mr. Anukool Tuntimas	Executive Vice President: Human Resource and General Administration
11. Miss Supamas Trivisvavet	Executive Vice President: Office of President

Remark:

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

Chief Executive Officer's Authority

The Chief Executive Officer 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 the Board of Directors, including their suggestions. In this regard, the Board of Directors shall evaluate the Chief Executive Officer's performance in comparison with the annual goals, whereby the Nomination and Remuneration Committee shall consider remuneration for the Chief Executive Officer 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.



H. Company Secretary

The Board of Directors appoints Miss Supamas Trivisvavet to hold the office of the Company Secretary 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.

I. Structure of Subsidiaries' Directors

As at December 31, 2012, 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. Kamthorn Trivisvavet | Director |
| 3. Mrs. Saikasem Trivisvavet | Director |
| 4. Mr. Narong Sangsuriya | Director |
| 5. Mr. Prasert Marittanaporn | 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 |
| 5. Mr. Kamthorn Trivisvavet | Director |

• CH. Karnchang-Tokyu Construction Co., Ltd.

- | | |
|------------------------------|------------------------------------|
| 1. Mr. Plew Trivisvavet | Chairman of the Board of Directors |
| 2. Mr. Kamthorn Trivisvavet | Director |
| 3. Mr. Thep Trivisvavet | Director |
| 4. Mr. Yim Trivisvavet | 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. Masahiro Shimizu Director
- 11. Mr. Mitsuhiro Terada Director

• **CH. Karnchang (Lao) Co., Ltd.**

- 1. Mr. Ratn Santaannop Director

(2) Nomination of Directors and Executives

Board of Directors

The Nomination and Remuneration Committee shall select qualified and appropriate persons to hold the position of directors or persons nominated for appointment as directors in advance as it deems appropriate and propose the same to the Board of Directors so as to consider nominating them to the shareholders' meeting or to the Board of Directors' meeting for appointment. In the case of appointment of directors by shareholders, the criteria and procedures 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.

Executive Board

The Board of Directors shall appoint the Executive Board in accordance with the Company's Articles of Association which provide that the Company's directors may assign one or several directors to perform any activity on behalf of the Board of Directors.

Audit Committee

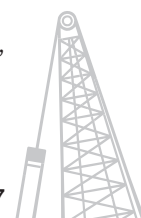
The Board of Directors shall appoint the Audit Committee as nominated by the Nomination and Remuneration Committee from independent directors of the Company and at least one person thereof shall have accounting and financial knowledge, which shall have a term of office of three years. Audit Committee members who retire by rotation may be re-appointed.

Nomination and Remuneration Committee

The Board of Directors shall appoint the Nomination and Remuneration Committee, which shall have a term of office of three years.

Corporate Governance and Risk Management Committee

The Board of Directors shall appoint the Corporate Governance and Risk Management Committee, which shall have a term of office of three years.



Corporate Social and Environmental Responsibility Committee

The Board of Directors shall appoint the Corporate Social and Environmental Responsibility Committee, which shall have a term of office of three years.

Chief Executive Officer and Executives

With respect to the position of the Chief Executive Officer, the Nomination and Remuneration Committee 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.

As for an executive at the managerial level or higher, the Management would nominate such person to the Executive Board for consideration and appointment.

(3) Remuneration for Directors and Executives

The Company has considered providing appropriate remuneration to directors and 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.

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 level executives to work for the Company, as well as at a rate comparable to companies at the same level or in the same business. In 2012, the remuneration of directors and executives is as follows:

3.1 Monetary Remuneration for the year ended December 31, 2012

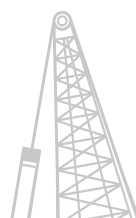
(a) Remuneration for directors consists of remuneration and meeting allowance, allowance, bonus, bringing the total remuneration for directors in 2012 to Baht 15,287,850.-, as per the following details:



Unit: Baht

Office Remuneration and Meeting Allowance in 2012

Directors	Positions	Board of Directors	Executive Board	Audit Committee	Nomination Committee	Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee	Bonus 2011	Total
1. Mr. Aswin Kongsiri	Chairman of the Board of Directors	870,000	-	-	-	-	-	-	776,250	1,646,250
2. Mr. Plew Trivisvvet	Chairman of the Executive Board	320,000	520,000	-	5,000	5,000	40,000	-	776,250	1,666,250
3. Mr. Vitoon Tejtassanasoontorn	Chairman of the Audit Committee	320,000	-	450,000	55,000	55,000	140,000	-	776,250	1,796,250
4. Mr. Don Pramudwinai	Audit Committee Member	320,000	-	250,000	-	-	-	110,000	646,300	1,326,300
5. Mr. Thawansak Sukhawun	Audit Committee Member	320,000	-	250,000	-	-	40,000	-	646,300	1,256,300
6. Mr. Pavich Tongroach	Director	300,000	-	-	-	-	-	10,000	517,500	827,500
7. Mr. Narong Sangsuriya	Executive Director	320,000	220,000	-	5,000	5,000	20,000	-	646,300	1,216,300
8. Mr. Kamthorn Trivisvvet	Executive Director	300,000	220,000	-	-	-	-	-	646,300	1,166,300
9. Mr. Prasert Marittanaporn	Executive Director	320,000	220,000	-	-	-	-	10,000	646,300	1,196,300
10. Mr. Ratn Santaannop	Executive Director	300,000	220,000	-	-	-	-	-	646,300	1,166,300
11. Mr. Sombat Kitjalaksana	Director	320,000	-	-	-	-	-	-	517,500	837,500
12. Mr. Anukool Tuntimas	Executive Director	320,000	220,000	-	-	-	-	-	646,300	1,186,300
Total		4,330,000	1,620,000	950,000	65,000	65,000	240,000	130,000	7,887,850	15,287,850



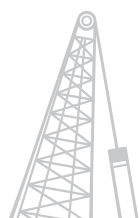
(b) Remuneration for executive directors consists of remuneration, meeting allowance as well as allowance. Remuneration for executives consists of salary and bonus. The total remuneration for six executive directors and six executives in 2012 amounted to Baht 82,122,550.-

3.2 Other Remuneration

- None -

Increase or Decrease in Number of Shares Held by Executives in 2012

Executives	Brought Forward as at January 1, 2012	Changes during the Year	Balance as at December 31, 2012
Mr. Aswin Kongsiri	-	-	-
Mr. Plew Trivisvavet	20,825,851	-	20,825,851
Mr. Vitoon Tejatussanasoontorn	450,000	-	450,000
Mr. Don Pramudwinai	100,000	50,000	50,000
Mr. Thawansak Sukhawun	-	-	-
Mr. Pavich Tongroach	-	-	-
Mr. Narong Sangsuriya	700,000	-	700,000
Mr. Kamthorn Trivisvavet	1,000	70,000	71,000
Mr. Prasert Marittanaporn	-	-	-
Mr. Ratn Santaannop	-	-	-
Mr. Sombat Kitjalaksana	983,000	-	983,000
Mr. Anukool Tuntimas	3,884,000	-	3,884,000
Mr. Viboon Mongkolpiyathana	-	-	-
Mr. Watchara Sanghattawattana	37,500	37,500	-
Mr. Phongsarit Tantisuvanitchkul	150,000	-	150,000
Mr. Sittidej Trivisvavet	3,400,000	-	3,400,000
Mr. Vorapote Uchupaiboonvong	11,500	-	11,500
Miss Supamas Trivisvavet	2,000,000	-	2,000,000



(4) Corporate Governance

The Company's administration has been complying with the good corporate governance principles, focusing on the significance of and responsibilities towards the shareholders and the stakeholders of the Company. The Board of Directors, in recognition of the good corporate governance principles to reinforce the confidence of shareholders, investors and all related parties, has set out the corporate governance policy and scheduled to review such policy and its compliance at least once a year. The Company's corporate government policy is as follows:

Corporate Governance Policy

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 towards 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) Roles 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.

4) Information 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 2012, the Company has adhered to the good corporate governance principles for listed companies as stipulated by the Stock Exchange of Thailand as follows:

1. Shareholders' Rights

The Company realizes the significance of the 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 the shareholders to exercise their protected basic rights. In this respect, the 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 the shareholders to exercise their basic rights without taking any actions in violation of or depriving shareholders of their rights.

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, close to a subway station and an expressway on- and off-ramp, with sufficient parking areas for shareholders.

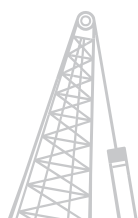
In 2012, the Company convened one shareholders' meeting, i.e., the 2012 Annual Ordinary General Meeting of Shareholders on April 24, 2012 at Supunnika Room on 4th Floor, No. 587, Viriyathavorn Building, Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok. The notice of the meeting, together with information in support of each agenda item, along with opinions of the Board of Directors, proxy as required by law, clarification on appointment of proxy, profiles of directors due to retire by rotation, the Company's Articles of Association regarding the shareholders' meeting, details of independent directors, and procedures for attendance of the shareholders' meeting, as well as map of the meeting place, was sent in advance to the shareholders 14 days prior to the meeting date, and advertised in a newspaper for three consecutive days prior to the meeting date. Moreover, the Company also posted the notice of the meeting, together with details of each agenda item, 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. As for those shareholders unable to attend the meeting in person, the Company suggested them authorizing the Chairman of the Audit Committee or an Audit Committee member or another person to attend the meeting and vote on their behalf.

On the meeting date, the shareholders can register to attend the meeting at least two hours prior to the meeting time. The Company arranged for staff to facilitate the meeting registration for shareholders and proxies, and used the barcode system for a convenient and rapid registration of the meeting and vote counting. Refreshments and duty stamps were provided, free of charge, to the shareholders and their proxies who attended the meeting on their behalf.

The Board of Directors realizes the significance of their attendance of the shareholders' meeting for answering questions and taking suggestions of the shareholders into consideration. In the 2012 Annual Ordinary General Meeting of Shareholders, all 12 directors attended the said meeting, including the Chairman of the Board of Directors, the Chairman of the Audit Committee, and subcommittees, **the Managing Director** and the Management Team of the Company for answering the shareholders' questions on various matters.

The shareholders' meeting proceeded in accordance with the order of the agenda as specified in the notice of the meeting sent in advance to the shareholders, and the shareholders were allowed to express their opinions and make inquiries in each agenda item. Before starting the meeting, the chairman of the meeting clearly informed the shareholders of the voting method and the shareholders' rights as follows:

1. One share represents one vote. For agenda items requiring resolutions, such resolutions shall be passed by the majority of votes. Agenda item for acknowledgement shall not require any resolution. As for agenda item for determination of remuneration for directors, resolution shall be passed by votes of not less than two-thirds of the total number of votes of the shareholders present at the meeting.



2. In case that shareholders have appointed their proxies and voted on various matters, the Company's staff would collect and record such votes in the computer, and the Company's legal advisor would check the vote casting to ensure the transparency and compliance with the laws and regulations. Proxies would not be required to vote again in the meeting unless the information on such agenda item would change. Any shareholders intending to change their votes shall request the voting cards from the Company's staff.

3. The shareholders attending the meeting in person and intending to vote against or abstain from voting shall use the voting cards as provided by the Company's staff.

4. The shareholders who attend the meeting after the meeting was already called to order shall be allowed to exercise their rights to vote or vote on such agenda item which is currently pending the consideration and resolution has not yet been passed.

In regard to the minutes of the shareholders' meeting, the Company has clearly recorded the list of directors attending the meeting, material clarifications, questions and answers or opinions in brief, the resolutions of the meeting with the voting results, divided into favorable, unfavorable or abstaining votes, which shall be available in Thai and English languages on the Company's website: www.ch-karnchang.co.th, within 14 days from the shareholders' meeting date. The shareholders shall then have convenient access to such information and news instead of waiting until the next shareholders' meeting. Thereafter, the said minutes would be proposed to the shareholders for approval in the next meeting.

2. Equitable Treatment towards 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. Shareholders may propose any agenda item of the Ordinary General Meeting of Shareholders and nominate qualified persons to be appointed as directors for the Company's Annual Ordinary General Meeting of Shareholders prior to the meeting date, as published on the Stock Exchange of Thailand's website, subject to the criteria for consideration as posted on the Company's website. The Board of Directors will consider the appropriateness to include or not include such agenda item proposed by the shareholders. As for the nominated persons to be appointed as directors, the management will propose the same to the Nomination and Remuneration Committee for further consideration and submission to the Board of Directors and the shareholders' meeting.

2. The shareholders' meeting shall proceed in accordance with the order of the agenda as specified in the notice of the meeting, and no additional agenda item would be considered at the meeting without prior notice to the shareholders. This is to ensure that the shareholders have opportunity to study information in support of consideration of each agenda item.

3. Any shareholder unable to attend the meeting in person may vote by proxy. In this regard, at least two independent directors are nominated for proxy appointment. Proxy form is in accordance with the form as set out by the Ministry of Commerce, in which each shareholder may direct his/her voting decisions. This is to encourage the shareholders to exercise their rights to attend the meeting and vote on each agenda item. In this regard, the proxy form is enclosed with the notice of the shareholders' meeting, clearly listing the documents and evidence required for proxy appointment, along with instructions as to the proxy procedures for the shareholders to make proper arrangements without any complication.

4. Voting cards shall be provided for every agenda item for the shareholders to vote as they



consider appropriate. The Company uses the barcode system to record and display the voting results, and arranges for its staff to collect voting cards in the meeting room. To ensure transparency, the Company also has its legal advisor oversee the counting of votes.

5. As for the appointment of directors in replacement of the retired directors, the shareholders may exercise the right to appoint any director individually.

6. The Company has set out the guidelines on confidentiality of information and measures to prevent directors and executives from using inside information for personal gain. All directors and executives are well informed of the roles and duties to report their own securities holding, and on the Company's securities holding by spouses or minor children; and to report every change in such securities holding from purchase, sale, transfer or acceptance of transfer of securities, to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three business days from the date of purchase, sale, transfer or acceptance of transfer of securities, whereby the Company gives prior notice thereof in every meeting of the Board of Directors and the Executive Board. Moreover, directors and executives have also been informed of their duties and responsibilities, including penalties under the Securities and Exchange Act B.E. 2535 (1992). In addition, the Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of such Act, including relevant rules and regulations.

7. The information on the Company's connected transactions and opinions of the Board of Directors regarding such transactions shall be disclosed to the shareholders, and no connected transactions shall be executed in violation of or against the rules of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission. Moreover, the Company discloses the connected transactions in the Annual Report.

3. Roles 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.

In addition, the Company also 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 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 2012, the Company has taken care of the rights of all groups of stakeholders, both inside and outside the Company, as follows:

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 the 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;

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;
- The Company's competition is on the basis of equal information access, without preventing any trader from participating in business competition;
- 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;
- 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;

Customers:

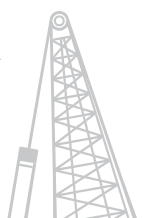
- The Company maintains the optimism and gives priority to customers, treats customers willingly, actively, politely, keeps customers' confidential information from misuse for personal gain or others, as well as treating all customers equally without discrimination;

Competitors:

- 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;

Business interested parties:

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



Staff:

- 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 equally and fairly treated its staff through proper and fair remuneration and welfare, such as, establishment of a provident fund, medical treatment packages in hospitals designated by the Company, and loans for staff;
- 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 performance evaluation system to measure their capabilities to ensure development of competency, in support of the consideration of merits of staff and as incentives for staff development;
- The Company builds the participatory working atmosphere and teamwork by allowing staff to express their opinions relating to their works;
- The Company provides the work environment and healthy workplace to ensure safety towards life and property of staff and the Company;

Society and Public:

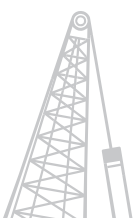
- The Company has taken into account the public interest and refrained from taking any acts which may cause damage to the country's reputation, natural resources, environment and public interest;
- The Company has promoted and instilled into its staff at all levels the corporate social responsibility;
- The Company in no way facilitates, supports or allows to be instrumental in any avoidance of compliance with the law;

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 and environment as its contribution to society;

Environment:

- 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.

Moreover, the Board of Directors' Meeting No. 1/2012 held on February 24, 2012 resolved to determine the additional good corporate governance policies as follows:

1. Environmental policy

The Board of Directors has set out a policy to operate the business by taking into account environment with 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 carried out the environmental activities to a certain degree through the Corporate Social and Environmental Responsibility Committee. To ensure a successful implementation of such policy, the Company will further coordinate with the Corporate Social and Environmental Responsibility Committee in respect of social and environmental information and activities.

2. Non-infringement of human rights policy

To respect human rights which is the foundation of personnel care and development, the Board of Directors has set out a non-infringement of human rights policy 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 market rates;
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.

3. Non-infringement of intellectual property or copyright policy and practices

To prevent any problems which may damage or discredit the Company, the Board of Directors



has set out a policy to prohibit 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.

4. Anti-corruption and bribery policy

The Board of Directors has set out 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 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 various matters directly to the Company's independent unit for inspection and monitoring.

4. Information Disclosure and Transparency

1. 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.

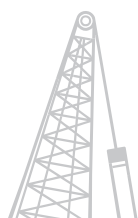
In disclosing the Company's significant information, other than by way of dissemination under the specified criteria via the Stock Exchange's channels, the Company also disseminates such information on the Company's website, both Thai and English, such as, Annual Report, Annual Registration Statement (Form 56-1), Corporate Governance Policy, the Company's information, and public relations news. The Company regularly updates the website for up-to-date information and news for convenient access and to the best interest of users.

2. 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 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 Chief Executive Officer, 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.

3. 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.

4. The Company discloses the roles and duties of the Board and various subcommittees, number of meetings and attendances of each director in 2012.

5. 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.

6. 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.

7. 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 Managing Director**, and remuneration for executives, excluding **the Managing Director**, 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 28 to 30.

5. The Board of Directors' Responsibilities

5.1 Structure of the Board of Directors

The Board of Directors consists of 12 qualified members, comprising: five executive directors, and seven non-executive directors (five independent directors representing 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 the management and is not **the Managing Director**, so as to separate the policy making and supervisory duty from the regular managerial duty.

The Board of Directors has not yet determined any policy on holding a position of director in other companies since, after considering the matter, all directors of the Company have managed their time to regularly attend meetings and provide useful suggestions to the Company. Furthermore, the Board of Directors also appoints the Company Secretary in accordance with the guidelines for the good corporate governance principles 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.

5.2 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 as detailed on pages 19 to 25.

5.3 Role, 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 judgement 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.

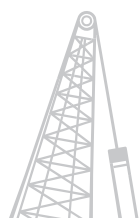
3. The Company prepares its code of ethics since the year 2003, with the approval by the Board of Directors. The code of ethics contains proper conduct and practices for directors, executives and staff, and guidelines for conduct and treatment towards the Company, colleagues, third parties and society, 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.

4. Conflict of Interest

The Board of Directors properly considers the transactions which may have conflict of interest 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 conflict of interest to the public. In this regard, the Company establishes the policy, rules and regulations, and procedures for approval of the transactions which may have conflict of interest for the executives, staff and the relevant persons for compliance with the significant principles, as follows:

4.1 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 good corporate governance principles.

4.2 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.

4.3 In the consideration of the execution of the transactions which may have conflict of interest, the interested directors shall not attend the meeting nor vote on such agenda.

5. Policy on Risk Management

The Board of Directors greatly realizes the significance of the risk management. The Board of Directors appointed the Corporate Governance and Risk Management Committee on December 7, 2007. The Company determines and assesses its business risks, and measures to prevent and manage such risks.

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.

In addition, the Company's code of ethics shall be regularly reviewed. Should the proper conduct and practices in the Company's code of ethics not cover its business operation, the Company will immediately make appropriate revisions. The Company continuously supports training on corporate governance to high and middle level executives, so as to enhance their knowledge, understanding, visions, positive attitudes towards the Company's management in compliance with the good corporate governance principles to build leadership and succession to the management.

The Board of Directors and executives adhere to the guidelines for the good corporate governance principles by regularly improving their conduct and practices towards stakeholders to ensure compliance with such guidelines, e.g., independence of the Board of Directors, giving priority to shareholders to the extent that the Company was awarded a "Very Good" rating of the ordinary general meeting of shareholders by the Office of the Securities and Exchange Commission in association with Thai Listed Companies Association and Thai Investors Association. Furthermore, all staff also share the corporate social responsibility by participating in the mangrove forestation project to honor His Majesty the King in the celebration of His Majesty the King's 80th Birthday at the Mangrove Forest Resources Development Station 2 (Chanthaburi Province) and participating in lunch and activities with the elderly at Ban Bang Khae Social Welfare Development Center for the Elderly (Ban Bang Khae 1), the "Every Drop Is Life, CH. Karnchang Creates New Life" program: management, staff and local residents jointly donated blood on the occasion of the "World Blood Donor Day" to the National



Blood Center in order to solve the blood shortage problem, the program of building check dam and saltlicks at the Kui Buri National Park, Prachuap Khiri Khan Province, the School Recovery from 2010 Flood Crisis program at Bangsai School, Phra Nakhon Si Ayutthaya Province, etc.

5.4 The 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 three 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 Managing Director**. In 2012, the Board of Directors convened a total of six meetings, one of which was convened among non-executive directors 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. Furthermore, the minutes of the meetings are recorded in writing and systematically kept for inspection.

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

Directors	Board of Directors	Executive Board	Audit Committee	Nomination Committee	Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee
1. Mr. Aswin Kongsiri	6/6						
2. Mr. Plew Trivisvavet	6/6	21/21		1/1	1/1	4/4	
3. Mr. Vitoon Tejatussanasoontorn	6/6		5/5	1/1	1/1	4/4	
4. Mr. Don Pramudwinai	6/6		5/5				1/1
5. Mr. Thawansak Sukhawun	6/6		5/5			4/4	
6. Mr. Pavich Tongroach	5/6						1/1
7. Mr. Narong Sangsuriya	6/6	21/21		1/1	1/1	2/2	
8. Mr. Kamthorn Trivisvavet	5/6	21/21					
9. Mr. Prasert Marittanaporn	6/6	21/21					1/1
10. Mr. Ratn Santaannop	5/6	21/21					
11. Mr. Sombat Kitjalaksana	6/6						
12. Mr. Anukool Tuntimas	6/6	21/21					



5.5 Self-Evaluation of the Board of Directors

The Company has a policy for the Board of Directors to evaluate its overall performance at least once a year. In 2012, 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 the 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, namely, there are 12 directors, comprising seven non-executive directors (five independent directors or more than one-third of the total number of directors) and five executive directors which are 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; 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 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. The 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 the Management

Most directors are of the view that the relationship with the management is proper. Directors could straightforwardly discuss with **the Managing Director** and maintain good relationship with the management, whereby **the Managing Director** 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.

The Corporate Governance and Risk Management Committee adopts the self-evaluation results of the Board of Directors for proposing the practice and guidelines of the Board of Directors in compliance with the good corporate governance principles to the Board of Directors for consideration as appropriate.

5.6 Evaluation of Performance of the Chief Executive Officer

All directors, except the Chief Executive Officer, will evaluate performance of the Chief Executive Officer every year from 2012 onwards 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 Chief Executive Officer to the Board of Directors for consideration and approval.

5.7 Remuneration for Directors and Executives

Remuneration for directors:

The Company establishes a clear and transparent policy on remuneration for directors and **the Managing Director** 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 Managing Director:

The Nomination and Remuneration Committee shall consider remuneration of **the Managing Director** in line with the Company's operational results and performance of **the Managing Director** 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.

5.8 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 Audit Committee Program. In this regard, the Company also continues to coordinate with IOD to send its directors to participate in various training courses as organized by IOD.

- 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, listed company director's handbook, the good corporate governance principles, 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).

5.9 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.

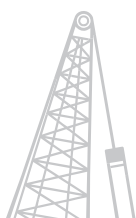
(5) Control of Inside Information Usage

The Company introduces measures requiring executives to report their securities holding on every purchase/sale/transfer of securities, to the Office of the Securities and Exchange Commission. Executives are reminded at every meeting of the Board of Directors of such measures and are also required to sign their names in the acknowledgement of such obligations and responsibilities for report on securities holding. The Company also has an information disclosure policy in line with the guidelines set forth by the Stock Exchange of Thailand. In this respect, the Company shall disclose such information necessary to the decision of the public. Such information must be accurate, sufficient and made available in a timely manner. In addition, the Company shall endeavor to ensure that all investors in the Company's securities shall have equal access to such information. The Company also maintains a good inside information control system. As for information having impact or effect on prices, such sensitive or confidential information shall be subject to measures to prevent improper usage of inside information. For example, only high ranking executives would be granted access to such information and disclosure of such information to staff of the Company shall be made on a need to know basis. Staff who have such access shall be reminded that such information is confidential and subject to restrictions on usage as well as prohibition from purchase or sale of the Company's securities in reliance upon such information. Should any staff violate or fail to comply with such requirements, the Company shall impose disciplinary actions starting from written warning, wage cut, work suspension without pay or dismissal, depending upon the severity of such violation.

(6) Internal Control

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 the official regulations, 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 give rise to conflict of interest.

The Company recognizes the significance of the risk management, by assigning the Corporate Governance and Risk Management Committee to consider the risk factors currently being encountered



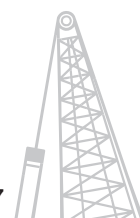
or expected to be encountered by the Company, to analyze the impact and the possibility of such risks and then establish measures to prevent and manage such risks to stay at an acceptable level in compliance with the Company's policy and then submit the same to the Corporate Governance and Risk Management 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 by the Internal Audit Office, and the results of such monitoring shall be reported to the management and the Corporate Governance and Risk Management Committee for acknowledgement.

In 2012, the Audit Committee convened five meetings, in which the management attended each and every meeting, and a meeting with the auditor without the management's presence for consideration of the financial statements for 2012 so as to independently make inquiries on audit plan and other matters found during the audit. The Board of Directors and the Audit Committee have evaluated the adequacy and suitability of the Company's internal control system as per the internal control adequacy evaluation form, comprising five elements, namely, organization and environment; risk management; operational control of the management; information technology and communications system; and monitoring system, together with the audit results by the Internal Audit Department. 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 have been prepared in accordance with the generally accepted accounting principles. The information disclosed in the financial reports is correct and reliable. The Company operates its business in full compliance with the securities and exchange law and other relevant laws.

© 3. Policy on Dividend Payment

The Company has a policy on dividend payment for shareholders at a rate expected to be paid at least 40 percent of net profit after tax each year, which shall be payable in the following year should there be no any other necessary grounds and such dividend payment not materially affect the Company's normal operations.

As for the subsidiaries, joint ventures and associated companies of the Company, no policy on dividend payment has been set.



Nature of Business Operations

1. Summary of Nature of Business Operations of the Company and Subsidiaries

CH. Karnchang Public Company Limited was incorporated as a limited company on November 27, 1972 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 in the initial period included, for example, various buildings, hospitals and public utilities for the Royal Thai Army and the television station building for the Mass Communication Organization of Thailand (MCOT).

Subsequently, the Company realized the need to enlarge the scope of its business operations for long-term prosperity. In this respect, in 1981, the Company entered into a joint venture with Tokyu Construction Co., Ltd., one of Japan's top ten construction contractors, for the purpose of acceptance of technology transfer and business alliance.

Since 1994, the Company was converted into a public company and listed on the Stock Exchange of Thailand, at which time the Company has been rapidly growing and improving its capabilities and potential 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, to improve the Company's work potential for more efficiency. This enabled the Company to expand its scope of capabilities to engage in various construction works 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, large scale infrastructure projects. In addition to the contracts for normal large scale infrastructure projects, the Company also developed its capabilities in terms of both engineering and management, allowing the Company to operate construction projects on a design and construction basis, i.e., the so-called turnkey, including investments in 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. Among these outstanding and successful projects were, for example, the Bang Na - Chon Buri Expressway Construction Project; the Development Project for Enhancement of the Capabilities of the Bangkok International Airport; the Park and Ride Building Construction Project for Bangkok Metro Public Company Limited; the Bang Pli - Suksawad (Bang Pli - Bang Khun Thien) Expressway Project; Concession Projects for Water Production and Distribution for the Provincial Waterworks Authority in Nakhon Pathom, Samut Sakhon and Pathum Thani Provinces; the MRTA Initial System Project, Chaloeem Ratchamongkhon Line; and the Concession Project for Electricity Generation and Distribution for the Electricity Generating Authority of Thailand.



2. Revenue Structure

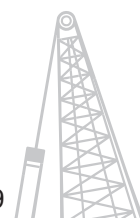
Products	Operated by	% Share holding of the Company	Unit : Million Baht					
			2010		2011		2012	
			Revenues	%	Revenues	%	Revenues	%
Revenue from Construction	CH. Karnchang Public Company Limited	-	1,693.69	17.12	3,570.77	25.80	9,591.33	43.42
	CH. Karnchang (Lao) Co., Ltd.	100.00	3,573.95	36.12	2,783.65	20.11	5,936.01	26.87
	CH. Karnchang-Tokyu Construction Co., Ltd.	55.00	1,218.92	12.32	1,247.50	9.02	2,445.31	11.07
	CKLX Joint Venture	75.00	16.16	0.16	-	-	-	-
	CKTC Joint Venture	70.00	1,982.15	20.04	2,830.10	20.45	2,296.50	10.39
	CH. Karnchang-Krung Thon Engineers Joint Venture	60.00	1.66	0.02	380.77	2.75	415.74	1.88
Total Revenue from Construction			8,486.53	85.78	10,812.79	78.13	20,684.89	93.63
Revenue from Sales of Construction Materials	Construction Material Supply Co., Ltd.	99.99	27.11	0.27	57.26	0.41	55.22	0.25
	CH. Karnchang Public Company Limited	-	5.84	0.06	9.58	0.07	-	-
	CH. Karnchang (Lao) Co., Ltd.	100.00	-	-	6.32	0.05	-	-
	CKTC Joint Venture	70.00	-	-	4.22	0.03	23.97	0.11
Total Revenue from Sales of Construction Materials			32.95	0.33	77.38	0.56	79.19	0.36
Interest Income			253.79	2.57	310.89	2.25	406.90	1.84
Dividend Income and Profit Sharing from Jointly Controlled Entities			160.53	1.62	171.99	1.24	166.77	0.75
Other Income ⁽¹⁾			960.04	9.70	2,466.67	17.82	756.61	3.42
TOTAL ⁽²⁾			9,893.84	100.00	13,839.72	100.00	22,094.36	100.00

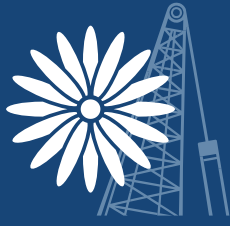
Remarks : ⁽¹⁾ Other income comprises profit sharing from jointly controlled entities and dividend income, gain on sales of investments in subsidiaries and associated companies, reversal of provision for loss on investments in joint ventures, revenue from waiver of accrued interest payable, reversal of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

3. Summary of Significant Changes over the Previous Year in the Nature of Business Operations

There is no significant change over the previous year.





**DEVELOPMENT
AND GROWTH**

Construction Industry Outlook and CK’s Strategic Direction

Construction Industry in 2012: Year of Repair and Reconstruction

Thailand’s construction industry was hit hard by the “Flood Crisis” in 2011, which caused massive damage to buildings, houses, and industrial factories. 2012 was considered a year of repair and reconstruction, in which the whole construction industry was working really hard. Thanks to the real estate sector’s restoration of consumers’ confidence, the construction sector tends to benefit from a dramatic growth accordingly in respect of repair and restoration of residential houses, buildings and industrial factories which encountered a tremendous impact and required a great deal of investment in flood management systems from both public and private sectors.

Marketing and Competition Strategies

In 2013, Thailand’s construction industry has a tendency to grow continuously from 2012 as recently endorsed by the seminar presided over by the Prime Minister on national strategies to move forward the country on January 22, 2013. One of the action plans under the national strategies is to develop the country’s basic transport infrastructure during 2013-2020, whereby the Ministry of Transport has been authorized to formulate details of projects in support of the consideration and law drafting for the Ministry of Finance to seek financing for such investment within a budget of Baht 2.2 Trillion, categorized by different modes of transport as follows:

No.	Investment	Budget	
		Amount (Million Baht)	Percent
1	Road transport	648,995.69	33.91
2	Rail transport	1,164,477.55	60.84
3	Water transport	63,606.74	3.32
4	Air transport	36,927.87	1.93
Total		1,914,007.85	100.00

Other than such projects under the national strategies on development of the country’s basic transport infrastructure above, the Company has also formed Team Thailand Joint Venture, comprising Thailand’s leading consulting and construction companies, to submit bids for the design and construction of Thailand’s sustainable water resources management system and flood management system within a budget of Baht 3.5 Hundred Billion.

In addition, the Company will continue to pursue such other projects which remain within the normal budget planning of various government authorities and state enterprises in the relevant Ministries, since the Company has great potential to compete in projects of any kind, mainly taking into account the quality in terms of feasibility and project value.



Competition and Market Share

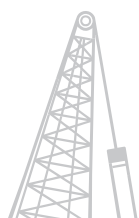
As a result of the aforesaid projects, the construction industry during 2013 is likely to attract more foreign competitors since many projects would need relatively heavy investment and may rely on past achievements utilizing state-of-the-art construction technology and management, in which small and medium-sized Thai companies may not be qualified or may need to collaborate with foreign counterparts. However, CH. Karnchang Public Company Limited is well prepared in terms of both capabilities and resources to compete at all levels, and the Company targets to achieve a market share of at least 25-30 percent of all projects available in the market.

Customers and Relationships

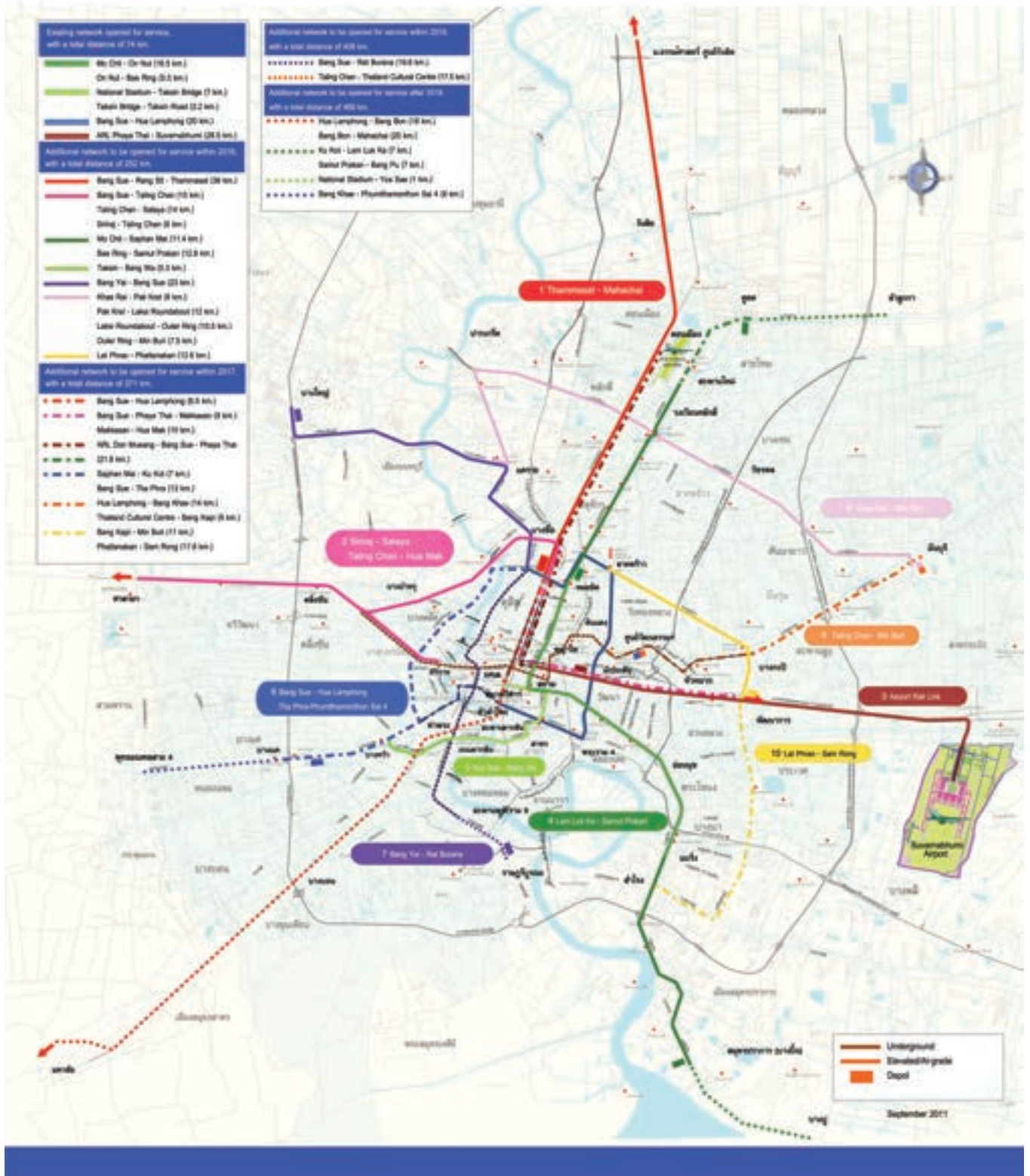
More than 90 percent of the Company's customers are government agencies while the other 10 percent accounts for private sector customers with good reputation and financial strength. According to the Company's customer satisfaction survey, the Company's scores range between Good and Very Good.

CH. Karnchang Growing Sustainably

CH. Karnchang Public Company Limited is committed to being a part of the restoration of Thailand following the flood crisis, along with the development of the country's basic infrastructure systems, to cope with the potential natural disasters. Together, we will help restore our country to get back on the path of continued and sustainable development and build up investors' confidence in Thai economy. With more than 40 years of experiences in a variety of construction projects, including both local and regional development of large-scale infrastructure systems, as well as our commitment to continuously developing the potential and capabilities in terms of technology, management and personnel, CH. Karnchang is moving forward to international markets, ready for the forthcoming ASEAN Economic Community which will bring about new opportunities for the Company, and serving as a driving factor behind Thailand's prominent position in ASEAN and the world stage.



The Mass Transit Railway System Network in Bangkok Metropolitan Region (2012 - 2019) under the Government's Policy on Accelerated 10 Routes





SOCIAL
RESPONSIBILITY

Corporate Social Responsibility: CSR

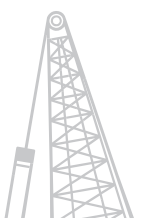
Since its inception in 1972, the decade in which Thailand headed towards the development to become a newly industrializing country in the region, CH. Karnchang Company Limited was founded with a firm commitment to be a Thai quality private organization in construction business, significantly taking into account the benefits to society and Thailand, as well as serving as an instrumentality in moving society forward and developing Thailand to keep pace with the civilized countries. From that point, CH. Karnchang Company Limited, a small Thai private organization, with its commitment, dedication and efficient management, has developed and become CH. Karnchang Public Company Limited, one of the country's leading large-scale construction business operators, which is a Thai company run by Thais for the interest of Thais. Today marks the Company's 40th anniversary of its business operations under the "CH. Karnchang, Building Sustainably" concept, with commitments to building benefits to society and advancement for the country, focusing on improvement of people's quality of life to balance against the existence of an abundant environment, as well as carrying on its intentions and missions of business operations in line with the past practice in the hope that Thai society moves forward to a steady and sustainable development based on the "CH. Karnchang, Building Sustainably" concept.

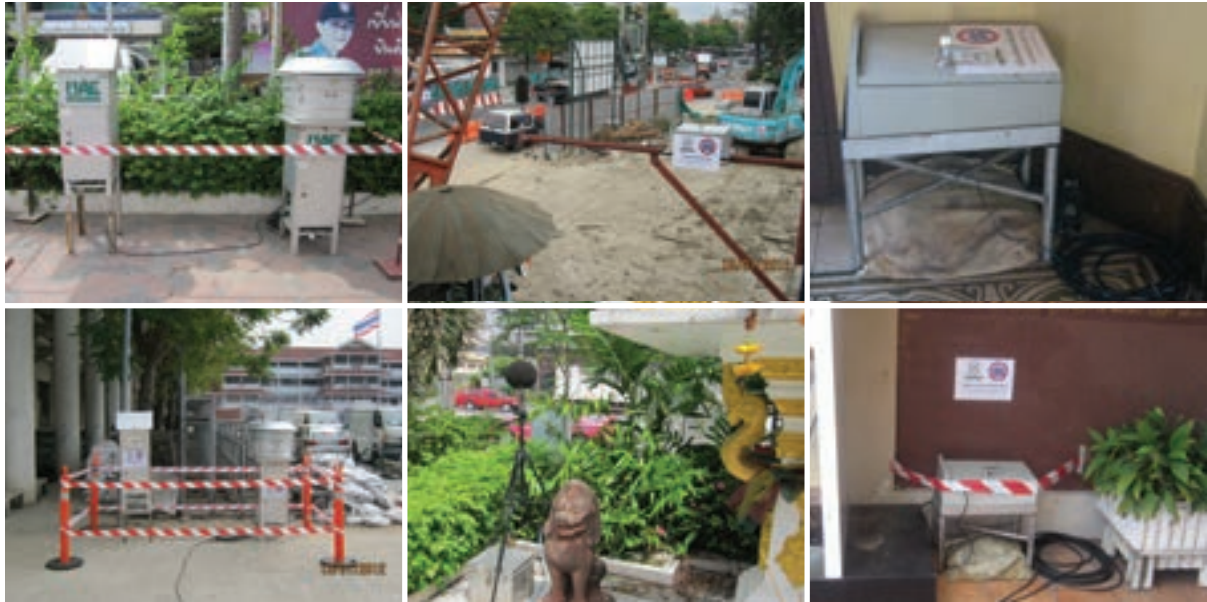
Responsible Business Operations: Towards "Green Construction"

CH. Karnchang Public Company Limited realizes the significance of the business operations taking into account the corporate social and environmental responsibility; i.e., operate its core business in construction and invest in large-sized basic infrastructure concession projects by accepting construction works as well as investing in projects beneficial to the country and society as a whole, such as, railway system projects, tap water system projects, hydroelectric power system projects, co-generation system projects and solar power system projects, etc. In respect of construction, the Company applies advanced and high standard construction technology, and sets out rules and regulations on work performance for all staff in the project offices to respect and strictly comply towards "Green Construction" and share a responsibility to society and communities by minimizing environmental impacts caused by the construction projects, with the following details:

(1) Compliance with Criteria, Requirements and Appropriate Measures on Safety, Occupational Health and Environment

The Company not only strictly complies with the provisions of laws on construction in every step of operations, but also applies advanced and high standard technology and techniques as well as conforming to the ISO 9001/2008: Quality Management Systems, and other related requirements and international standard practices in every step of operations of all construction projects of the Company. That is, the project management teams of every project would be required to formulate a management system and action plans on occupational health and safety, including a monitoring plan to minimize impacts on communities and environment, training of staff at all levels, and with regular, continuous and efficient system for quality control. These arrangements are in place to



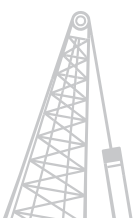


Photographs of measurement of Total Suspended Particulate (TSP) and Particulate Matter less than 10 microns, PM_{10} , along the Blue Line Project (around Wat Rajabopit School) and along the Green Line Project (around Samrong Nua Police Station)

Photographs of general noise level measurement along the Blue Line Project (around Wat Rajabopit School) and along the Green Line Project (around Samrong Nua Police Station)

Photographs of vibration measurement along the Blue Line Project (around Wat Rajabopit School and Museum Siam)

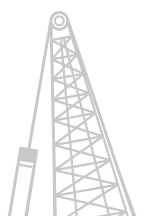
ensure safety and confidence for staff, people, and nearby communities to ensure the least possible impacts with efficient measures and management plans. Such actions include the measures and action plans for air quality and noise control in the areas adjacent to the project construction site; action plans for hydrological and surface water quality control; measures and action plans for disposal of scraps and wastes, as well as transportation action plans to seek measures for minimizing traffic impacts caused by construction, etc.



Green Construction with the Railway System Construction Projects

The Purple Line and the Blue Line are among the various large-scale construction projects carried out by the Company, which commenced in 2011 and serves as a good example of our business operations with corporate social and environmental responsibility in mind under the Green Construction concept. The railway system project is invaluablely beneficial to society, environment and national development, by way of, among others, reduction of pollution and traffic congestion, improvement of people's quality of life. Every step of the construction is also taken with corporate social and environmental responsibility by using measurement tools and methods that meet international standards in the monitoring and inspection, for example, sampling of Total Suspended Particulate (TSP) and Particulate Matter less than 10 microns, PM_{10} by the gravimetric method as specified in the standard under the Notification of the National Environment Board No. 10 B.E. 2538 (1995), noise level measurement by the integrated sound level method, and vibration measurement under the DIN 45669-1 standard, in order to prevent impacts on buildings located adjacent to the construction site, etc.

(left) Photographs of particle dust sampling and measurement for wind direction and speed at various locations
(right) Photograph of noise level measurement



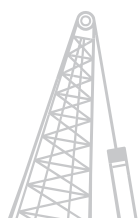
In the measurement of ambient air quality, noise level, as well as vibration, by using such methods, the Company has undertaken at the specified points along the construction project route, including comparing various parameters from the measurements to set the “Base Line” both before and during construction, and also a preparing statistics of traffic volume and accidents, attitudes and opinions of the communities along the project route, including the results of monitoring of compliance with the preventive and corrective measures or the measures to minimize the environmental impacts on the communities or motorists along the project route. Should the results be found beyond the Base Line, the corrective actions must be taken immediately. By operation of the environmental measures set out by the Office of Natural Resources and Environmental Policy and Planning (“ONEP”), and the monitoring of a working team under the supervision of the Mass Rapid Transit Authority of Thailand (“MRTA”) and the Company, as well as the environmental management consulting company of international repute, society and communities may rest assured that the parts of the Purple Line and the Blue Line Projects which are carried out by the Company would be eco-friendly under the Green Construction concept for the purpose of social and environmental responsibility with genuine benefit to Thai society.

Green Construction with the Co-Generation Power System Construction Project

The Co-Generation Power System Construction Project is a project for power production from natural gas which helps minimize wasted energy in the production process, by using thermal energy from fuel combustion of natural gas in powering the gas turbine and using the remaining thermal energy from the power production by the gas turbine in the heat recovery system for use in powering the turbine of the steam turbine, as well as reserve steam production for use in various industrial factories within the Bang Pa-in Industrial Estate.

The construction of the Co-Generation Power System Project has been carried out under the responsibility of Bangpa-In Cogeneration Limited, which commenced in 2011, and the preventive and corrective measures for the environmental impacts and the measures for monitoring and inspection of environment quality have been implemented throughout the period of construction, in order to serve as a good example and guideline towards Green Construction. The Co-Generation Power System Project is a project beneficial to national development, taking into account the reduction of pollution and impacts on environment and society, improvement of people’s quality of life. Every step of the construction is also taken with action plans by using measurement tools and methods that meet international standards in the monitoring and inspection, for example, action plans on air quality, noise, water quality, water drainage and waste management, etc.

In the measurement of ambient air quality and noise level quality by using such methods, the Company has proceeded in the areas of large populated communities and the activities areas of the communities causing impacts on the measurement, such as, schools, temple vicinity used for various activities and municipality office located around the construction project, including comparing various parameters from the measurements to the ambient air quality standard and general noise level standard under the Notification of the National Environment Board both before and during construction. Should the results be found beyond standard, the corrective actions must be taken immediately. According to the inspection results of the Company, as well as the environmental management consulting company of international repute, the average particle dust and the highest noise level measurements of the Bangpa-In Cogeneration Power Project meet standard, which the society and communities may rest assured of the eco-friendly Green Construction.





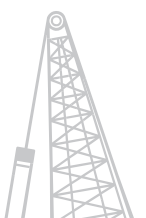
(above)
Photographs of construction of open drain in the water drainage management within the Project

(below)
Photographs of building construction – waste separation and collection yard, with installation of a controlled air incinerator to efficiently emit polluted air caused by the waste incineration in accordance with standard values

Green Construction with the Xayaburi Hydroelectric Power Project

The Xayaburi Hydroelectric Power Project is a power plant construction project located in Xayaburi, Lao People's Democratic Republic, by utilizing the natural water resources to propel the turbines of the power generators to produce electric power for the Lao People's Democratic Republic and Thailand, with a total production capacity of 1285 MW.

The construction of the Xayaburi Hydroelectric Power Project has been carried out under the responsibility of Xayaburi Power Company Limited, taking into account the reduction of pollution and impacts on environment and society, improvement of people's quality of life. Every step of the construction is also taken with action plans for monitoring and inspection of environment quality by using measurement tools and methods that meet international standards in order to serve as a good example and guideline towards Green Construction, for example, action plans on water drainage system and waste management within the Project by a natural flow incinerator and a controlled air incinerator, etc.





Photographs of survey of attitudes and opinions of people in the areas around the Blue Line Project and the Xayaburi Hydroelectric Power Project

(1) Implementation of Public Relations Activities and Participation of Communities

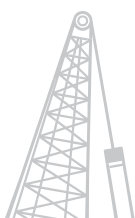
In the implementation of public relations activities and participation of communities, the site offices of various projects will arrange for personnel, together with public relations signboards, as well as conducting survey of opinions of leaders of communities around the project construction site, to clarify the project details, time schedule, including provision of information and news, channels for complaints for those affected by the construction, opinions and suggestions for the project, and acting as a center for coordination with various agencies, in order to prevent and resolve possible problems caused by construction project.

In the alleviation and reduction of traffic problem for local residents, the arrangements include the provision for traffic signs, using CCTVs for monitoring of road traffic volume, and posting construction notice boards for local residents and passer-by for information in advance, in case of a construction activity which requires a temporary traffic closure or an activity giving rise to an environmental impact unavoidably, as well as posting boards for any inconvenience caused by such construction activity.

Moreover, the site project offices provide other helpful support to society and the communities adjacent to the project sites, such as, temporary bus stop signs, road construction and connection of the road shoulders to be at the same level as the road for local people to use such area conveniently and safely during construction, as well as construction of ingress-egress for nearby communities for more convenient passage in the rainy season for local people, etc.



Photographs of CCTVs for monitoring of road traffic volume on Sanam Chai Road, Blue Line Construction Project



Responsible Management: Towards International Standard Organization

One of the key missions of CH. Karnchang Public Company Limited is to administer the business responsibly by adhering to the good corporate governance principles and code of business ethics, developing and taking care of our staff and conducting risk management efficiently to ensure our efficient business operations, good returns and fairness to our staff, customers, shareholders and all groups of stakeholders in society, focusing on achieving our business objectives.

(1) Good Corporate Governance

The Company is committed to business administration by adhering to the good corporate governance principles; focusing on the business operations with efficiency, integrity, clarity, transparency and auditability; equal treatment of stakeholders and the corporate social and environmental responsibility, thereby leading to the organization's sustainable growth. In this regard, CH. Karnchang Public Company Limited has received a "Very Good" score in the assessment of the good corporate governance for 2011 from the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and the Thai Institute of Directors Association.

(2) Code of Conduct and Business Ethics

The Company has prepared the code of conduct and business ethics handbook to serve as guidelines for directors, management and staff to adhere to the principles of integrity and transparency, decency, proper conduct, morality and corporate social and environmental responsibility.

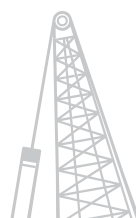
(3) Internal Control and Audit and Risk Management

With regard to internal control, pursuant to the Securities and Exchange Act (No. 4) with which the listed companies on the Stock Exchange of Thailand shall comply regarding internal control and audit for review of the operating systems, the Corporate Governance and Risk Management Committee shall assess the accuracy of the internal control system via the internal audit.

As for risk management, to oversee and manage the organization's risks at an appropriate level, the Corporate Governance and Risk Management Committee shall establish policies covering every aspect of operations in order for the organization to run its business efficiently and effectively in accordance with its objectives and achieve its goals.

(4) Human Capital Development

By realizing the significance in development of our personnel to be smart and good resources for further initiating quality society for our country, CH. Karnchang Public Company Limited has arranged for academic training courses for skill development to personnel in every line of work on a regular and continuous basis, as well as instilling in our staff the volunteer spirit for social contribution, by encouraging staff to actively participate in the Company's CSR activities. Staff shall be rotated to join the Company's CSR working team, in order to build up their sense of belonging in the organization and allow them to personally involve in social development and creativity. The Company also provides CSR knowledge, for example, by inviting CSR specialists to provide training or organizing a CSR Day in association with Corporate Social Responsibility Institute, the Stock Exchange of Thailand and Thaipat Institute, for the purpose of disseminating CSR knowledge at staff level.



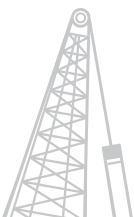


CH. Karnchang joined the D.A.R.E. Program, a joint program between teachers and police officers, for students' understanding on drug abuse resistance and avoidance of violence, at Piboon Upatham School, on September 13, 2012.

Promotion of Volunteer Spirit and Responsibility towards Our Society, Community and Environment

Our Society

CH. Karnchang organized various social development activities, as well as CSR activities contributable to the public, for example, Drug Abuse Resistance Education (D.A.R.E.) Program, for students' understanding on drug abuse resistance and avoidance of violence, and its continued activities, for example, the blood donation drive which has been organized continuously as the fourth year; and the Dhamma talk which was held after Songkran festival to maintain our tradition, etc.

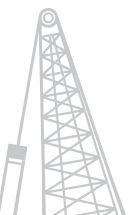




CH. Karnchang, in association with the Thai Red Cross Society, hosted a blood donation drive in the “Every Drop Is Life, CH. Karnchang Gives Birth to New Life” activity at the head office of CH. Karnchang Public Company Limited, Viriyathavorn Building, on June 5, 2012 and November 6, 2012.



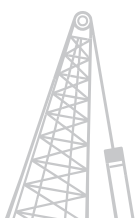
Executives and staff of CH. Karnchang in the Dhamma Talk by Phra Payom Kalayano at Viriyathavorn Building, the head office of CH. Karnchang Public Company Limited, on April 30, 2012.





Future Generation

After the 2011 flood crisis, CH. Karnchang Public Company Limited organized the 2012 Corporate Social Responsibility (CSR) activity in the “CH. Karnchang Helps Restore Educational Institutions, Cultivate Wisdom and Develop Thai Youths”, by repairing and restoring school buildings affected by the flood crisis in Phra Nakhon Si Ayutthaya Province, as well as purchasing necessary learning and teaching materials, for schools under the responsibility of the Ayutthaya Primary Education Service Area Office, e.g., Wat Rat Sathatham School, Rat Niramit School, Wat Sutthi Ruchiraram School, Ban Phlub School (Visutthiwangrat), Wat Pradu Songtham School (Jiyaphanbunrung), Bangsai School and Wat Yom School. CH. Karnchang, in association with Nation International Edutainment Public Company Limited, also organized the “Revive Knowledge to School” program, by providing those seven schools with books useful and beneficial to youths, as well as replacement of those damaged books in educational institutions affected by the flood.

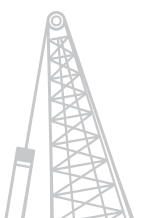


Our Environment

Considering the impacts from disasters which occur more frequently and severely due to the climate change caused by human's exploitation of natural resources, CH. Karnchang makes an attempt to build up our staff's awareness in the environmental care through the ordinary course of their work operation and the CSR activities in respect of natural resource preservation. Last year, CH. Karnchang organized various CSR activities focusing on environment, namely, the "Shred2Share" program, which was given positive feedback from our staff, and CH. Karnchang has continued this program as the third year; and the "84 Rai Reforestation to Celebrate His Majesty the King on His 84th Birthday Anniversary" program, which was organized on the occasion of the celebration of His Majesty the King's 84th Birthday Anniversary.

Throughout 40 years of its business operations with quality along with social and environmental responsibility, CH. Karnchang is determined to build benefits to society and advancement for the country, focusing on improvement of people's quality of life to balance against the existence of an abundant environment, as well as carrying on its intentions and missions of business operations in line with the past practice in the hope that Thai society moves forward to a steady and sustainable development, equivalent to the civilized countries in Asian and other regions, based on "CH. Karnchang, Building Sustainably" concept.

H. Karnchang, in association with InfoZafe Company Limited, an affiliate of Siam Cement Group, donated used papers for eco-friendly and correct shredding and recycling for production of other materials. InfoZafe Company Limited provides contribution to educational fund to Border Patrol Police Schools.



General Information

1. Company Profile

CH. Karnchang Public Company Limited

Head Office : 587 Viriyathavorn Building, Sutthisarn Road, Dindaeng Subdistrict,
Dindaeng District, Bangkok 10400 Telephone 66(0)2277-0460,
66(0)2275-0026 Fax 66(0)2275-7029

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.

Registered Capital : Baht 1,652,585,336

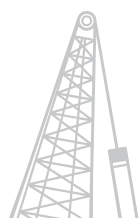
Divided into Ordinary Shares : 1,652,585,336 shares

Par Value : Baht 1 per share

Paid-up Capital : Baht 1,652,585,336

2. The Company invests in each of its subsidiaries through a shareholding ratio of at least 10 percent of the number of shares sold in each subsidiary 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 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026 Fax 66(0)2275-7029	Trading of Construction Materials	300,000	Baht 100	299,992	99.99%	Ordinary Shares
2. CH. Karnchang Real Estate Co., Ltd. The head office is located at No. 587 Sutthisarn 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

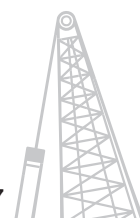


Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Shareholding Ratio	Type of Shares
3. CH. Karnchang-Tokyu Construction Co., Ltd. The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-3651-5 Fax 66(0)2275-3657	Contract for All Kinds of Construction	1,000,000	Baht 100	549,994	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					

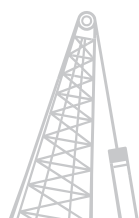
Remark : *CH. Karnchang (Lao) Co., Ltd. has paid-up share capital of USD 1,000,000, 100% of which is invested by CH. Karnchang Public Company Limited.

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 of Shares	Par Value	Shares Held by the Company	Shareholding Ratio	Type of Shares
1. Thai Tap Water Supply 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	759,877,400	19.04%	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



Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Share-holding Ratio	Type of Shares
3. CK Power 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)	920,000,000	Baht 10	349,600,000	38.00%	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)2275-3327-9 Fax 66(0)2691-9951	Operation of Business of Power Plants, including Businesses Relating to Electricity and All Types of Energies	137,000,000	Baht 10	-	-	Ordinary Shares
6. Bangkhenchai Co., Ltd. ⁽⁴⁾ The head office is located at No. 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2691-9720-2 Ext. 2410 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 Co., Ltd. ⁽⁵⁾ The head office is located at No. 23/56, 17th 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 Co., Ltd. ⁽⁶⁾ The head office is located at No. 23/56, 17th 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



	Company Name	Business Category	Total Number of Shares	Par Value	Shares Held by the Company	Share-holding Ratio	Type of Shares
9	Bangkok Metro Public Company Limited The head office is located at No. 189 Rama IX Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok Telephone 66(0)2354-2000 Fax 66(0)2354-2000	Construction, Operation and Maintenance of Railway System, Train, Electric Train System or Other Powered Carriage System	11,950,000,000	Baht 1	2,940,999,916	24.61%	Ordinary Shares
10.	Bangkok Expressway Public Company Limited The head office is located at No. 238/7 Asoke-Dindaeng Road, Bangkapi Subdistrict, Huaikwang District, Bangkok Telephone 66(0)2641-4611 Fax 66(0)2641-4610	Construction and Operation of the Second Stage Expressway Project and Various Extensions, including Related Businesses	770,000,000	Baht 10	116,669,550	15.15%	Ordinary Shares
11.	Xayaburi Power Company Limited The head office is located at Ban Xiang Yuen, Chantaburi District, Vientiane	Study, Survey and Design of the Hydroelectric Power Dam Construction Project in the Mekong River around Xayaburi under the Project Development Agreement (“PDA”) with the Government of the Lao People’s Democratic Republic	1,625,000,000	Baht 10	487,500,000	30.00%	Ordinary Shares

Remarks:

(1) CH. Karnchang Public Company Limited indirectly holds shares in Pathum Thani Water Co., Ltd. via Thai Tap Water Supply Public Company Limited, namely, CH. Karnchang Public Company Limited currently holds shares representing 19.04 percent in Thai Tap Water Supply Public Company Limited, and Thai Tap Water Supply Public Company Limited holds shares representing 98.00 percent in Pathum Thani Water Co., Ltd.

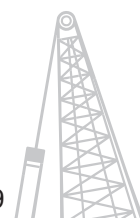
(2) CH. Karnchang Public Company Limited indirectly holds shares in SouthEast Asia Energy Limited via CK Power Limited, namely, CH. Karnchang Public Company Limited currently holds shares representing 38.00 percent in CK Power Limited and CK Power Limited holds shares representing 56.00 percent in SouthEast Asia Energy Limited.

(3) CH. Karnchang Public Company Limited indirectly holds shares in Bangpa-in Cogeneration Limited via CK Power Limited, namely, CK Power Limited currently holds shares representing 65.00 percent in Bangpa-in Cogeneration Limited.

(4) CH. Karnchang Public Company Limited indirectly holds shares in Bangkhenchai Co., Ltd. via CK Power Limited, namely, CK Power Limited currently holds shares representing 99.99 percent in Bangkhenchai Co., Ltd.

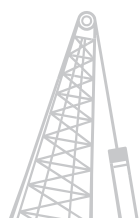
(5) CH. Karnchang Public Company Limited indirectly holds shares in Nakhon Ratchasima Solar Co., Ltd. via CK Power Limited, namely, CK Power Limited currently holds shares representing 30.00 percent in Nakhon Ratchasima Solar Co., Ltd.

(6) CH. Karnchang Public Company Limited indirectly holds shares in Chiangrai Solar Co., Ltd. via CK Power Limited, namely, CK Power Limited currently holds shares representing 30.00 percent in Chiangrai Solar Co., Ltd.



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

Joint Venture Name	Nature of Work	Investment Ratio
<p>1. CKAE Consortium comprising CH. Karnchang Public Company Limited, 110 Architect Co., Ltd., Arun Chaiseri Consulting Engineers Co., Ltd., Environmental Engineering Consultants Co., Ltd. and Epsilon Co., Ltd. The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2275-7029</p>	Design and Construction of the Development Project for Enhancement of the Capacities of the Bangkok International Airport	98.00%
<p>2. Joint Venture CKET comprising CH. Karnchang Public Company Limited and Expert Transport Co., Ltd. The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2354-1919</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	80.00%
<p>3. Joint Venture BBCT comprising CH. Karnchang Public Company Limited, Bilfinger + Berger Bauaktiengesellschaft, Tokyu Construction Co., Ltd. and CH. Karnchang-Tokyu Construction Co., Ltd. The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2275-7029</p>	Construction of the (Bang Pa-in - Pak Kret) Expressway (Sectors D and C1 A)	99.97%
<p>4. Joint Venture BBCD comprising Bilfinger Berger AG, CH. Karnchang Public Company Limited and Walter Bau AG The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2275-7029</p>	Construction of the (Bang Na - Bang Pli - Bang Pakong) Expressway	35.00%
<p>5. Joint Venture BCKT comprising Bilfinger + Berger Bauaktiengesellschaft, CH. Karnchang Public Company Limited, Kumagai Gumi Limited and Tokyu Construction Co., Ltd. The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2275-7029</p>	Design and Construction of the Underground Structure, Subway Project, South Section (Hua Lamphong - Huai Khwang)	25.00%
<p>6. Joint Venture KCLX comprising CH. Karnchang Public Company Limited and Loxley Public Company Limited The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2275-7029</p>	Construction of the Toll Collection and Traffic Safety Control Systems for the Bang Pli - Suksawad Expressway and Highway No. 37, Outer Bangkok Ring Road (the Bang Pli - Bang Khun Thien Expressway in respect of Suksawad - Bang Khun Thien Section)	75.00%



Joint Venture Name	Nature of Work	Investment Ratio
7. Joint Venture CKTC comprising CH. Karnchang Public Company Limited and Tokyu Construction Co., Ltd. The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2275-7029	Operations for Construction Project of the Purple Line, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section; Contract 1: Elevated Structures (East)	70.00%
8. Joint Venture CH. Karnchang-Krung Thon Engineers comprising CH. Karnchang Public Company Limited and Krung Thon Engineers Company Limited The head office is located at No. 587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok Telephone 66(0)2275-0026, Fax 66(0)2275-7029	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	60.00%

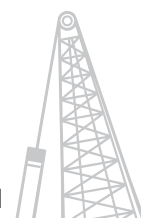
3. Reference

Securities Registrar : Thailand Securities Depository Co., Ltd.
2/7 Moo 4, Capital Market Academy Building
The Stock Exchange of Thailand, 2nd Floor
North Park Project, Vibhavadi Rangsit Road, Km. 27
Thung Song Hong Subdistrict, Lak Si District
Bangkok 10210

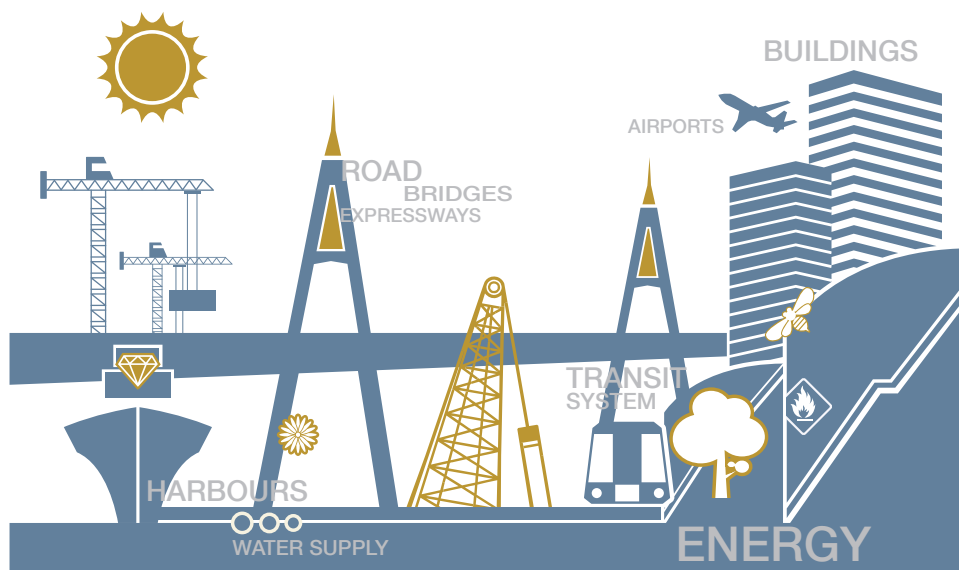
Telephone 0-2596-9000, 0-2596-9302-11
Fax 0-2832-4994-6

or
62 The Stock Exchange of Thailand Building
4th, 7th Floors, Rachadaphisek Road
Klongtoey Subdistrict, Klongtoey District
Bangkok 10110
Telephone 0-2229-2800, Fax 0-2359-1262-3

Auditors : Miss Waraporn Prapasirikul, CPA License No. 4579
Mr.Narong Puntawong, CPA License No. 3315
Miss Supanee Triyanantakul, CPA License No. 4498
Ernst & Young Office Limited
33rd Floor, Lake Rajada Office Complex,
193/136-137 New Ratchadaphisek Road,
Klongtoey District, Bangkok 10110
Telephone 0-2264-0777, Fax 0-2264-0789-90



Corporate Governance Policy



SHAREHOLDERS

The Board of Directors focuses on compliance with good corporate governance so as to improve transparency and responsibility for duties of directors and executives, and build up confidence for shareholders, investors and all parties concerned. In this regard, the policy in support of good corporate governance has been introduced covering important matters as follows:

1. Shareholders and interested parties shall be equally and fairly treated.

2. The Board of Directors is committed to create value added to the operations in the long term through careful and prudent management, is responsible to perform the duties to ensure sufficient for the optimum benefit to shareholders, and to prevent any conflicts of interest, as well as is also responsible for any decisions and arrangements made by the Company itself.

3. All activities are undertaken with transparency and are open for inspection with disclosure of sufficient information to all relevant parties.

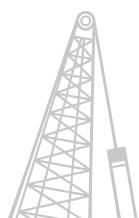
4. The business operations always take into account various risks with appropriate risk control and management.

The Company realizes the shareholders' right to receive the Company's information correctly, completely, sufficiently, instantly and equally for decision making in the shareholders meeting. The Company offers opportunity to shareholders to have equal right to scrutinize the Company's operations, make inquiries and provide comments and suggestions.

PERSONNEL

The Company arranges for continuous human resource development, are the management realizes the significance of development of employees' capabilities and potentials in management, team building and specific professional learning, including encouraging employees to have knowledge about information technology, foreign languages and business working skills of employees and executives, which the Company intends to develop its personnel, both employees and the management, to catch up with changes in the world of technology and the business nature which constitutes a more intense competition, so as to be in line with the whole organization.

The Company issues the code of business ethics in respect of the Board of Directors, the management and staff, as guidelines for compliance in the performance of their duties in accordance



with the Company's mission, with honesty, integrity and equality as well as responsibility towards the interested parties, shareholders and all parties concerned. The code of ethics also covers disciplinary actions. The Company provides such information to new employees in the employee orientation and distributes information via leaflets and office newsletters on a regular basis.

GOVERNANCE

Due to the national development and industrial sector promotion, the demand for construction in various fields has increased. The Company has been considering the market growth, and developing personnel, machinery and equipment for the works. The construction works in the past projects, as well as the Company's reputation in respect of construction and work quality, including responsibility towards customers in the operations, has caused the Company to gain trust in the carrying out of a number of construction projects of the government sector.

The Company realizes the significance of rights of all interested groups, whether inside, such as staff and executives of the Company and the subsidiaries, or outside, such as competitors, creditors, government sectors and other relevant authorities. The Company recognizes support from these interested parties which could help building up the Company's competitiveness and profitability to result in long term success for the Company.

BUSINESS PARTNERS

The Company engages in the business of contract construction as a primary business activity, for government agencies, state enterprises and private entities, in the form of main contractor or subcontractor, by way of bidding and negotiation through the cooperation with overseas contractors in the form of joint venture, which is a joint investment in the construction projects in which items or volume of works are indivisible among the partners. Each partner shall be responsible for profit or loss in the proportion as mutually agreed upon in respect of all items of the work. The Company also engaged in construction in the form of consortium, which is a joint investment in the construction project in which items or volume of works are divisible among the partners. Each partner shall be independently responsible for profit or loss.

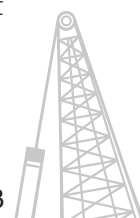
The Company has experience and expertise in construction, engineering, namely infrastructure works such as roads, bridges, elevated ways, expressways, construction of buildings and industrial factories, mechanical and electrical system work, such as installation of equipment and machinery for factories.

CUSTOMERS

The Company encourages the policy on team effort and enhancing state of the art technology to ensure the optimum safety and efficiency in the operation to meet the requirements and offer benefits to the customers with satisfaction in quality and services, including strict compliance with the terms of the agreements made with counterparties. The Company also provides care and is responsible to customers, ensure confidentiality for customers, as well as completion of work in a timely manner or earlier than scheduled.

PUBLIC

The Company's business operation regularly focuses on promotion in activities for improvement of the quality of life and environment, representing our gratitude to society.





Quality of
Services

Risk Factors

1. 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 9001:2000 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 interested persons, 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 from two institutions, namely, UKAS and NAC Thailand, which was upgraded to ISO 9001:2008, 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, hydro-electric 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 undertaken by the Company.

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.

2. 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., depositing income in foreign currencies in the "FCD" (Foreign Currency Deposit) account. 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 certain income and incurring certain costs in foreign currencies, namely, the construction of the Hydroelectric Power Project on the Mekong River in Xayaburi Province; and there are five projects incurring certain costs in foreign currencies, namely, the construction project of the small power plant in Bang Pa-in Industrial Estate, the construction project of the solar power plant in Chiang Rai Province, the construction project of the solar power plant in Nakhon Ratchasima Province, the design and construction of tunnels and underground stations of the MRT Blue Line (Contract 2) and the trackwork of the MRT Blue Line (Contract 5) which require procurement of certain equipment from overseas. The proportion of costs denominated in foreign currencies is rather small as compared to the total expenses, representing merely 19.85 percent of the total expenses of the Company group as at December 31, 2012.



Details of assets and liabilities denominated in foreign currencies as at December 31, 2012 in the consolidated financial statements can be summarized as follows:

Description	As at December 31, 2012		
	US DOLLARS	YEN	EURO
Assets			
Bank deposits	12,587,912	-	403,199
Trade accounts receivable and retention money	19,000,000	-	-
Accounts receivable and loans to related parties	5,848,289	-	-
Advance payment to subcontractors and other current assets	20,342,496	-	1,494,294
Total	57,778,697	-	1,897,493
Liabilities			
Short-term loans from financial institutions	10,395,748	-	1,437,785
Trade accounts payable	37,412,196	365,545,771	11,257,785
Loans from related parties	5,500,000	-	-
Total	53,307,944	365,545,771	12,695,570
Assets (Liabilities), net	4,470,753	(365,545,771)	(10,798,077)
Assets (Liabilities), net (Baht)*	137,598,600	(130,850,764)	(441,212,683)

Remark: * Average exchange rate calculated by The Bank of Thailand at the close of December 31, 2012.

3. 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, in 2012, the fluctuation of material price, especially metals, labor cost and oil, may give rise to impact on the construction cost.

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 a slight impact on the construction cost. As for the projects of the Company group, most customers were government sector, as at December 31, 2012, representing 24.67 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, 2012, representing 75.33 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.



4. 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, 2012, representing 24.67 percent, 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 Public Company Limited, which manages the expressway projects; Bangkok Metro Public Company Limited, which manages the MRT 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; 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; Xayaburi Power Company Limited, which would generate electricity for distribution to the Electricity Generating Authority of Thailand; CK Power 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 Co., Ltd., which operates a business of power production plant of all types; Chiangrai Solar Co., Ltd., which operates a business of power production plant of all types; Bangkhenchai Co., Ltd., which operates a business of power production plant of all types; and Bangpa-in Cogeneration Limited, which operates a business relating to public utilities on energy, etc. These projects are long-term concession projects which would not be affected by political changes.

5. 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. Most of the companies invested by the group have satisfactory performance and derive profits from their business operations. As at December 31, 2012, the Company's investments in subsidiaries, associated companies, jointly controlled entities, related companies and other companies amounted to Baht 13,897.90 Million, representing 31.25 percent of the total asset value of the Company. In 2007, the Company changed its accounting policy on investments in subsidiaries, jointly controlled entities and associated companies in the separate financial statements from the equity method to the cost method in accordance with the Notification of the Federation of Accounting Professions No. 26/2549 Re: Thai Accounting Standards No. 44. Moreover, the Company also arranged for a provision for loss on investments in subsidiaries, jointly controlled entities and associated companies, and unrealized gain and loss on changes in value of investment from related companies and other companies in the total amount of Baht 990.23 Million, which was a balance



of the provision for loss in excess of investments in jointly controlled entities comprising Joint Venture BBCT and Joint Venture BBCD, associated company comprising Bangkok Metro Public Company Limited, related company comprising Bangkok Expressway Public Company Limited, and other companies comprising Nava Finance and Securities Public Company Limited and Kruasakul Company Limited.

6. 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, 2012, 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 net amount from the allowance for doubtful accounts of Baht 12,049.02 Million, representing 27.09 percent of the total assets of the Company. Such loans were short-term loans for use as working capital subject to interest at the Minimum Loan Rate plus a stipulated margin (MLR + margin) per annum and certain fixed rates per annum, which shall become due for repayment upon demand.

Moreover, CKET Joint Venture entered into agreements granting loans to two other companies, in the total amount of Baht 1,600 Million. As at December 31, 2012, such two companies gradually made partial repayment of the loans and interest, therefore, the balance of long-term loans to other companies with accrued interest receivable amounted to Baht 688.34 Million (in proportion to the Company's participation in the Joint Venture) for use as working capital. Such loans are subject to interest at the Minimum Loan Rate plus a stipulated margin (MLR + margin) per annum and became due for repayment by June 2007. Thereafter, the borrowers notified to repay the loans to the Joint Venture in the amount of half of the outstanding loans by March 31, 2008 and the remaining loans by June 30, 2008 in full. Subsequently, the borrowers issued a letter requesting an extension of time for loan repayment in the amount of half of the outstanding loans by December 31, 2008 and the remaining loans by June 30, 2009 in full. On December 24, 2008, the Board of Directors considered granting approval for the Company in the name of CKET Joint Venture to extend the time for loan repayment to the borrowers as per the repayment schedule proposed by the borrowers. As a result, the repayment schedule was requested to be extended from the existing schedule which required to make loan repayment in the amount of half of the outstanding loans by December 31, 2008 and the remaining loans by June 30, 2009 in full to gradually make repayment of the principal on a quarterly basis for 23 installments, starting in March 2009 until September 2014, and payment of accrued interest payable in September and December 2014 and March 2015.

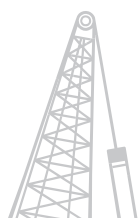
The borrowers furnished security to the Joint Venture, namely, certain land with structures in the total value of Baht 1,782 Million (in proportion to the Company's participation in the Joint Venture) as appraised by an independent appraiser in January 2012 and the major shareholders of the borrowers also provided guarantee for the debt repayment and allowed the Joint Venture to charge additional interest at the rate of 1.25 percent per annum of the loans from the borrowing date until the repayment would be made in full by the borrowers.

In addition, as at December 31, 2012, the Company provided guarantee for two subsidiaries for use in construction purpose of applying for credit facilities from banks and financial institutions in the total amount of Baht 48,038 Million for use in their construction projects.

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.

7. 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 is inefficient, it may affect its ability to carry out construction of new projects or to complete construction

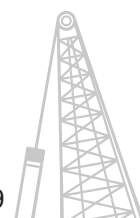


of the existing projects. As at December 31, 2012, the Company's liquidity was in the form of cash, bank deposit, short-term investment, trade and other receivables in the amount of approximately Baht 10,877 Million; while the Company's backlogs were approximately Baht 118,331 Million (at the USD/THB exchange rate as at December 31, 2012, the Xayaburi Hydroelectric Power Project's outstanding construction value was approximately Baht 63,447 Million, for the construction period of approximately 8 years). However, the Company realized such risk by maintaining the policy to manage cash in 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, 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 in 2013 which it plans to further invest approximately Baht 814 Million, the Company has managed such investment risk by restructuring its business operations 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 Co., Ltd., Nakhon Ratchasima Solar Co., Ltd., Chiangrai Solar Co., Ltd. and Bangpa-in Cogeneration Limited to CK Power Limited. As a result, the Company minimized its burden of investments in energy business. In addition, the Company sold certain ordinary shares in Thai Tap Water Supply Public Company Limited in the first quarter of 2013. The recognition of gain on such transaction and gain derived from construction in 2013 resulted in a decrease in the equity to net liabilities ratio by more than 2 times. The Company would derive cash from sales of such shares, which would be used as working capital for its operations and investments, as well as partially reducing its debt burden.

8. Credit Rating Risk

TRIS Rating Co., Ltd. upgraded the credit rating of CH. Karnchang Public Company Limited and its unsecured debentures to "BBB+" on February 28, 2013. The trend of "Stable" credit rating reflects the increase in value of the projects in hand and the Company's improved operational results, as well as reflecting an expectation that the Company's liabilities will materially decrease in the following 18 months from the sales of ordinary shares in Thai Tap Water Supply Public Company Limited, which results in an increase in the shareholders' equity from gain on sales of such shares, including cash derived from the sales of such investments for certain debt repayment and the positive progress of the Xayaburi run-of-river. In this regard, the credit rating may be upgraded should the Company be able to reduce its liabilities and show its ability to maintain its improved financial structure in the moderate term. However, the Company's credit rating may be downgraded should the Company's debt to equity ratio substantially increase (under the Term Sheet) to exceed 2.5 times for a consecutive period of time.

With respect to the Xayaburi Hydroelectric Power Project, the Company may propose the revision of the project delivery schedule to the employer every six months, thereby enabling the Company to collect more payments. In addition, the Company has restructured its business operations in energy sector by establishing CK Power Limited to operate all energy business, thereby decreasing the Company's burden on investments in energy business. Given the Company's sales of certain ordinary shares in Thai Tap Water Supply Public Company Limited in the first quarter of 2013, it is able to derive cash and recognize gain on such sales, as well as changing the account recording method of the value of investments in Thai Tap Water Supply Public Company Limited to reflect the market value from the equity method. Furthermore, CK Power Limited will convert into a public limited company and will be listed on the Stock Exchange of Thailand, which will enhance the Company's liquidity, and as a result, the equity to net liabilities ratio will improve accordingly, provided that, the Company shall maintain its equity to net liabilities ratio under the consolidated financial statements of the debenture issuer at not to exceed 3 (three) to 1 (one) as at the close of the second quarter and as at the end of the accounting year in each year. As at December 31, 2012, the Company's equity to net liabilities ratio equaled 2.55: 1.



Connected Transactions

1. Connected Transactions between the Company, Subsidiaries, Associated and Related Companies (Only connected transactions with value of Baht 500,000 or higher are shown)

Company Name / Interested Party	Relationship	Nature of Transaction
<p>1. Bangkok Metro Public Company Limited</p> <p>Operation of concession business for mass transit in Bangkok by the metro</p>	<ul style="list-style-type: none"> - This is an associated company. - The Company holds shares representing 24.61 percent. - Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 2.95 percent. - A director of the Company, namely, Mr. Sombat Kitjalaksana, serves as director in Bangkok Metro Public Company Limited. - An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Bangkok Metro Public Company Limited. 	<p>1.1 The Company extended a loan in its capacity as a shareholder under the Sponsor Loan Agreement, which requires that shareholders shall arrange for a loan to Bangkok Metro Public Company Limited in the total loan amount of not exceeding Baht 3,000 Million.</p> <ul style="list-style-type: none"> - Principal at the end of the period - Accrued interest receivable at the end of the period
<p>2. Thai Tap Water Supply Public Company Limited</p> <p>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</p>	<ul style="list-style-type: none"> - In 2012, this is an associated company. The Company holds shares representing 30.04 percent. - In February 2013, the Company sold certain investments to Bangkok Expressway Public Company Limited. The Company holds shares representing 19.04 percent. - A director of the Company, namely, Mr. Sombat Kitjalaksana, serves as director in Thai Tap Water Supply Public Company Limited. - Three executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, and Mr. Prasert Marittanaporn, serve as directors in Thai Tap Water Supply Public Company Limited. 	<p>2.1 The Company</p> <ul style="list-style-type: none"> - The Company received dividend from its shareholding in Thai Tap Water Supply Public Company Limited.



Unit : Baht

Transaction Value of
2012

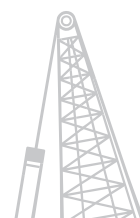
Necessity / Justification

3,000,000,000
980,987,602

- Such loan is extended by the Company at the interest rate of MLR+0.5.
- The loan is scheduled to be repaid after Bangkok Metro Public Company Limited has repaid loans to local financial institutions (pursuant to the conditions of the Sponsor Loan Agreement), provided that all loans are scheduled to be repaid to local financial institutions by 2024. The Company has a policy to require Bangkok Metro Public Company Limited to repay the loan in full within one year after Bangkok Metro Public Company Limited has repaid loans to financial institutions or when the Company has excess cash.
- This is in accordance with the agreement of shareholders in Bangkok Metro Public Company Limited with financial institutions providing financial support.

563,425,378

- This transaction is an ordinary course of business.
- The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.



Company Name / Interested Party	Relationship	Nature of Transaction
<p>3. Bangkok Expressway Public Company Limited</p> <p>Operation of concession business for expressway construction and management</p>	<ul style="list-style-type: none"> - This is a related company. - The Company holds shares representing 15.15 percent. An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Bangkok Expressway Public Company Limited. - Director and Managing Director of Bangkok Expressway Public Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, who serves as director in the Company. 	<p>3.1 The Company</p> <ul style="list-style-type: none"> - The Company received dividend from its shareholding in Bangkok Expressway Public Company Limited. <p>3.2 The Company</p> <ul style="list-style-type: none"> - The Company was engaged to carry out construction, repair and improvement of the expressway system, with a value of Baht 14.2 Million. <p>3.3 CH. Karnchang-Tokyu Construction Co., Ltd.</p> <ul style="list-style-type: none"> - The company received dividend from its shareholding in Bangkok Expressway Public Company Limited. <p>3.4 Construction Material Supply Co.,Ltd.</p> <ul style="list-style-type: none"> - The company was engaged to carry out repair of traffic surface of the Si Rat Expressway around Ngam Wong Wan on- and off-ramps and Chaeng Watthana off-ramp, with a value of Baht 2.4 Million.
<p>4. Expert Transport Co., Ltd.</p> <p>Operation of business of large vehicles for transportation</p>	<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. - Two executive directors of the Company, namely, Mr. Plew Trivisvavet and Mr. Prasert Marittanaporn, serve as directors in Expert Transport Co., Ltd. - An executive of the Company, namely, Mr. Sittidej Trivisvavet, serves as director in Expert Transport Co., Ltd. 	<p>4.1 Joint Venture BBCT</p> <ul style="list-style-type: none"> - Vehicles, such as, trucks, trailers, etc., were sold to Expert Transport Co., Ltd. at the replacement cost. <p>4.2 The Company</p> <ul style="list-style-type: none"> - This company took on lease of area and public utilities services from the Company.



Transaction Value of 2012	Necessity / Justification
154,003,806	- This transaction is an ordinary course of business.
14,185,388	<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.
12,607,505	<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
2,423,750	<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. - This transaction provides a credit term of 30-45 days.
5,617,500	<ul style="list-style-type: none"> - This is a sale of vehicles, which the Joint Venture does not use, at the reasonable rate not different from sale to the general public. - Trade accounts receivable were accrued for a long period due to the economic crisis during 1997-2000 and a portion of revenue must be used for loan repayment. The company could make periodic repayment to the Joint Venture by 2013. - This transaction provides a credit term of 30-45 days.
5,564,841	<ul style="list-style-type: none"> - Expert Transport Co., Ltd. took on lease for a total area of 1,119 square meters at the rental rate of Baht 148 per square meter and service fee of Baht 222 per square meter, with a lease term of three years from June 1, 2011 to May 31, 2014. - Expert Transport Co., Ltd. took on lease and paid public utilities fees in the amount of approximately Baht 0.4 Million per month. - This rental rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.



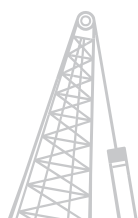
Company Name / Interested Party	Relationship	Nature of Transaction
<p>5. SouthEast Asia Energy Limited</p> <p>Operation of concession business for design, development, construction and management of the Hydroelectric Power Project (Nam Ngum 2) for the Government of the Lao People's Democratic Republic</p>	<ul style="list-style-type: none"> - This is a related company. - In 2011, the Company sold all investments to CK Power Limited. - Three executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, and Mr. Prasert Marittanaporn, serve as directors in SouthEast Asia Energy Limited. 	<p>5.1 The Company</p> <ul style="list-style-type: none"> - The Company extended a loan in its capacity as a shareholder under the Shareholders Loan Agreement, which requires that shareholders shall arrange for a loan to SouthEast Asia Energy Limited in the total loan amount of Baht 156.25 Million, at the interest rate of the average MLR of three lending banks of SouthEast Asia Energy Limited, plus one (MLR+1), with the due date of repayment of the principal, together with interest, within 18 months or the date of Financial Closing of the Project, whichever occurs first. - Principal at the end of the period - Accrued interest receivable at the end of the period <p>5.2 The Company</p> <ul style="list-style-type: none"> - This company took on lease of area and public utilities services from the Company.
<p>6. Bang Pa-in Land Development Co., Ltd.</p> <p>Operation of Bang Pa-in Industrial Estate</p>	<ul style="list-style-type: none"> - This is a related company. - CK. Office Tower Co., Ltd., as a major 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. - An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Bang Pa-in Land Development Co., Ltd. - A director of the Company, namely, Mr. Kamthorn Trivisvavet, serves as director in Bang Pa-in Land Development Co., Ltd. - An executive of the Company, namely, Miss Supamas Trivisvavet, serves as director in Bang Pa-in Land Development Co., Ltd. 	<p>6.1 The Company</p> <ul style="list-style-type: none"> - The Company rendered transportation services and other services, such as, lease of water tank trailers, shovels, backhoe. <p>6.2 The Company</p> <ul style="list-style-type: none"> - The Company leased out area and charged public utilities fees. <p>6.3 The Company</p> <ul style="list-style-type: none"> - Bang Pa-in Land Development Co., Ltd. engaged CH. Karnchang Public Company Limited in the contract for design and construction of dikes and drainage system for the Bang Pa-in Industrial Estate Restoration Project, with a value of Baht 658.3 Million.



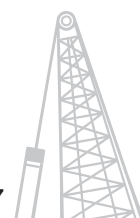
Transaction Value of 2012	Necessity / Justification
156,250,000 57,442,978	<ul style="list-style-type: none"> - This is considered a financial support based on the shareholding percentage, and the interest rate equals the loan interest rate of the existing creditors of SouthEast Asia Energy Limited for survey and development of new project which would enhance the capacity of the Nam Ngum 2 Project and which would be beneficial to the Company as a shareholder. - In 2009, SouthEast Asia Energy Limited requested an extension of time for repayment of the loan for another 12 months from the due date until March 2010. - In 2010, SouthEast Asia Energy Limited requested an extension of time for repayment of the loan on the date which the company made the first drawdown of the project from the financial institutions or until September 2011. - In 2011, SouthEast Asia Energy Limited requested an extension of time for repayment of the loan principal and interest are to be paid in full in a bullet payment on the earlier of (a) when such company received debt settlement from the subsidiary and (b) within September 2012 - In September 2012, SouthEast Asia Energy Limited requested an extension of time for repayment of the loan for another 12 months from the due date until September 2013.
2,766,950	<ul style="list-style-type: none"> - SouthEast Asia Energy Limited took on lease for a total area of 469 square meters at the rental rate of Baht 160 per square meter and service fee of Baht 240 per square meter, with a lease term of three years from October 1, 2010 to September 30, 2013. - SouthEast Asia Energy Limited took on lease and paid public utilities fees in the amount of approximately Baht 0.2 Million per month. - This rental rate is close to market rate, representing an ordinary course of business. This transaction provides a credit term of 30-45 days.
2,571,864	<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.
791,323	<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 rate of Baht 128 per square meter and service fee of Baht 192 per square meter, with a lease term of three years from November 1, 2011 to October 31, 2014. - Bang Pa-in Land Development Co., Ltd. took on lease and paid public utilities fees in the amount of approximately Baht 0.07 Million per month. - This rental rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.
430,291,470	<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.



Company Name / Interested Party	Relationship	Nature of Transaction
<p>7. Bangkok Metro Networks Limited</p> <p>Operation of service business for common areas and public utilities in the metro</p>	<ul style="list-style-type: none"> - This is a related company. - Bangkok Metro Public Company Limited (CH. Karnchang Public Company Limited's associated company) holds shares representing 65.19 percent. - A director of the Company, namely, Mr. Sombat Kitjalaksana, serves as director in Bangkok Metro Networks Limited. - 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. <p>Remark: Bangkok Metro Networks Limited was incorporated through the amalgamation of Metro Mall Development Limited, BMCL Network Limited, and Triads Networks Company Limited.</p>	<p>7.1 The Company</p> <ul style="list-style-type: none"> - The Company leased out area and charged public utilities fees. <p>7.2 The Company</p> <ul style="list-style-type: none"> - Interest income from construction.
<p>8. Xayaburi Power Company Limited</p> <p>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</p>	<ul style="list-style-type: none"> - This is an associated company. - The Company holds shares representing 50.00 percent as at December 31, 2012. - The Company has reduced its shareholding to 30 percent in the first quarter of 2013. - An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Xayaburi Power Company Limited. - A director of Xayaburi Power Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, who serves as director in the Company. 	<p>8.1 CH. Karnchang (Lao) Co., Ltd.</p> <ul style="list-style-type: none"> - Xayaburi Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd. (in which 100 percent of shares are held by CH. Karnchang Public Company Limited) under the Xayaburi Hydroelectric Power Project Construction Agreement, with a project value of approximately Baht 51,825 Million and USD 711 Million.



Transaction Value of 2012	Necessity / Justification
6,442,960	<ul style="list-style-type: none"> - Bangkok Metro Networks Limited took on lease from the Company for a total area of 1,291.4 square meters at the rental rate of Baht 140 per square meter and service fee of Baht 210 per square meter, with a lease term of three years from February 10, 2010 to February 9, 2013. - Bangkok Metro Networks Limited took on lease and paid public utilities fees in the amount of approximately Baht 0.5 Million per month. - This rental rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.
10,657,600	<ul style="list-style-type: none"> - Metro Mall Development Limited executed a contract engaging CH. Karnchang Public Company Limited for a project value of Baht 292.5 Million to construct the interior of the train stations to support the lease of retail shops. However, since Metro Mall Development Limited had insufficient revenue from commercial development, it thus paid the construction cost in installment. The Company charged interest at the rate of MLR+1% per annum. - This 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 a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
5,936,009,993	<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 days.



Company Name / Interested Party	Relationship	Nature of Transaction
<p>9. Bang Pa-in Cogeneration Limited</p> <p>Operation of power plant business, including businesses relating to electricity and other powers</p>	<ul style="list-style-type: none"> - This is a related company. - The Company sold all investments to CK Power Limited. - Bang Pa-in Land Development Co., Ltd. sold all investments to CK Power Limited. - An executive director of the Company, namely, Mr. Narong Sangsuriya, serves as director in Bangpa-in Cogeneration Limited. - An executive of the Company, namely, Mr. Vorapote Uchupaiboonvong, serves as director in Bangpa-in Cogeneration Limited. 	<p>9.1 CH. Karnchang Public Company Limited</p> <ul style="list-style-type: none"> - Bangpa-in Cogeneration Limited engaged CH. Karnchang Public Company Limited under the Engineering, Procurement and Construction Contract for 120 MW Gas Fired Combined Cycle Cogeneration Power Plant (the Small Power Plant), with a project value of approximately Baht 4,485 Million.
<p>10. Northern Bangkok Expressway Company Limited</p> <p>Operation of concession business for expressway construction and management</p>	<ul style="list-style-type: none"> - This is a related company. - Bangkok Expressway Public Company Limited holds shares representing 53.33 percent. - An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Northern Bangkok Expressway Company Limited. - Director and Managing Director of Northern Bangkok Expressway Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, who serves as director in the Company. 	<p>10.1 Construction Material Supply Co., Ltd.</p> <ul style="list-style-type: none"> - The Company was engaged to carry out repair of traffic surface of the Udon Rattaya Expressway and traffic surface improvement around Chiang Rak Interchange to Chiang Rak Toll Plaza around Sri Saman on- and off-ramps heading Tiwanon Road, with a value of Baht 20.8 Million.



Transaction Value of
2012

Necessity / Justification

2,204,822,899

- CH. Karnchang Public Company Limited 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 days.

20,843,050

- 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.



2. The Opinion of Company Directors 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 have been submitted to the meeting of the Board of Directors or the Executive Board, for consideration in respect of their suitability.

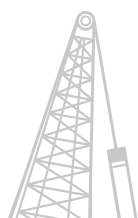
3. Measures or Procedures for Approval of Connected Transactions

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 conflict of interest 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 conflict of interest 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 interest or might have conflict of interest in connected transactions shall not be allowed to participate in the approval of such connected transactions. The criteria by which the Board of Directors and the Audit Committee use 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 conflict of interest 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 operation so as to support and facilitate each other, which will be deemed as 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.



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. Don Pramudwinai and Mr. Thawansak Sukhawun, Audit Committee Members, and Vice President: Internal Audit Department as secretary to the Audit Committee.

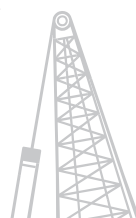
The Audit Committee has performed under the scope, duties and responsibilities as assigned by the Company's Board of Directors, in accordance with the regulations of the Stock Exchange of Thailand, as well as relevant suggestions on various matters, which were fully cooperated by the Company's Management, internal auditors and auditor. In 2012, the Audit Committee held five meetings with the executives, internal auditors and auditor as appropriate, including a meeting with the auditor without the Management once a year, which may be summarized as follows:

1. The Audit Committee has reviewed the quarterly financial statements and the 2012 financial statements, by making inquiries and taking into consideration the clarifications of the executives and the auditor of the Company 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



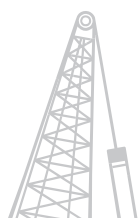
the Company's risk management system is efficient and effective, by determining objectives for indicating, assessing, managing and monitoring risks on a quarterly basis, risk appetite and risk tolerance, as well as regularly reviewing the risks to be in line with the current situation.

5. The Audit Committee has reviewed 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.

6. The Audit Committee has considered selecting the auditor for appointment and proposing the remuneration of the auditor, 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 Waraporn Prapasirikul or Mr. Narong Puntawong or Miss Supanee Triyanantakul of Ernst & Young Office Limited as the Company's auditor for 2013, with the auditing fee in the amount of not exceeding Two Million Eight Hundred and Ninety Five Thousand Baht.



(Mr. Vitoon Tejatussanasoontorn)
Chairman of the Audit Committee



Financial Position and Operational Results

CH. Karnchang Public Company Limited, its Subsidiaries and its Jointly Controlled Entities
Management Discussion and Analysis Operational Results in the Fourth Quarter and 2012

Operational Results

Table 1 : Consolidated Financial Statements

Unit : Million Baht

	Q4/12	Q4/11	% Change	2012	2011	% Change
Core Revenues						
Revenues from construction services	6,859	2,719	152.23%	20,685	10,813	91.30%
Sales of construction materials	14	5	192.55%	79	77	2.34%
Project management	14	15	(5.84%)	59	70	(14.87%)
Gross Profit	714	360	98.43%	2,367	592	300.11%
Profit attributable to equity holders of the Company	253	(289)	187.57%	568	927	(38.71%)
EBITDA	573	(88)	747.96%	2,517	2,433	3.46%

Note : EBITDA = Earnings before interest, taxes, depreciation and amortization, including dividend income from associated companies

In quarter 4/12, CK had profit for the period amounting to Baht 253 Million and profit for 2012 amounting to Baht 568 Million.

In quarter 4 of 2012, CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities, had profit for the period amounting to Baht 253 Million, representing an increase 187.57 percent from the same period of the previous year, since the Company recognized gain on sales of investments to CK Power Limited, together with sales of shares in Bangpa-in Cogeneration Limited amounting to Baht 233 Million and recognized gain on sales of shares in Chiangrai Solar Co., Ltd. amounting to Baht 22 Million. EBITDA in the fourth quarter of 2012 equaled Baht 573 Million, representing an increase by 748.0 percent from the same period of the previous year, whereby administrative expenses represented 5.64 percent of total revenues, representing a decrease from 16.82 percent of total revenues of the same period of the previous year, which showed more efficient personnel management.

The Operational results in 2012, CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities, had profit amounting to Baht 568 Million, representing a decrease by 38.71 percent from the previous year, since in 2011, the Company sold all of its ordinary shares in SouthEast Asia Energy Limited “SEAN”; the Company recognized profit amounting to Baht 1,963 Million, which was more than profit received by the Company from sales of investments in 2012, and due to sales of shares in SEAN, and as such, in 2012, there was no share of profit from such



investments, thereby causing a decrease in share of profit from investments in associated companies. Moreover, the Company incurred an increasing finance cost resulting from additional loan drawdown for construction. However, the Company had EBITDA amounting to Baht 2,517 Million, representing an increase by 3.46 percent from the same period of the previous year, due to an increase in gross profit per unit of construction, with the average gross profit ratio per business unit at 11.37 percent in 2012, as compared with gross profit ratio at 5.40 percent in 2011.

Revenues from construction services in 2012 amounted to Baht 20,685 Million, representing an increase by 91.30 percent from 2011.

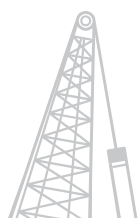
In 2012, CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities, had core revenues, comprising revenue from construction services, sales of construction materials and project management income in 2012, in the total amount of Baht 20,824 Million or 94.25 percent of total revenues, representing an increase by 90.00 percent from the previous year, mainly due to an increase in revenues from construction services in 2012 amounting to Baht 20,685 Million or 96.32 percent of total revenues, representing an increase by Baht 9,872 Million or 91.30 percent from 2011, due to the fact that the signed projects in 2011-2012 made significant progress.

Share of profit from investments in associated companies in 2012 amounted to Baht 268 Million, representing a decrease by Baht 303 Million from the previous year.

Share of profit from investments in associated companies in 2012 amounted to Baht 268 Million, representing a decrease by 53.07 percent from the previous year, due to the fact that in 2011, the Company sold all investments in an associated company, namely, ordinary shares in SouthEast Asia Energy Limited, to CK Power Limited.

Dividend receipt from an associated company, namely, Thai Tap Water Supply Public Company Limited (whose shares are held by the Company representing 30.04 percent) amounted to Baht 563 Million, representing an increase by 142 Million and dividend from an associated company, namely, Bangkok Expressway Public Company Limited (whose shares are held by the Company representing 16.46 percent) amounted to Baht 154 Million, due to the improved operational results of both companies.

In addition, the reduction of corporate income tax under the resolution of the Council of Ministers from 30 percent to 23 percent in 2012, and in 2012, the Company's gain on sales of investments in subsidiaries and associated companies then reduced, and as such, its income tax burden in 2012 was Baht 313 Million, representing a decrease by 44.56 percent from the same period of the previous year.



Financial Position

Table 2 : Balance Sheet

	2012	2011	Unit : Million Baht % change
Assets			
Cash and cash equivalents	3,973	4,019	(1.14%)
Current investments	1,580	940	68.06%
Other current assets	25,123	17,150	46.49%
Non - current assets	20,508	14,530	41.14%
Total assets	51,184	36,639	39.70%
Liabilities			
Current liabilities	24,210	14,460	67.43%
Non-current liabilities	18,115	15,584	16.24%
Total liabilities	42,325	30,044	40.88%
Shareholders' equity			
Equity attributable to owners of the Company	8,559	6,384	34.07%
Non-controlling interests of the subsidiaries	301	211	42.92%
Total shareholders' equity	8,860	6,595	34.34%

Assets had the total value in 2012 amounting to Baht 51,184.84 Million, representing an increase by 39.70 percent from the end of 2011.

In 2012, the Company's assets had the total value of Baht 51,185 Million, representing an increase by Baht 14,545 Million or 39.70 percent from the end of 2011. The total assets comprised:

- Current assets in 2012 amounted to Baht 30,677 Million, representing an increase by Baht 8,567 Million or 38.75 percent from the end of 2011, due to the Company's acceleration of the construction of the Purple Line Project, the MRT Blue Line (Contract 2) and (Contract 5), the Green Line Project, including the Xayaburi Run-of-River Construction Project in the Lao PDR, thereby causing an increase in trade receivables by Baht 808 Million; unbilled receivables by Baht 1,922 Million; and advance payments to subcontractors by Baht 4,831 Million.

- Non-current assets in 2012 amounted to Baht 20,508 Million, representing an increase by Baht 5,978 Million or 41.41 percent, mainly due to an increase in

- : investments in associated companies amounting to Baht 4,986 Million, representing an increase by Baht 1,747 Million or 53.92 percent from 2011. In 2012, the Company made further investments in Xayaburi Power Company Limited and CK Power Limited.

- : Other long-term investments amounting to Baht 4,415.96 Million, representing an increase by Baht 2,111 Million or 91.61 percent from 2011, due to addition of unrealized gain on change in



value of investments in ordinary shares in Bangkok Expressway Public Company Limited as held by the Company representing 16.46 percent.

: Property, plant and equipment amounting to Baht 4,700 Million, representing an increase by Baht 1,789 Million or 61.45 percent, mainly due to investments in assets for the MRT Blue Line (Contract 2) and (Contract 5), the Green Line Project, including the Xayaburi Run-of-River Construction Project in the Lao PDR.

In 2012, the Company's total liabilities amounted to Baht 42,324.46 Million, representing an increase by Baht 40.87 percent from the end of 2011.

In 2012, the Company's total liabilities amounted to Baht 42,325 Million, representing an increase by Baht 12,280 Million or 40.87 percent from the end of 2011, with the details of material increases as compared to the previous year as follows:

- Current liabilities in 2012 amounted to Baht 24,210 Million, representing an increase by Baht 9,750 Million or 67.42 percent from 2011, mainly due to the Company's acceleration of the construction of the MRT Blue Line (Contract 2) and (Contract 5), the Green Line Project, including the Xayaburi Run-of-River Construction Project in the Lao PDR, whereby the Company utilized the proceeds from bank overdrafts and short-term loans from financial institutions, long-term loans, net of current portion, and advances received from employers and construction revenue received in advance, thereby causing an increase in trade and other payables.

- Non-current liabilities in 2012 amounted to Baht 18,115 Million, representing an increase by Baht 2,530 Million or 16.24 percent from 2011, due to the Company's purchase of additional equipment and vehicles for use in construction by entering into hire-purchase agreement with leasing company; and the Company's additional drawdown of long-term loans for construction of various projects.

In 2012, the Company's shareholders' equity totaled Baht 8,860.37 Million, representing an increase by 34.35 percent from the end of 2011.

In 2012, the Company's shareholders' equity totaled Baht 8,860 Million, representing an increase by Baht 2,265 Million or 34.35 percent from the end of 2011, as a result of the increased retained earnings by Baht 155 Million. Other components of shareholders' equity were the increased unrealized gain on investment in Bangkok Expressway Public Company Limited amounting to Baht 1,835 Million, and the increased minority interests of subsidiaries amounting to Baht 301 Million.



Table 3 : Cash Flow Statement

Unit : Million Baht

	2012	2011	2010
Cash flows from (used in) operating activities	(1,274)	(3,047)	(1,722)
Cash paid for interest expenses	(1,391)	(1,080)	(1,179)
Cash paid for corporate income tax	(771)	(266)	(147)
Net cash flows from (used in) operating activities	(3,435)	(4,393)	(3,048)
Net cash flows from (used in) investing activities	(2,199)	4,122	(1,340)
Net cash flows from financing activities	5,602	2,759	2,395
Effect of exchange rate changes on cash and cash equivalents	(13)	6	(2)
Net increase (decrease) in cash and cash equivalents	(46)	2,494	(1,995)
Cash and cash equivalents at beginning of year	4,019	1,524	3,519
Cash and cash equivalents at end of year	3,973	4,019	1,524

In 2012, the Company had cash flows used in operating activities amounting to Baht 3,435 Million; investing activities amounting to Baht 2,199 Million; and from financing activities amounting to Baht 5,602 Million.

In 2012, the Company's cash flows used in operating activities less interest expenses and corporate income tax amounted to Baht 3,435 Million, with the interest expenses amounting to Baht 1,391 Million and the corporate income tax amounting to Baht 771 Million, for accelerating the construction in various projects, thereby resulting in the increase in trade receivables, unbilled receivables and advance payment to subcontractors. The cash flows used in investing activities amounted to Baht 2,194 Million for investment in CK Power Limited and Xayaburi Power Company Limited, as well as purchase of additional lands, buildings and equipment for use in the construction. The cash flows from financing activities amounted to Baht 5,602 Million from the long-term loan drawdown from financial institutions for use in the construction, and as a result, the net cash decreased by Baht 46 Million. Upon combination with cash brought forward at beginning of year amounting to Baht 4,019 Million, cash at the end of 2012 thus totaled Baht 3,973 Million.

Equity to net liabilities ratio for 2012 equaled 2.55 times, which decreased as compared to that of the end of 2011.

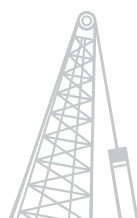
The Company's equity to net liabilities ratio for 2012 equaled 2.55 times, which decreased as compared to 2.66 times of the end of 2011, which did not exceed the conditions of the debentures and loans specified at not exceeding 3.00 times. Given the Company's sale of certain ordinary shares in Thai Tap Water Supply Public Company Limited in the first quarter of 2013, it is expected to recognize gain on such transaction and gain from construction in 2013 in the considerable amount, which will result in the material decrease in the equity to net liabilities ratio. In addition, in 2013, the Company will derive the revenue from investment in CK Power Limited to be listed on the Stock Exchange of Thailand, thereby rendering the Company's burden on investment in energy business to decrease and resulting in the improved equity to net liabilities ratio.



The Company will make dividend payment for the operational results for 2012 at the rate of Baht 0.35 per share.

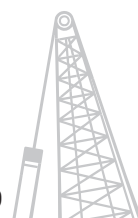
The Board of Directors Meeting on February 22, 2013 resolved to grant approval for dividend payment for the operational results for 2012 at the rate of Baht 0.35 per share, amounting to Baht 578 Million. The Company determined that May 9, 2013 shall be the record date for the right to receive dividend payment and the dividend payment was scheduled to be made on May 20, 2013. The Company will propose this dividend agenda during the 2013 Annual General Meeting of Shareholders.

Financial Ratios	Unit	2012	2011	2010
Liquidity Ratio				
Liquidity Ratio	times	1.27	1.53	1.26
Quick Ratio	times	0.23	0.34	0.41
Trade Accounts Receivable Turnover	times	3.91	2.46	4.11
Average Collection Period	days	92	146	88
Inventory Turnover	times	14.14	10.10	23.84
Average Sale Period	days	26	36	15
Accounts Payable Turnover	times	3.38	4.13	5.13
Debt Servicing Period	days	107	88	70
Cash Turnover	days	11	95	32
Profitability Ratio				
Gross Margin Ratio	%	11.37%	5.40%	2.89%
Net Profit Ratio	%	2.57%	6.70%	(3.39%)
Return on Equity	%	6.42%	14.06%	(5.39%)
Efficiency Ratio				
Return on Assets	%	1.11%	2.53%	(1.10%)
Return on Fixed Assets	times	11.14%	27.83%	(15.98%)
Assets Turnover	times	0.43	0.38	0.32
Financial Policy Ratio				
Debt to Equity Ratio	times	4.78	4.56	3.91
Equity to Net Liabilities Ratio	times	2.55	2.66	2.45



CH. Karnchang Public Company Limited's credit rating and unsecured debentures increased to "BBB+" level.

On February 26, 2013, TRIS Rating Co., Ltd. increased the credit rating and the unsecured debentures of CH. Karnchang Public Company Limited to "BBB+" from "BBB". The increase of the credit rating reflects the increase in the value of the projects in hand and the Company's improved operational results. The trend of "Stable" credit rating reflects the expectation that the Company will be able to maintain its margin ratio in the moderate term to stay close to its current level. In addition, it is expected that the Company's liabilities ratio will improve due to the increased shareholders' equity from gain on sales of shares in TTW, as well as debt repayment from cash derived from the sales of investments and accounts receivable of the Xayaburi Project.

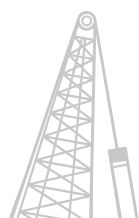


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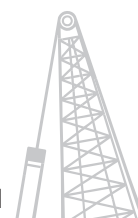
Details of the Company's Directors, Executives and Authorized Persons

Information of the Company's Directors, Executives and Authorized Persons are as follows:

Name-Surname/Position	Age (Years)	Education	Proportion of Shareholding (%)
1. Mr. Aswin Kongsiri Chairman of the Board of Directors	67	<ul style="list-style-type: none"> - B.A. (Hons.) in Philosophy, Politics and Economics, Oxford University, England - Chairman 2000 Course, (Class 5/2001) Thai Institute of Directors Association - Director Certification Program (DCP 11/2001) Thai Institute of Directors Association 	-
2. Mr. Plew Trivisvavet Director Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member Authorized Signatory Director	67	<ul style="list-style-type: none"> - 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 Course), Class 4/2007 	1.26



Family Relationship Among Executives	Experience in the Last Five Years		
	Period	Position	Organization/Company/Business
- None -	2011-Present	Monetary Policy Committee Member	The Bank of Thailand
	2010-Present	Chairman of the Board of Directors	Thai Orix Leasing Co., Ltd.
	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 the Audit Committee	OHTL Plc.
	1994-Present	Independent Director	CH. Karnchang Plc.
	1993-Present	Independent Director	Thai Reinsurance Plc.
	1981-Present	Independent Director	Padaeng Industry Plc.
	2010-2012	Chairman of the Board of Directors	Thoresen Thai Agencies Plc.
	2009-2012	Vice Chairman of the Board of Directors	Electricity Generating Plc.
	2009-2010	Director and Audit Committee Member	Thoresen Thai Agencies Plc.
	2006-2008	Member of the National Legislative Assembly	The National Legislative Assembly
	2005-2010	Director and Executive Director	Krung Thai Bank Plc.
	2001-2012	Independent Director	Electricity Generating Plc.
	1999-2003	Director and Executive Director	Siam Commercial Bank Plc.
Mr. Kamthorn's brother Miss Supamas's father	2011-Present	Director	CK Power Limited
	2010-Present	Director	Xayaburi Power Company Limited
	2007-Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
	2006-Present	Director	Thai Tap Water Supply Plc.
	2006-Present	Director and Chairman of the Executive Board	Nam Ngum 2 Power Company Limited
	2004-Present	Director	SouthEast Asia Energy Limited
	2003-Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
	1998-Present	Chairman of the Board of Directors and Chairman of the Executive Committee	Bangkok Metro Plc.
	1998-Present	Director and Chairman of the Executive Board	Bangkok Expressway Plc.
	1994-Present	President and Chief Executive Officer	CH. Karnchang Plc.
2004-2008	Director	BMCL Network Limited	



Name-Surname/Position	Age (Years)	Education	Proportion of Shareholding (%)
3. Mr. Vitoon Tejatussanasoontorn Director Chairman of the Audit Committee Chairman of the Corporate Governance and Risk Management Committee Nomination and Remuneration Committee Member	72	<ul style="list-style-type: none"> - 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 (AAP 3/2010) Thai Institute of Directors Association 	0.03
4. Mr. Don Pramudwinai Director Audit Committee Member Chairman of the Corporate Social and Environmental Responsibility Committee Chairman of the Nomination and Remuneration Committee	62	<ul style="list-style-type: none"> - M.A. (International Relations), Tufts University, U.S.A. - M.A. (International Relations), University of California, Los Angeles, U.S.A. - B.A. in Political Science (Hons.), University of California, Los Angeles, U.S.A. - Director Certification Program (DCP 155/2012) Thai Institute of Directors Association 	0.006
5. Mr. Thawansak Sukhawun Director Audit Committee Member Corporate Governance and Risk Management Committee Member	75	<ul style="list-style-type: none"> - 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 (AAP 3/2010) Thai Institute of Directors Association - Advance Security Management Program (ASMP 3/2012) National Defence College Association of Thailand 	-



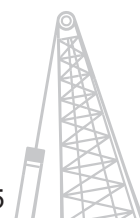
Family Relationship Among Executives	Experience in the Last Five Years		
	Period	Position	Organization/Company/ Business
- None -	2007-Present	Chairman of the Corporate Governance and Risk Management Committee	CH. Karnchang Plc.
	2005-Present	Director, Audit Committee Member and Nomination and Remuneration Committee Member	Bangkok Metro Plc.
	2004-Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
	2002-Present	Advisor of the Federation of Thai Industries of Samutprakarn Province	
	2001-Present	Vice Chairman of Thai Chamber of Commerce of Samutprakarn Province	
	1999-Present	Director and Chairman of the Audit Committee	CH. Karnchang Plc.
	1991-Present	Deputy Senior Managing Director	AGC Flat Glass (Thailand) Plc.
	1986-Present	Director and Executive Director	Sakata-Thai Corporation Ltd.
	2007-2012	Chairman of the Nomination Committee and Chairman of the Remuneration Committee	CH. Karnchang Plc.
- None -	2012-Present	Chairman of the Nomination and Remuneration Committee	CH. Karnchang Plc.
	2010-Present	Chairman of the Corporate Social and Environmental Responsibility Committee	CH. Karnchang Plc.
	1994-Present 2009-2010	Director and Audit Committee Member Ambassador	CH. Karnchang Plc. Royal Thai Embassy in Washington D.C., U.S.A.
	2007-2008	Ambassador and Permanent Representative of Thailand	to the United Nations in New York City
	2004-2007	Ambassador	to the European Union
	2001-2004 1999-2000	Ambassador Director-General of the Department of Information	to the People's Republic of China Ministry of Foreign Affairs
- None -	2007-Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
	2000-Present	Director and Audit Committee Member	CH. Karnchang Plc.
	1989-1998	Director Deputy Director-General	Thai News Agency Mass Communication Organization of Thailand (MCOT)



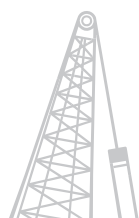
Name-Surname/Position	Age (Years)	Education	Proportion of Shareholding (%)
6. Mr. Pavich Tongroach Director Corporate Social and Environmental Responsibility Committee Member	66	<ul style="list-style-type: none"> - Doctor of Philosophy (Ph.D.) in Brain Pharmacology, The University of London, U.K. - Post-doctoral 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 	-
7. Mr. Narong Sangsuriya Director Executive Director Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member Authorized Signatory Director	68	<ul style="list-style-type: none"> - Bachelor of Engineering (Civil), Chulalongkorn University - Director Certification Program (DCP 54/2005) Thai Institute of Directors Association 	0.04
8. Mr. Kamthorn Trivisvavet Director Executive Director Authorized Signatory Director	63	<ul style="list-style-type: none"> - Master of Business Administration, Kasetsart University - Bachelor of Agricultural Technology, Bandit Sakonnakhon College - Director Certification Program (DCP 50/2004) Thai Institute of Directors Association - Finance for Non-Finance Directors (FND 13/2004) Thai Institute of Directors Association - The Leadership Grid of 2008, Grid Thailand 	0.004



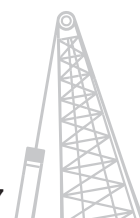
Family Relationship Among Executives	Experience in the Last Five Years		
	Period	Position	Organization/Company/ Business
- None -	2007-Present	Director	CH. Karnchang Plc.
	Present	Member and Vice Chairman	Higher Education Commission
	Present	Chairman of the Nakhon Phanom University Council	Nakhon Phanom University
	Present	Chairman of the Kalasin Rajabhat University Council	Kalasin Rajabhat University
	Present	Adjunct Professor	Naresuan University
	Present	Distinguished Scholar	Chulalongkorn University
	2007-2010	President	The Pharmacy Council
	2007	Director and Chairman of the Nomination and Remuneration Committee	Thailand Post Co., Ltd.
	2005-2006	Director	MCOT Plc.
	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
	2005-2006	Acting Chairman of the Administrative Board	National Institute of Academic Testing Service (Public Organization)
	2005-2006	Chairman of the Administrative Board	Office of Higher Education Financial Reform
	2004-2006	Secretary-General, Higher Education Commission	Ministry of Education
1995-2003	President	Maharakham University	
- None -	2012-Present	Corporate Governance and Risk Management Committee Member	CH. Karnchang Plc.
	2011-Present	Director	CK Power Limited
	2009-Present	Director	Bangpa-in Cogeneration Limited
	2007-Present	Nomination and Remuneration Committee Member	CH. Karnchang Plc.
	2006-Present	Director	Nam Ngum 2 Power Company Limited
	2004-Present	Director	SouthEast Asia Energy Limited
	2001-Present	Director and Senior Executive Vice President: Operation Group	CH. Karnchang Plc.
	2000-Present	Director	Thai Tap Water Supply Plc.
	1994-Present	Executive Director	CH. Karnchang Plc.
Mr. Plew's brother	2009-Present	Director and Executive Director	CH. Karnchang Plc.
	1999-Present	Director	Construction Material Supply Co., Ltd.
	1994-Present	Director	CH. Karnchang Holding Co., Ltd.
	1992-Present	Director	CK. Office Tower Co., Ltd.
	1990-Present	Director	Expert Transport Co., Ltd.
	1988-Present	Director	Bang Pa-in Land Development Co., Ltd.
	1983-Present	Director	Mahasiri Siam Co., Ltd.
	1981-Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
1973-Present	Managing Partner	Presertvit Construction Limited Partnership	



Name-Surname/Position	Age (Years)	Education	Proportion of Shareholding (%)
9. Mr. Prasert Marittanaporn Director Executive Director Corporate Social and Environmental Responsibility Committee Member Authorized Signatory Director	56	<ul style="list-style-type: none"> - 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, Capital Market Academy (CMA 9/2009) - Successful Formulation & Execution of Strategy (SFE 6/2010) Thai Institute of Directors Association 	-
10. Mr. Ratn Santaannop Director Executive Director Authorized Signatory Director	69	<ul style="list-style-type: none"> - 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 	-
11. Mr. Sombat Kitjalaksana Director Authorized Signatory Director	55	<ul style="list-style-type: none"> - Dr. Techn. in Soil Mechanics, University of Innsbruck, Austria - Master of Engineering (Civil), Chulalongkorn University - Bachelor of Engineering (Civil), Chulalongkorn University - Director Accreditation Program (DAP 36/2005) Thai Institute of Directors Association - Finance for Non-Finance Directors (FND 19/2005) Thai Institute of Directors Association - Director Certification Program (DCP 81/2006) Thai Institute of Directors Association - Refresher Course DCP (DCP Re 2/2009) Thai Institute of Directors Association 	0.06



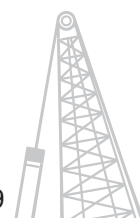
Family Relationship Among Executives	Experience in the Last Five Years		
	Period	Position	Organization/Company/Business
- None -	2011-Present	Director	CK Power Limited
	2009-Present	Senior Executive Vice President: Administration Group	CH. Karnchang Plc.
	2008-Present	Director	Nam Ngum 2 Power Company Limited
	2007-Present	Executive Director	CH. Karnchang Plc.
	2007-Present	Director	CH. Karnchang-Tokyu Construction Co., Ltd.
	2006-Present	Director	CH. Karnchang Plc.
	2004-Present	Director	SouthEast Asia Energy Limited
	2000-Present	Director	Thai Tap Water Supply Plc.
	2005-2007	Director	Pathum Thani Water Co., Ltd.
	2001-2008	Executive Vice President: Accounting and Finance	CH. Karnchang Plc.
- None -	2010-Present	Director	Thai Water Operations Co., Ltd.
	2007-Present	Executive Director	CH. Karnchang Plc.
	2006-Present	Director	CH. Karnchang Plc.
	2001-Present	Executive Vice President: Construction 1	CH. Karnchang Plc.
	2007-2009	Director	BJT Water Co., Ltd.
	2007-2008	Director	Bangkok Concrete Industries Co., Ltd.
	2005-2007	Director	Pathum Thani Water Co., Ltd.
- None -	2011-Present	Vice Chairman of the Executive Committee	Bangkok Metro Plc.
	2009-Present	Director	Bangkok Metro Networks Limited
	2006-Present	Director	CH. Karnchang Plc.
	2004-Present	Director	Bangkok Metro Plc.
	2000-Present	Director and Executive Director	Thai Tap Water Supply Plc.
	2005-2007	Director	Pathum Thani Water Co., Ltd.
	2004-2011	Executive Committee Member	Bangkok Metro Plc.
	2002-2012	Director	Transit Expert Co., Ltd.
	2001-2010	Executive Vice President: Business Development	CH. Karnchang Plc.
	2000-2011	Managing Director	Bangkok Metro Plc.



Name-Surname/Position	Age (Years)	Education	Proportion of Shareholding (%)
12. Mr. Anukool Tuntimas Director Executive Director Authorized Signatory Director	45	<ul style="list-style-type: none"> - Doctor of Business Administration, University of South Australia - 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 	0.24
13. Mr. Viboon Mongkolpiyathana	62	<ul style="list-style-type: none"> - Bachelor of Engineering (Civil), Songklanakarin University - Director Certification Program (DCP 132/2010) Thai Institute of Directors Association 	-
14. Mr. Sittidej Trivisvavet	59	<ul style="list-style-type: none"> - Bachelor of Business Administration in Construction Management, Sukhothai Thammathirat Open University - Director Certification Program (DCP 127/2010) Thai Institute of Directors Association 	0.20



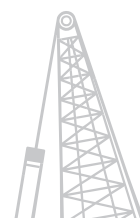
Family Relationship Among Executives	Experience in the Last Five Years		
	Period	Position	Organization/Company/ Business
- None -	2009-Present 2007-Present 2006-Present 2001-Present 2004-2012 2004-2008 2004-2006	Director Executive Director Director Executive Vice President: Human Resource and General Administration Director and Executive Committee Member Director Director Director Director and Vice President, Academic Affairs	Bangkok Metro Networks Limited CH. Karnchang Plc. CH. Karnchang Plc. CH. Karnchang Plc. Bangkok Metro Plc. Metro Mall Development Limited Triads Networks Co., Ltd. BMCL Network Limited Lawyers Association of Thailand
- None -	2011-Present 2011-Present 2011-Present 2001-Present 1997-2000 1994-1996	Director Director Director Executive Vice President: Construction 2 Project Manager Engineering Manager	Bangkhenchai Co., Ltd. Chiangrai Solar Co., Ltd. Nakhon Ratchasima Solar Co., Ltd. CH. Karnchang Plc. CH. Karnchang Plc. CH. Karnchang-Tokyu Construction Co., Ltd.
- None -	2009-Present 2000-Present 1994-Present 1979-Present	Executive Vice President: Purchasing Director Director Director	CH. Karnchang Plc. Expert Transport Co., Ltd. Vetprasert Co., Ltd. Songvet Co., Ltd.



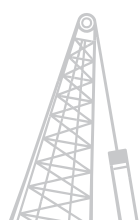
Name-Surname/Position	Age (Years)	Education	Proportion of Shareholding (%)
15. Mr. Vorapote Uchupaiboonvong	51	<ul style="list-style-type: none"> - Master of Business Administration (International Finance and Banking), University of Birmingham, U.K. - Master of Accountancy (Costing), Chulalongkorn University - Bachelor of Accountancy, Thammasat University - Director Certification Program (DCP 61/2005) Thai Institute of Directors Association - Audit Committee Program (ACP 10/2005) Thai Institute of Directors Association - Monitoring the System of Internal Control and Risk Management (MIR 2/2008) Thai Institute of Directors Association - Company Secretary Program (CSP 25/2008) Thai Institute of Directors Association - Developing Corporate Governance Policy, Thai Institute of Directors Association - Effective Minute Taking (EMT 12/2008) Thai Institute of Directors Association - Successful Formulation & Execution of Strategy (SFE 6/2010) Thai Institute of Directors Association 	0.0006
16. Mr. Watchara Sanghattawattana	54	<ul style="list-style-type: none"> - Bachelor of Engineering (Civil), Chiang Mai University - Director Certification Program (DCP 155/2012) Thai Institute of Directors Association 	-
17. Mr. Phongsarit Tantisuvanitchkul	40	<ul style="list-style-type: none"> - 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 	0.009



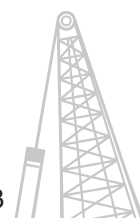
Family Relationship Among Executives	Experience in the Last Five Years		
	Period	Position	Organization/Company/ Business
- None -	2011-Present	Director	Bangkhenchai Co., Ltd.
	2011-Present	Director	Chiangrai Solar Co., Ltd.
	2011-Present	Director	Nakhon Ratchasima Solar Co., Ltd.
	2009-Present	Director	Bangpa-in Cogeneration Limited
	2009-Present	Executive Vice President: Accounting and Finance	CH. Karnchang Plc.
	2005-Present	Independent Director	Union Petrochemical Plc.
	2006-2009	Director	BJT Water Co., Ltd.
	1990-2008	Project Management Manager	CH. Karnchang Plc.
- None -	2011-Present	Executive Vice President: Engineering	CH. Karnchang Plc.
	1997-2011	Business Development Manager	CH. Karnchang Plc.
- None -	2012-Present	Director	Transit Expert Co., Ltd.
	2011-Present	Executive Vice President: Business Development	CH. Karnchang Plc.
	2009-Present	Director	Bangkok Metro Networks Limited

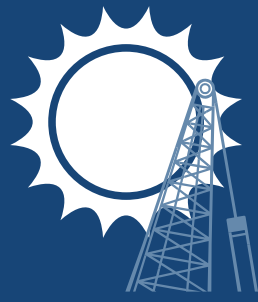


Name-Surname/Position	Age (Years)	Education	Proportion of Shareholding (%)
18. Miss Supamas Trivisvavet	38	<ul style="list-style-type: none"> - Doctor of Public Administration, University of Southern California, U.S.A. - Master of Public Policy, Duke University, U.S.A. - Bachelor of Arts, Chulalongkorn University - Director Certification Program (DCP 106/2008) Thai Institute of Directors Association - Developing Corporate Governance Policy, Thai Institute of Directors Association - Effective Minute Taking (EMT 16/2010) Thai Institute of Directors Association - Company Secretary Program (CSP 37/2010) Thai Institute of Directors Association - Board Reporting Program (BRP 3/2010) Thai Institute of Directors Association 	0.12



Family Relationship Among Executives	Experience in the Last Five Years		
	Period	Position	Organization/Company/ Business
Mr. Plew's daughter	2012-Present	Director	CK Power Limited
	2011-Present	Director	Bangkhenchai Co., Ltd.
	2009-Present	Executive Vice President: Office of President	CH. Karnchang Plc.
	2008-Present	Director	Bang Pa-in Land Development Co., Ltd.
	2008-Present	Director	Cholavet Civil Co., Ltd.
	2009-2011	Director	Bangpa-in Cogeneration Limited





INTEGRITY

CH. Karnchang Public Company Limited.

**Report and consolidated
financial statements**

31 December 2012

Independent Auditor's Report

To the Shareholders of CH. Karnchang Public Company Limited

I have audited the accompanying consolidated financial statements of CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of CH. Karnchang Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities and of CH. Karnchang Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Waraporn Prapasirikul

Certified Public Accountant (Thailand) No. 4579

Ernst & Young Office Limited
Bangkok: 22 February 2013



Statement of financial position

CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	3,973,016,731	4,018,780,421	1,900,378,489	2,544,668,448
Current investments	8	1,580,252,900	940,312,651	1,450,208,195	940,312,651
Trade and other receivables	6, 9	5,323,653,471	4,452,882,242	4,145,947,075	6,856,620,198
Short-term loans to related parties and interest receivable	6	1,200,550	1,200,550	7,056,101,756	4,291,219,042
Unbilled receivables	10	9,988,371,855	8,066,040,361	2,953,365,622	2,271,064,215
Inventories and construction supplies	11	1,304,936,771	1,026,797,215	505,760,025	752,271,950
Advance payment to subcontractors	6	7,543,174,337	2,712,106,764	3,882,513,516	1,743,051,744
Current portion of long-term loans to associated company and interest receivable	6	213,692,978	200,620,444	213,692,978	200,620,444
Current portion of long-term loans to other companies and interest receivable	13	180,110,944	354,012,121	-	-
Other current assets	14	568,154,550	336,587,727	338,604,405	110,457,775
Total current assets		30,676,565,087	22,109,340,496	22,446,572,061	19,710,286,467
Non-current assets					
Restricted bank deposits	12	362,230,236	291,369,762	247,230,236	126,369,762
Long-term loans to jointly controlled entities and interest receivable	6	155,447,251	174,371,123	777,236,254	871,855,613
Long-term loans to associated companies and interest receivable, net of current portion	6	3,980,987,602	3,728,862,883	3,980,987,602	3,728,862,883
Long-term loans to related company and interest receivable	6	21,002,616	-	21,002,616	-
Long-term loans to other companies and interest receivable, net of current portion	13	508,224,978	712,224,979	-	-
Investments in subsidiaries	15	-	-	281,476,101	397,039,001
Investments in joint ventures	16	-	-	-	-
Investments in associated companies	17	4,986,158,828	3,239,360,948	9,570,092,429	5,925,703,669
Other long-term investments	18	4,415,960,022	2,304,632,602	4,064,402,907	2,128,521,855
Long-term trade accounts receivable	6, 9	140,843,381	138,197,398	140,843,381	138,197,398
Investment properties	19	400,376,602	421,573,491	495,193,848	518,787,016
Property, plant and equipment	20	4,700,335,690	2,911,355,379	2,203,754,103	1,381,293,007
Intangible assets	21	77,075,804	66,172,135	72,375,097	61,087,095
Accounts receivable - claims for additional costs	30	2,515,620,262	2,515,620,262	-	-
Less: Allowance for doubtful accounts	30	(2,515,620,262)	(2,515,620,262)	-	-
Accounts receivable - claims for additional costs, net		-	-	-	-
Advances for future projects	22	222,365,324	382,161,483	4,413,734	164,209,893
Withholding tax deducted at source		36,929,286	79,035,635	-	48,071,386
Other non-current assets		500,333,342	80,862,666	165,165,931	29,061,075
Total non-current assets		20,508,270,962	14,530,180,484	22,024,174,239	15,519,059,653
Total assets		51,184,836,049	36,639,520,980	44,470,746,300	35,229,346,120

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



Statement of financial position (continued)

CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

As at 31 December 2012

		Consolidated financial statements		Separate financial statements	
		(Unit: Baht)			
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	23	2,484,358,091	1,972,157,490	2,036,945,775	1,422,715,450
Trade and other payables	6, 24	5,461,970,577	2,513,017,322	2,774,292,785	1,094,026,527
Current portion of hire purchase creditors	25	166,370,912	93,740,530	165,063,727	93,507,283
Current portion of long-term loans	26	4,876,905,329	2,214,157,882	3,285,608,258	1,785,580,945
Current portion of debentures	27	3,000,000,000	3,016,200,000	3,000,000,000	3,016,200,000
Advances received from employers and					
construction revenue received in advance	6, 10	7,563,439,791	3,827,932,424	6,655,728,538	2,840,935,287
Retention for construction	6	367,092,354	253,344,544	130,437,340	88,146,254
Income tax payable		31,444,899	356,173,731	-	318,984,539
Unbilled output tax		184,435,647	145,565,875	192,005,588	162,275,089
Other current liabilities		73,855,694	68,040,582	46,179,899	44,985,440
Total current liabilities		24,209,873,294	14,460,330,380	18,286,261,910	10,867,356,814
Non-current liabilities					
Hire purchase creditors, net of current portion	25	353,646,784	352,699	351,841,811	-
Long-term loans, net of current portion	26	7,628,887,815	4,543,197,561	4,041,787,622	4,087,569,055
Debentures, net of current portion	27	9,964,443,493	10,958,323,810	9,964,443,493	10,958,323,810
Provision for long-term employee benefits	28	167,611,790	82,310,475	78,425,107	41,392,450
Provision for loss on investments in joint ventures	16	-	-	18,074,822	18,074,822
Total non-current liabilities		18,114,589,882	15,584,184,545	14,454,572,855	15,105,360,137
Total liabilities		42,324,463,176	30,044,514,925	32,740,834,765	25,972,716,951
Shareholders' equity					
Share capital					
Registered					
1,652,585,336 ordinary shares of Baht 1 each		1,652,585,336	1,652,585,336	1,652,585,336	1,652,585,336
Issued and paid up					
1,652,585,336 ordinary shares of Baht 1 each		1,652,585,336	1,652,585,336	1,652,585,336	1,652,585,336
Share premium		4,869,410,139	4,869,410,139	4,869,410,139	4,869,410,139
Retained earnings					
Appropriated - statutory reserve	29	170,758,534	170,758,534	165,258,534	165,258,534
Unappropriated		296,060,021	140,791,476	3,398,158,640	2,856,859,059
Other components of shareholders' equity		1,570,109,306	(449,467,464)	1,644,498,886	(287,483,899)
Equity attributable to owners of the Company		8,558,923,336	6,384,078,021	11,729,911,535	9,256,629,169
Non-controlling interests of the subsidiaries		301,449,537	210,928,034	-	-
Total shareholders' equity		8,860,372,873	6,595,006,055	11,729,911,535	9,256,629,169
Total liabilities and shareholders' equity		51,184,836,049	36,639,520,980	44,470,746,300	35,229,346,120

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



Statement of comprehensive income

CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit or loss:				
Revenues				
Revenues from construction services	20,684,884,855	10,812,788,277	10,383,695,999	4,916,616,476
Sales of construction materials	79,189,873	77,379,667	38,171,842	9,578,377
Project management income	59,472,131	69,859,458	223,298,164	552,453,714
Rental income	50,141,908	40,343,664	189,484,803	169,062,094
Transportation income	21,156,526	11,830,180	42,298,673	14,302,083
Other income				
Interest income	406,901,445	310,888,007	818,032,765	590,298,710
Profit sharing from jointly controlled entities and dividend income	6	166,770,061	171,989,057	745,094,624
Gain on sales of investments in subsidiaries and associated companies	15, 17	486,000,753	2,282,763,282	642,842,367
Gain on exchange		24,404,968	-	11,434,516
Others		115,439,959	61,875,209	171,549,387
Total revenues		22,094,362,479	13,839,716,801	13,265,903,140
Expenses				
Cost of construction services, sales				
of construction materials and services		18,456,668,173	10,368,467,092	9,606,219,570
Administrative expenses		1,571,419,682	1,461,100,552	1,308,473,096
Total expenses		20,028,087,855	11,829,567,644	10,914,692,666
Profit before share of profit from investments in associated companies, finance cost and income tax expenses				
Share of profit from investments in associated companies	17	267,658,229	570,370,136	-
Profit before finance cost and income tax expenses		2,333,932,853	2,580,519,293	2,351,210,474
Finance cost		(1,420,506,314)	(1,079,080,835)	(1,188,502,178)
Profit before income tax expenses		913,426,539	1,501,438,458	1,162,708,296
Income tax expenses		(312,669,389)	(563,932,916)	(208,273,406)
Profit for the year		600,757,150	937,505,542	954,434,890
Other comprehensive income:				
Gain (loss) on changes in value of available-for-sale investments		2,091,244,977	(189,169,088)	1,931,982,785
Other comprehensive income for the year		2,091,244,977	(189,169,088)	1,931,982,785
Total comprehensive income for the year		2,692,002,127	748,336,454	2,886,417,675

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



Statement of comprehensive income (continued)

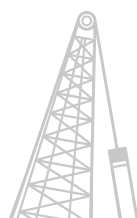
CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit attributable to:					
Equity holders of the Company		568,403,854	927,400,550	954,434,890	2,773,806,245
Non-controlling interests of the subsidiaries		32,353,296	10,104,992		
		600,757,150	937,505,542		
Total comprehensive income attributable to:					
Equity holders of the Company		2,587,980,624	744,678,481	2,886,417,675	2,598,963,867
Non-controlling interests of the subsidiaries		104,021,503	3,657,973		
		2,692,002,127	748,336,454		
Earnings per share					
	32				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.34	0.56	0.58	1.68
Weighted average number of ordinary shares (shares)		1,652,585,336	1,652,585,336	1,652,585,336	1,652,585,336

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



Cash flow statement

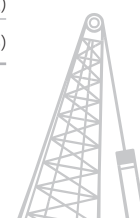
CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	913,426,539	1,501,438,458	1,162,708,296	3,227,326,276
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	450,638,492	419,704,822	186,328,636	183,286,170
Amortisation of prepaid expenses and other assets	33,793	3,006,465	-	-
Withholding tax deducted at source written off	5,050,276	179,412	541,645	-
Profit sharing from jointly controlled entities and dividend income	(166,770,061)	(171,989,057)	(745,094,624)	(667,241,101)
Gain on sales of current investments	(21,171,560)	(10,216,499)	(21,171,560)	(10,216,499)
Gain on sales of investments in associated companies	(274,612,100)	(2,250,385,624)	(347,030,317)	(3,765,847,485)
Gain on sales of investments in subsidiaries	(211,388,653)	(32,377,658)	(295,812,050)	-
Reversal of allowance for doubtful accounts	(8,437,574)	(3,737,900)	(9,295,370)	(6,060,606)
Gain on sales of property, plant and equipment	(7,781,246)	(6,041,085)	(6,658,927)	(10,647,723)
Allowance for impairment loss on land	64,633	-	64,633	-
Unrealised loss on exchange	12,523,090	25,017,376	7,046,314	4,714,822
Unrealised loss (gain) on changes in value of investments in marketable securities	(1,550,831)	165,125	(1,506,125)	165,125
Amortisation of deferred front end fee and deferred debenture issuing cost	14,639,847	11,808,770	10,635,563	11,808,770
Share of profit from investments in associated companies	(267,658,229)	(570,370,136)	-	-
Provision for long-term employee benefits	89,887,144	83,452,369	40,912,037	42,001,450
Interest expenses	1,395,113,584	1,060,880,587	1,176,689,196	1,014,780,725
Profit from operating activities before changes in operating assets and liabilities	1,922,007,144	60,535,425	1,158,357,347	24,069,924
Operating assets (increase) decrease				
Trade and other receivables	(2,878,553,885)	(431,510,068)	(477,489,965)	(1,461,034,814)
Unbilled receivables	(1,922,331,494)	(2,804,787,929)	(682,301,408)	(14,316,139)
Inventories and construction supplies	(278,139,556)	(677,030,760)	246,511,925	(637,294,845)
Advance payment to subcontractors	(4,844,963,279)	(1,779,837,987)	(2,139,461,772)	(1,532,226,427)
Other current assets	(165,149,825)	(256,263,404)	(396,032,775)	(243,850,286)
Other non-current assets	16,610,498	(179,326,326)	78,493,027	(111,501,281)
Operating liabilities increase (decrease)				
Trade and other payables	2,986,401,551	947,095,719	1,678,331,803	362,172,374
Advances received from employers and construction revenue received in advance	3,735,507,368	2,177,152,723	3,814,793,252	2,475,558,424
Retention for construction	114,865,623	(118,421,614)	42,291,085	17,037,242
Other current liabilities	44,691,243	16,878,545	33,924,966	14,907,371
Cash paid for long-term employee benefits	(4,585,830)	(1,141,894)	(3,879,380)	(609,000)
Cash flows from (used in) operating activities	(1,273,640,442)	(3,046,657,570)	3,353,538,105	(1,107,087,457)
Cash paid for interest expenses	(1,391,238,777)	(1,080,691,293)	(1,175,485,882)	(1,034,360,564)
Cash paid for corporate income tax	(770,615,435)	(266,120,510)	(593,142,281)	(134,535,492)
Net cash flows from (used in) operating activities	(3,435,494,654)	(4,393,469,373)	1,584,909,942	(2,275,983,513)

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



Cash flow statement (continued)

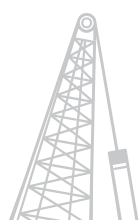
CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	(70,860,474)	227,971,815	(120,860,474)	233,971,815
Cash payment for purchase of current investments	(5,781,014,968)	(3,789,719,722)	(5,651,014,968)	(3,789,719,722)
Increase in other long-term investments	(21,184,575)	-	(5,000,000)	-
Cash receipt from sales of current investments	5,159,506,671	5,905,244,990	5,159,506,671	5,905,244,990
Cash paid for acquisition of subsidiary (Note 15)	-	(95,983,288)	-	-
Net cash receipt from disposal of subsidiary (Note 15)	485,981,480	57,302,099	527,062,050	130,850,010
Cash receipt from sales of investments in associated companies	4,171,049,032	3,480,999,990	4,171,049,032	3,480,999,990
Increase in short-term loans to related parties and interest receivable	-	-	(2,770,928,408)	(2,300,588,782)
Decrease in long-term loans to jointly controlled entities and interest receivable	18,923,872	45,829,483	94,619,358	229,147,414
Increase in long-term loans to associated companies	(36,909,207)	(349,500,000)	(36,909,207)	(349,500,000)
Decrease in loans to subcontractors	-	34,326,339	-	-
Decrease in long-term loans to other companies	377,901,177	273,171,717	-	-
Dividend receipt from subsidiary, associated and related companies	730,195,439	590,121,147	734,087,934	593,727,108
Cash receipt from profit sharing from jointly controlled entities	-	1,440,000	11,006,690	73,513,993
Increase in investments in subsidiaries	-	-	(115,687,100)	(401,912,500)
Increase in investments in associated companies	(4,301,995,000)	(303,468,966)	(4,301,995,000)	(303,468,966)
Cash receipt from non-controlling interests of the subsidiary from investment in the subsidiary	-	63,650,000	-	-
Increase in advance for purchase of property, plant and equipment	(281,699,568)	-	-	-
Increase in property, plant and equipment	(2,099,410,391)	(653,441,022)	(563,030,076)	(541,016,251)
Increase in investment properties	-	(39,720,910)	-	-
Increase in intangible assets	(19,535,143)	(8,174,756)	(18,712,942)	(7,781,311)
Proceeds from sales of property, plant and equipment	28,678,452	45,943,337	15,251,001	25,224,255
Increase in costs of power plant projects during construction phase	(548,627,578)	(1,336,190,469)	-	-
Cash paid for interest capitalised as a part of costs of power plant projects during construction phase	(10,391,672)	(27,927,099)	-	-
Net cash flows from (used in) investing activities	(2,199,392,453)	4,121,874,685	(2,871,555,439)	2,978,692,043

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



Cash flow statement (continued)

CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2012	2011	2012	2011
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and short-term loans from					
financial institutions		695,019,326	(1,865,583,886)	622,356,701	(1,965,845,548)
Cash receipt from long-term loans		8,239,734,085	4,098,866,745	3,163,000,000	2,740,000,000
Repayment of long-term loans		(1,889,580,000)	(1,036,850,000)	(1,705,270,000)	(1,036,850,000)
Repayment for loans from venturers under the Payment Agreement		-	(80,000,000)	-	-
Cash receipt from issuance of debentures		2,000,000,000	4,986,999,550	2,000,000,000	4,986,999,550
Repayment of debentures		(3,016,200,000)	(3,000,000,000)	(3,016,200,000)	(3,000,000,000)
Dividend payment		(413,135,309)	(330,507,417)	(413,135,309)	(330,507,417)
Dividend payment of subsidiary		(13,500,000)	(13,500,000)	-	-
Net cash flows from financing activities		5,602,338,102	2,759,424,992	650,751,392	1,393,796,585
Effect of exchange rate changes on cash and cash equivalents		(13,214,685)	6,451,931	(8,395,854)	5,999,721
Net increase (decrease) in cash and cash equivalents		(45,763,690)	2,494,282,235	(644,289,959)	2,102,504,836
Cash and cash equivalents at beginning of year		4,018,780,421	1,524,498,186	2,544,668,448	442,163,612
Cash and cash equivalents at end of year		3,973,016,731	4,018,780,421	1,900,378,489	2,544,668,448
		-	-	-	-
Supplemental disclosures of cash flows information					
Non-cash transactions					
Increase in property, plant and equipment from hire purchase		425,924,467	53,111,570	423,398,255	55,849,670
Increase in property, plant and equipment from other payables and trust receipts		-	521,593,684	-	-
Increase in costs of power plant projects during construction phase from trade and other payables		-	2,049,421	-	-

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



Statement of changes in shareholders' equity

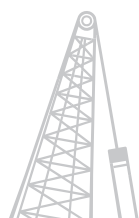
CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

Consolidated financial statements

	Equity attributable to owners of the Company			
	Issued and paid-up share capital	Share premium	Appropriated	Retained earnings Unappropriated (Deficit)
Balance as at 31 December 2010	1,652,585,336	4,869,410,139	64,391,471	(349,734,594)
Dividend paid (Note 36)	-	-	-	(330,507,417)
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-
Increase in non-controlling interests of the subsidiary from investment in the subsidiary	-	-	-	-
Decrease in non-controlling interests of the subsidiary from disposal of the subsidiary	-	-	-	-
Total comprehensive income for the year	-	-	-	927,400,550
Unappropriated retained earnings transferred to statutory reserve (Note 29)	-	-	106,367,063	(106,367,063)
Balance as at 31 December 2011	1,652,585,336	4,869,410,139	170,758,534	140,791,476
Balance as at 31 December 2011	1,652,585,336	4,869,410,139	170,758,534	140,791,476
Dividend paid (Note 36)	-	-	-	(413,135,309)
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-
Total comprehensive income for the year	-	-	-	568,403,854
Balance as at 31 December 2012	1,652,585,336	4,869,410,139	170,758,534	296,060,021

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



(Unit: Baht)

	Other components of equity		Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Other comprehensive income					
	Surplus (deficit) on changes in value of available-for-sale investments	Difference on reorganisation of business of group companies				
	(86,396,390)	(180,349,005)	(266,745,395)	5,969,906,957	241,833,471	6,211,740,428
	-	-	-	(330,507,417)	-	(330,507,417)
	-	-	-	-	(13,500,000)	(13,500,000)
	-	-	-	-	192,480,581	192,480,581
	-	-	-	-	(213,543,991)	(213,543,991)
	(182,722,069)	-	(182,722,069)	744,678,481	3,657,973	748,336,454
	-	-	-	-	-	-
	(269,118,459)	(180,349,005)	(449,467,464)	6,384,078,021	210,928,034	6,595,006,055
	(269,118,459)	(180,349,005)	(449,467,464)	6,384,078,021	210,928,034	6,595,006,055
	-	-	-	(413,135,309)	-	(413,135,309)
	-	-	-	-	(13,500,000)	(13,500,000)
	2,019,576,770	-	2,019,576,770	2,587,980,624	104,021,503	2,692,002,127
	1,750,458,311	(180,349,005)	1,570,109,306	8,558,923,336	301,449,537	8,860,372,873



Statement of changes in shareholders' equity (continued)

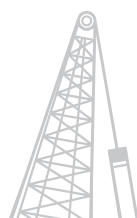
CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

Separate financial statements

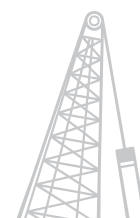
	Issued and paid-up share capital	Share premium
Balance as at 31 December 2010	1,652,585,336	4,869,410,139
Dividend paid (Note 36)	-	-
Total comprehensive income for the year	-	-
Unappropriated retained earnings transferred to statutory reserve (Note 29)	-	-
Balance as at 31 December 2011	1,652,585,336	4,869,410,139
Balance as at 31 December 2011	1,652,585,336	4,869,410,139
Dividend paid (Note 36)	-	-
Total comprehensive income for the year	-	-
Balance as at 31 December 2012	1,652,585,336	4,869,410,139

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



(Unit: Baht)

	Retained earnings		Other components of equity	Total shareholders' equity
	Appropriated	Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments	
	58,891,471	519,927,294	(112,641,521)	6,988,172,719
	-	(330,507,417)	-	(330,507,417)
	-	2,773,806,245	(174,842,378)	2,598,963,867
	106,367,063	(106,367,063)	-	-
	165,258,534	2,856,859,059	(287,483,899)	9,256,629,169
	165,258,534	2,856,859,059	(287,483,899)	-
	-	(413,135,309)	-	(413,135,309)
	-	954,434,890	1,931,982,785	2,886,417,675
	165,258,534	3,398,158,640	1,644,498,886	11,729,911,535



Notes to consolidated financial statements

CH. Karnchang Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

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 accounting 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.

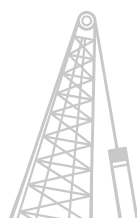
The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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”), its subsidiaries (“the subsidiaries”) and its jointly controlled entities (“the jointly controlled entities”) as follows:

Name of entity	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
Investments in subsidiaries (held by the Company)				
Construction Material Supply Company Limited	Manufacturer and distributor of construction materials	Thailand	99.99	99.99
CH. Karnchang Realestate 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 (included equity interest in Joint Ventures CKCT)	Construction	Thailand	55.00	55.00
CH. Karnchang (Lao) Company Limited	Construction	The Lao People’s Democratic Republic	100.00	100.00
Bangkhenchai Company Limited (2012: presently being an associated company)	Generation and sale of electricity	Thailand	-	100.00



Name of entity	Nature of business	Country of incorporation	Percentage of profit sharing in jointly controlled entities	
			2012 Percent	2011 Percent
Equity interest in jointly controlled entities (proportionate consolidation)				
Joint Venture CH. Karnchang Public Company Limited, Tokyu Construction Company Limited in joint venture with CH. Karnchang-Tokyu Construction Company Limited (hereinafter called "Joint Venture CKCT")	construction (No trading activity during the years 2010 and 2011)			
- Highway Project		Thailand	60.00	60.00
- Expressway Project		Thailand	40.00	40.00
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 - Bangkhlo		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 BCKT (Bilfinger Berger AG, CH. Karnchang Public Company Limited, Kumagai Gumi Company Limited and Tokyu Construction Company Limited) (hereinafter called "Joint Venture BCKT")	Construction	Thailand	25.00	25.00
Joint Venture BBCD Bilfinger Berger AG, CH. Karnchang Public Company Limited and Dyckerhoff & Widmann AG (hereinafter called "Joint Venture BBCD")	Construction	Thailand	35.00	35.00
Joint Venture CKAE Consortium	Construction	Thailand	98.00	98.00
Joint Venture CKET	Project management	Thailand	80.00	80.00
CKLX Joint Venture	Construction	Thailand	75.00	75.00
CKTC Joint Venture	Construction	Thailand	70.00	70.00
CH. Karnchang-Krungthon Engineers joint Venture	Construction	Thailand	60.00	60.00



Name of entity	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2012	2011
			Percent	Percent
Investments in subsidiaries (held by subsidiary company)				
Prompratarn Construction Limited Partnership (99.00 percent held by CH. Karnchang Realestate Company Limited)	Construction and construction equipment rental service	Thailand	98.01	98.01
Prasertwit Construction Limited Partnership (99.00 percent held by CH. Karnchang Realestate Company Limited)	Construction and construction equipment rental service	Thailand	98.01	98.01

- b) 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.
- c) Jointly controlled entities are fully consolidated applying the proportionate consolidation method as from being the date on which the Company assumed joint control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries and jointly controlled entities are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company, its subsidiaries and its jointly controlled entities 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, which present investments in subsidiaries, joint ventures and associates under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of decreasing the Company, its subsidiaries and its jointly controlled entities and brought-forward retained earnings and other components of shareholders' equity of the year 2013 by approximately Baht 353 million in total (the Company only: approximately Baht 341 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	Effective date	
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013	
Accounting Standard Interpretation:		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that TFRIC 13 is not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenues and expenses recognition

a) Revenues from construction services

The Company, its subsidiaries and its jointly controlled entities 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 Inventories and construction supplies

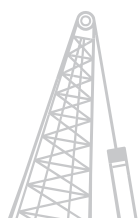
Inventories and construction supplies are valued at the lower of cost (weighted average) and net realisable value.

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

Construction in progress and work in process 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, joint ventures 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.

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 period 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, 15 and 20	years
Land improvement	5	years
Machinery and equipment	3, 5 to 15	years
Furniture, fixtures and office equipment	5	years
Motor vehicles	5	years
Building improvements	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 asset 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, its subsidiary and its jointly control entity 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 enterprises and individuals 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 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

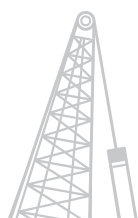
Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The property, plant or equipment 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

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, its subsidiaries and its jointly controlled entities 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, its subsidiaries and its jointly controlled entities 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, its subsidiaries and its jointly controlled entities 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, its subsidiaries and its jointly controlled entities 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 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.



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.

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, its subsidiaries and its jointly controlled entities’ 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

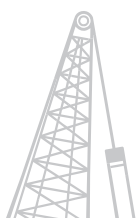
The Company, its subsidiaries and its jointly controlled entities estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred 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.

Litigation

The Company and its jointly controlled entity have contingent liabilities as a result of litigation. The Company and its jointly controlled entity’s management have used judgement to assess of the results of the litigation and believe that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.



6. Related party transactions

During the years, the Company, its subsidiaries and its jointly controlled entities 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
	2012	2011	2012	2011	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Revenues from construction services	-	-	642	1,230	Based on construction contracts
Project management income	-	-	34	348	Based on contracts
Rental and transportation income	-	-	144	112	Close to service fee charged to third parties
Space rental and service income	-	-	7	6	Based on contracts
Interest income	-	-	389	227	Interest rates of MLR + 0.25% and LIBOR + 4.25% (2011: MLR, MLR + 0.25% and LIBOR + 4.25%)
Dividend income	-	-	17	17	As declared
Other income	-	-	60	9	Cost plus margin and agreed between the parties
Cost of construction materials and construction work	-	-	70	21	Close to prices charged by third parties
Administrative expenses	-	-	13	2	Agreed between the parties
Transactions with jointly controlled entities					
Revenues from construction services	126	173	276	180	Based on construction contracts
Project management income	56	62	186	204	Based on contracts and agreed between the parties
Rental and transportation income	4	6	14	19	Close to service fee charged to third parties
Space rental and service income	-	-	1	-	Based on contracts
Interest income	15	17	73	84	Interest rate of MLR + 1.25%
Profit sharing from jointly controlled entities	-	1	11	74	As declared
Other income	5	4	8	10	Cost plus margin and agreed between the parties
Cost of construction materials and construction work	2	-	4	1	Closed to prices charged by third parties
Administrative expenses	-	-	-	1	Agreed between the parties
Transactions with associated companies					
Revenues from construction services	8,618	3,529	2,682	745	Based on construction contracts
Project management income	3	6	3	-	Based on contracts
Space rental and service income	7	3	7	3	Based on contracts



(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
Interest income	311	228	303	228	Interest rates of MLR + 0.5% and MLR + 1% (2011: MLR - 0.76%, MLR + 0.5% and MLR + 1%)
Dividend income	-	-	563	420	As declared
Other income	1	-	1	1	Cost plus margin
Cost of construction materials and construction work	1	-	1	-	Close to prices charged by third parties
Administrative expenses	4	1	-	-	Agreed between the parties
Sales of investments in subsidiary (Note 15)	527	-	527	-	Based on contracts
Sales of investments in associated companies (Note 17)	1,005	6,287	1,005	6,287	Based on contracts
Transactions with related parties					
Revenues from construction services	553	100	553	62	Based on construction contracts
Sales of construction materials	23	-	-	-	Based on contracts
Project management income	-	3	-	-	Based on contracts
Rental and transportation income	2	1	2	1	Close to service fee charged to third parties
Space rental and service income	13	13	13	13	Based on contracts
Interest income	11	10	11	10	Interest rates of MLR - 0.76% and MLR + 1% (2011: MLR + 1%)
Dividends income	167	170	154	158	As declared
Other income	24	12	1	-	Based on contracts and close to service fee charged to third parties
Cost of construction materials and construction work	280	279	2	2	Close to prices charged by third parties
Administrative expenses	3	3	2	1	Agreed between the parties
Purchase of land and building	241	-	241	-	Based on contracts
Dividend payment	14	14	-	-	As declared
Sales of investments in associated company	-	60	-	60	Based on contracts

During 2012, the Company charged project management fees to CH. Karnchang (Lao) Company Limited (the subsidiary) amounting to approximately Baht 26 million (2011: Baht 346 million) for consulting and project management services to win the Engineering, Procurement and Construction Contract for the construction of the Xayaburi Hydroelectric Power Project, a loan agreement, subcontractor agreements and relevant agreements, and for a provision other management services during the period of preparation for this construction project. In this regard, the Company eliminated transaction which is relevant to such related party transaction from the consolidated financial statements.

The balances of the accounts as at 31 December 2012 and 2011 between the Company and those related parties are as follows:



a) Trade accounts receivable - related parties (Note 9)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>Construction contract receivables</i>				
Subsidiaries				113,955
Jointly controlled entities	96,813	95,957	440,426	525,894
Associated companies	2,011,473	228,681	59,619	228,681
Related parties (common directors)				
- Bangkok Expressway Public Company Limited	10,423	-	10,033	-
- Bang Pa-in Land Company Limited	327,437	122,424	327,404	77,864
- Chiang Rai Solar Company Limited	155,382	-	155,382	-
- Other related companies and related parties	350	26	-	-
	493,592	122,450	492,819	77,864
Total construction contract receivables	2,601,878	447,088	992,864	946,394
Less: Allowance for doubtful accounts	-	-	(253,358)	(253,358)
Construction contract receivables, net	2,601,878	447,088	739,506	693,036
<i>Retention as per contracts</i>				
Jointly controlled entity	16,717	7,092	17,762	3,731
Related companies (common directors)				
- Bangkok Expressway Public Company Limited	8,578	15,335	8,005	14,358
- Northern Bangkok Expressway Company Limited	709	239	709	-
	9,287	15,574	8,714	14,358
Total retention as per contracts	26,004	22,666	26,476	18,089
Total trade accounts receivable - related parties, net	2,627,882	469,754	765,982	711,125

b) Long-term trade accounts receivable - related party (Note 9)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Related company (common directors)				
- Bangkok Metro Networks Limited	140,843	138,197	140,843	138,197



The outstanding balance of such account receivable is due within 2010. However, in accordance with the conditions stipulated in the long-term loan agreement between a bank and Bangkok Metro Networks Limited, such company can settle amounts payable to related companies if it receives consent from the bank with respect to the arrangement of sufficient cash flows to meet its operational and financing requirements. The Company expects to receive settlement of such debt more than one year in the future, and has reclassified the trade account receivable from that company to non-current assets under the caption “Long-term trade accounts receivable - related party” in the statement of financial position. The Company charges interest on the outstanding balance of construction costs at the Minimum Loan Rate plus 1 percent (MLR + 1%) per annum.

c) Other receivables - related parties (Note 9)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>Receivables from sales of construction materials and others</i>				
Subsidiaries	-	-	1,123,855	1,099,391
Jointly controlled entities	64,773	50,347	733,495	732,854
Associated companies	374	5,806	668	4,780
Related parties (common directions)				
- Bang Pa-in Land Company Limited	139	13,988	139	173
- Expert Transport Company Limited	4,113	7,138	487	1,513
- Other related companies and related parties	916	372	295	300
	5,168	21,498	921	1,986
Venturers in jointly controlled entity				
- Bilfinger Berger AG	8,108	8,108	-	-
Total receivables from sales of construction materials and others	78,423	85,759	1,858,939	1,839,011
Less: Allowance for doubtful accounts	-	-	(380,302)	(384,702)
Total receivables from sales of construction materials and others, net	78,423	85,759	1,478,637	1,454,309
<i>Receivable from sales of investments (Note 17)</i>				
Associated company				
- CK Power Limited	-	3,166,412	-	3,166,412
Less: Deferred gain on sales of investments in associated company	-	(1,399,845)	-	-
Total receivable from sales of investments, net	-	1,766,567	-	3,166,412
<i>Advance payment</i>				
Subsidiary	-	-	2	-
Associated companies	250	65,000	250	65,000
Total advance payment	250	65,000	252	65,000
Total other receivables - related parties	78,673	1,917,326	1,478,889	4,685,721



d) Short-term loans to related parties and interest receivable

As at 31 December 2012 and 2011, 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 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Joint Venture BBCD	Jointly controlled entity	1,201	-	-	1,201

(Unit: Thousand Baht)

Separate financial statements						
Loans to	Related by	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Unrealised loss on exchange	Balance as at 31 December 2012
- Construction Material Supply Company Limited	Subsidiary	151,147	9,572	(70,147)	-	90,572
- CH. Karnchang (Lao) Company Limited	Subsidiary	4,109,452	4,858,444	(2,031,283)	(6,046)	6,930,567
- Prasertwit Construction Limited Partnership	Subsidiary	30,620	4,343	-	-	34,963
- Joint Venture BBCD	Jointly controlled entity	3,442,340	-	-	-	3,442,340
		7,733,559	4,872,359	(2,101,430)	(6,046)	10,498,442
Less: Allowance for doubtful accounts		(3,442,340)				(3,442,340)
		4,291,219				7,056,102

Loans to related parties are subject to interest at LIBOR plus stipulated margins, MLR and MLR plus stipulated margin per annum and due for repayment at call.

Loans to Joint Venture BBCD are granted with a condition to waive interest under a joint resolution between the Company and Bilfinger Berger AG, which are the venturers 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 BBCD receives compensation for additional costs from the Expressway Authority of Thailand and (b) when the Company calls the loan.

e) Advance payment to subcontractor - related party

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Venturer in jointly controlled entity				
- Krunghthon Engineers Company Limited	17,859	48,436	-	-



f) Long-term loans to jointly controlled entity and interest receivable

As at 31 December 2012 and 2011, the balances of long-term loans to jointly controlled entity and interest receivable between the Company and that jointly controlled entity and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Balance as at 31 December 2012
	Balance as at 31 December 2011	Increase during the year	Decrease during the year	
Loans:				
- Joint Venture CKET	173,870	-	(18,681)	155,189
Interest receivable:				
- Joint Venture CKET	501	14,564	(14,807)	258
	174,371	14,564	(33,488)	155,447

(Unit: Thousand Baht)

	Consolidated financial statements			Balance as at 31 December 2012
	Balance as at 31 December 2011	Increase during the year	Decrease during the year	
Loans:				
- Joint Venture CKET	869,355	-	(93,402)	775,953
Interest receivable:				
- Joint Venture CKET	2,501	72,821	(74,039)	1,283
	871,856	72,821	(167,441)	777,236

Loans to Joint Venture CKET were previously subject to interest at the Minimum Loan Rate (MLR) per annum and were repayable at call. Subsequently, from 2008 to 2010, the mentioned joint venture entered into memorandums of agreement with the Company, whereby the joint venture agreed to pay additional interest charge and requested to extend the due date for all debt repayments. From the latest memorandum of agreement made in June 2010, the joint venture agreed to pay additional interest charge of 1.25 percent per annum, and loan principal and accrued interest would be paid in installments within December 2015.

g) Long-term loans to associated companies and interest receivable

As at 31 December 2012 and 2011, the balances of long-term loans to associated companies and interest receivable between the Company and those associated companies and the movement are as follows:



Consolidated and separate financial statements

	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Loans:				
- Bangkok Metro Public Company Limited	2,963,091	36,909	-	3,000,000
- SouthEast Asia Energy Limited	156,250	-	-	156,250
- Nakhon Ratchasima Solar Company Limited ⁽¹⁾	19,500	-	(19,500)	-
Total loans	3,138,841	36,909	(19,500)	3,156,250
Interest receivable:				
- Bangkok Metro Public Company Limited	745,956	235,032	-	980,988
- SouthEast Asia Energy Limited	44,370	13,073	-	57,443
- Nakhon Ratchasima Solar Company Limited ⁽¹⁾	316	621	(937)	-
Total interest receivable	790,642	248,726	(937)	1,038,431
Total	3,929,483			4,194,681
Less: Current portion	(200,620)			(213,693)
Long-term loans to associated companies and interest receivable, net of current portion	3,728,863			3,980,988

⁽¹⁾ Change status from an associated company to a related company on 26 June 2012. The balance of loans to such company as at 31 December 2012 amounted to Baht 21 million presented under caption “Long-term loans to related company and interest receivable”.

Bangkok Metro Public Company Limited

The outstanding balances represent loans to Bangkok Metro Public Company Limited under the Subordinated Loan Agreement that the Company entered into with Bangkok Metro Public Company Limited and a group of lenders of such company, under which the Company granted long-term loan facilities totaling Baht 3,000 million. The loans carry interest at the Minimum Loan Rate plus 0.5 percent (MLR+0.5%) per annum, and principal and interest are to be paid after Bangkok Metro Public Company Limited has paid all indebtedness under the Onshore Facilities Agreement or when the associated company has excess cash. During 2012, the Company entered into a subordinated loan agreement with Bangkok Metro Public Company Limited, under which the Company granted long-term loan facilities totaling Baht 37 million to that company, as part of the loan facilities of Baht 3,000 million.

SouthEast Asia Energy Limited

Loans to SouthEast Asia Energy Limited represented loans from the Shareholders’ Loan Agreement between the Company and two shareholders of such company, granting a facility of Baht 250 million, in order to fund a feasibility study and the development of the Nam Bak 1-2 Hydroelectric Power Project, with the Company agreeing to provide a portion of the loans as stipulated in the agreement, amounting to Baht 156.3 million. The loan carries interest at the Minimum Loan Rate plus 1 percent (MLR+1%) per annum. As stipulated in the conditions in the amendments to the agreement to extend the debt repayment, dated 15 September 2011, the loan principal and interest are to be



paid in full in a bullet payment on the earlier of (a) when such company received debt settlement from the subsidiary and (b) within 4 September 2012.

Subsequently, on 10 September 2012, the Company and two shareholders of such company entered into an agreement to extend the term of the shareholders' loan, whereby the loan principal and interest are to be paid in full in a bullet payment on the earlier of (a) when such company receive debt settlement from the subsidiary and (b) within 4 September 2013.

The Company has reclassified the loans to current assets under the caption "Current portion of long-term loans to associated company and interest receivable" in the statements of financial position as at 31 December 2012 and 2011.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011

h) Trade accounts payable - related parties (Note 24)

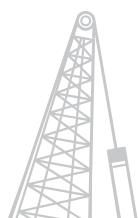
Subsidiaries	-	-	53,162	14,707
Jointly controlled entities	655	56	1,128	286
Associated companies	1,755	2,544	184	702
Related parties (common directors)				
- Expert Transport Company Limited	2	16	2	16
- Other related companies and related parties	1,050	1,034	281	339
	1,052	1,050	283	355
Venturers in jointly controlled entities				
- Bilfinger Berger AG	4,998	4,998	-	-
- Krunghthon Engineers Company Limited	70,576	65,773	-	-
- Tokyu Construction Company Limited	20,749	8,808	-	-
	96,323	79,579	-	-
Total trade accounts payable - related parties	99,785	83,229	54,757	16,050

i) Amounts due to related party (Note 24)

Other payable				
Venturer in jointly controlled entity				
- Bilfinger Berger AG	15,037	15,037	-	-

j) Advances received from employers - related parties

Jointly controlled entities	33,468	68,756	28,929	58,427
Related company (common directors)				
- Bangkok Expressway Public Company Limited	2,257,697	-	2,257,697	-



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Total advances received from employers - related parties	2,291,165	68,756	2,286,626	58,427

k) Retention for construction - related party

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Venturer in jointly controlled entity - Krungthon Engineers Company Limited	24,980	12,039	-	-

Directors and management's remuneration

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	152	114	110	81
Post-employment benefits	11	11	8	9
Total	163	125	118	90

Guarantee obligations with related parties

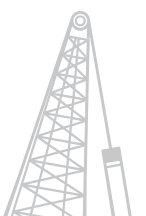
The Company has outstanding guarantee obligations with its related parties, as described in Note 37.4 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	7,424	11,454	4,566	7,159
Bank deposits	3,151,690	2,717,326	1,395,812	1,537,509
Bills of exchange	813,903	1,290,000	500,000	1,000,000
Total	3,973,017	4,018,780	1,900,378	2,544,668

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.1 and 3.5 percent per annum (2011: between 0.5 and 2.5 percent per annum).



8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Fixed Deposit	10,353	10,138	10,353	10,138
Investments in trading securities				
Marketable equity securities - Fair value	4,268	2,762	4,268	2,762
Unit trust in fixed income open-ended fund - Fair value	130,045	-	-	-
	134,313	2,762	4,268	2,762
Investments in available-for-sale securities				
Unit trust in fixed income open-ended fund	1,210,410	901,394	1,210,410	901,394
Government and state-owned enterprise bonds	1,199	22,284	1,199	22,284
Private sector debt securities	222,139	2,995	222,139	2,995
Add: Unrealised gain on changes in value of investments	1,839	740	1,839	740
Fair Value	1,435,587	927,413	1,435,587	927,413
Total current investments	1,580,253	940,313	1,450,208	940,313

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	2,447,059	244,143	523,172	362,871
Past due				
Up to 3 months	133,624	25,048	195,139	38,781
3 - 6 months	-	16,721	-	41,803
6 - 12 months	-	8,816	-	22,039
Over 12 months	21,195	152,360	274,553	480,900
Total	2,601,878	447,088	992,864	946,394
Less: Allowance for doubtful debts	-	-	(253,358)	(253,358)



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Total trade receivables - related parties, net	2,601,878	447,088	739,506	693,036
Retention receivable as per contract	26,004	22,666	26,476	18,089
Total	2,627,882	469,754	765,982	711,125
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,515,445	1,179,753	1,041,800	775,389
Past due				
Up to 3 months	195,659	16,201	170,707	6,299
3 - 6 months	54,421	78,069	48,028	32,623
6 - 12 months	34,774	36,489	-	3,102
Over 12 months	33,109	71,960	19,631	59,756
Total	1,833,408	1,382,472	1,280,166	877,169
Less: Allowance for doubtful debts	(11,522)	(12,205)	-	-
Total trade receivables - unrelated parties, net	1,821,886	1,370,267	1,280,166	877,169
Retention receivable as per contract	352,821	205,467	206,049	131,632
Total	2,174,707	1,575,734	1,486,215	1,008,801
Total trade receivable - net	4,802,589	2,045,488	2,252,197	1,719,926
Other receivables				
Other receivables - related parties	78,673	1,917,326	1,478,889	4,685,721
Other receivables - unrelated parties	18,157	35,575	-	28,400
Accrued income	411,893	421,607	411,262	421,289
Interest receivable	3,963	2,755	3,599	1,284
Advance payment	8,378	30,131	-	-
Total other receivables	521,064	2,407,394	1,893,750	5,136,694
Total trade and other receivables - net	5,323,653	4,452,882	4,145,947	6,856,620

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Long-term trade accounts receivable		
Related party		
Past due over 12 months	140,843	138,197

The management of the Company believes that the allowance for doubtful accounts as set up in the accounts is adequate at this current stage.



10. Unbilled receivables/Advances received from employers and construction revenue received in advance

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Unbilled receivables				
Project value as per contract	140,669,418	163,137,048	53,419,465	52,499,255
Accumulated amount recognised as revenue on percentage of completion basis	32,323,001	60,996,219	11,539,629	26,501,861
Less: Value of total billed	(22,334,629)	(52,930,179)	(8,586,263)	(24,230,797)
Unbilled receivables	9,988,372	8,066,040	2,953,366	2,271,064
Retention receivable as per contracts	378,825	228,133	232,525	149,721
Advances received from employers and construction revenue received in advance				
Project value as per contract	8,036,347	5,423,672	12,298,455	10,093,954
Value of total billed	5,936,473	996,883	8,816,733	2,265,971
Less: Accumulated amount recognised as revenue on percentage of completion basis	(4,334,833)	(597,624)	(7,467,607)	(1,755,771)
Construction revenue received in advance	1,601,640	399,259	1,349,126	510,200
Advances received from employers	5,961,800	3,428,673	5,306,603	2,330,735
Total	7,563,440	3,827,932	6,655,729	2,840,935

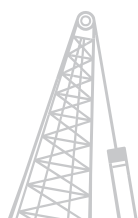
11. Inventories and construction supplies

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Construction supplies	459,138	460,151	133,351	345,044
Spare parts	294,400	141,681	15,748	42,379
Construction in progress and work in process	551,399	424,965	356,661	364,849
Total	1,304,937	1,026,797	505,760	752,272

12. 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, letters of credit opened as security for part of the facilities under the Subordinated Loan Agreement of an associated company, the bank overdraft of a subsidiary, and as a guarantee of loans from bank of a subsidiary, an associated company and a related company.



13. Long-term loans to other companies and interest receivable

The balance of long-term loans to other companies and related interest receivable as at 31 December 2012, amounting to Baht 688.3 million (in proportion to the Company's interest in the joint venture), represented loans to two other companies, Rayong Real Estate Company Limited and Private Inter Construction Company Limited. Joint Venture CKET entered into long-term loan agreements with these companies granting facilities during 2003, with the loans subject to interest at the Minimum Loan Rate plus 1.5 percent (MLR + 1.5%) per annum.

The collateral of these loans consists of plots of land and construction thereon, with independently appraised values (appraised in January 2011) totaling approximately Baht 2,227 million (Baht 1,782 million in proportion to the Company's interest in the joint venture) and the borrowers placing the title deeds of the plots of land with the joint venture. In addition, the borrowers allow the Company to use part of the land and construction thereon as security for bank guarantee facilities of Baht 1,000 million, for long-term loans provided to the Company and an associated company by a bank. The borrowers also provided guarantees for the Company's bank loans. Moreover, these loans are fully guaranteed by a major shareholder of both of the borrowers.

As stipulated in the conditions in the addendum to the loan agreement dated 26 December 2008, Rayong Real Estate Company Limited and Private Inter Construction Company Limited have requested repayment of principal in 23 quarterly installments, from March 2009 until September 2014, with interest payment in September and December 2014 and in March 2015. For reasons of prudence, the Joint Venture CKET ceased recognition of interest income from the borrowers from 1 July 2008.

In addition, Rayong Real Estate Company Limited requested an extension of the period for settlement of its construction contract debt to the Company, amounting to Baht 326 million whereby the repayment would be made in 13 quarterly installments, from September 2009 until December 2012. During 2012, the Company received repayment of the construction contract debt in full.

14. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Prepaid expenses	127,741	40,274	103,239	24,437
Refundable input tax	151,964	121,783	65,022	11,753
Unbilled input tax	151,680	76,114	104,619	28,455
Withholding tax deducted at source	125,323	39,783	58,612	-
Others	11,447	58,634	7,112	45,813
Total other current assets	568,155	336,588	338,604	110,458



15. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2012	2011	2012	2011	2012	2011	2012	2011
			(%)	(%)				
Construction Material Supply Company Limited	30,000	15,000	99.99	99.99	29,999	15,000	-	-
CH. Karnchang Realestate 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	16,500	16,500
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	-	-
Bangkhenchai Company Limited ⁽¹⁾	-	130,562	-	100.00	-	130,562	-	-
Total					283,035	398,598	16,500	16,500
Less: Allowance for loss on investments in subsidiaries					(1,559)	(1,559)		
Total investments in subsidiaries, net					281,476	397,039		

⁽¹⁾ Change status from a subsidiary to an associated company on 26 June 2012.

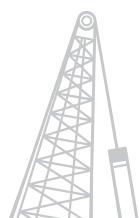
Bangkhenchai Company Limited

In the first and second quarters of 2012, the Company made share payments in proportion to its investment in Bangkhenchai Company Limited amounting to Baht 100.7 million, as such company called up an additional 75 percent of the value of the 1.34 million ordinary shares held by the Company which were not fully paid (par value of Baht 100 each).

In June 2012, the Company sold all 2.34 million ordinary shares of Bangkhenchai Company Limited to an associated company named CK Power Limited, representing 100 percent of the registered capital of such company, at a price of Baht 225 per share, or for a total of Baht 527 million. The Company recorded a gain on the sale of the investment in such subsidiary amounting to approximately Baht 211 million (net of elimination of profit between parties) in profit or loss in the consolidated financial statement for the second quarter of 2012 (Baht 296 million recorded in profit or loss in the separate financial statement).

The status of Bangkhenchai Company Limited has changed from a subsidiary to an associated company and the Company has excluded its financial statements from the consolidated financial statements since 26 June 2012.

As at the date the Company ceases control in Bangkhenchai Company Limited, the net asset value of that company was as follows:



(Unit: Million Baht)

Current assets	85
Land and equipment, net	96
Costs of power plant project during construction phase	631
Total assets	812
Current liabilities	45
Non-current liabilities	539
Total liabilities	584
Net asset value	228
Investment sales amount	527
Less: Cash and cash equivalents in subsidiary of which control is lost	(41)
Cash received from loss of control of subsidiary	486

16. Investments in joint ventures/Provision for loss on investments in joint ventures

16.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Jointly controlled entities' name	Nature of business	Shareholding percentage		Separate financial statements				Carrying amounts based on cost method - net	
		2012	2011	Cost		Allowance for loss on investments		2012	2011
		(%)	(%)	2012	2011	2012	2011	2012	2011
Joint Venture BBCT	Construction								
- Second Stage Expressway Project Sector B		99.97	99.97	-	-	-	-	-	-
Route Phayathai - Bangkhlo									
- Second Stage Expressway Project Sector C+		99.97	99.97	-	-	-	-	-	-
Route Chaeng Wattana - Bang Phun & Bang Sai									
- Second Stage Expressway Project Sector D		99.97	99.97	-	-	-	-	-	-
Route Asoke - Srinakarin									
- Second Stage Expressway Project Sector C1A		99.97	99.97	-	-	(18,020)	(18,020)	(18,020)	(18,020)
Route Ngam Wong Wan - Chaeng Wattana									



(Unit: Thousand Baht)

Separate financial statements									
Jointly controlled entities' name	Nature of business	Shareholding percentage		Cost		Allowance for loss on investments		Carrying amounts based on cost method - net	
		2012	2011	2012	2011	2012	2011	2012	2011
		(%)	(%)						
	Construction (dissolution during 2012)	25.00	25.00	-	-	-	-	-	-
Joint Venture BCKT									
Joint Venture BBCD	Construction	35.00	35.00	26,250	26,250	(26,305)	(26,305)	(55)	(55)
Joint Venture CKAE Consortium	Construction	98.00	98.00	-	-	-	-	-	-
Joint Venture CKET	Project management	80.00	80.00	-	-	-	-	-	-
CKLX Joint Venture	Construction	75.00	75.00	-	-	-	-	-	-
CKTC Joint Venture	Construction	70.00	70.00	-	-	-	-	-	-
CH. Karnchang-Krungthon Engineers Joint Venture	Construction	60.00	60.00	-	-	-	-	-	-
Total				26,250	26,250	(44,325)	(44,325)	(18,075)	(18,075)
Presented as: Investments in joint ventures								-	-
Provision for loss on investments in joint ventures								(18,075)	(18,075)

The outstanding balances of provision for loss on investments in joint ventures comprise of provision for loss in excess of investments in Joint Venture BBCT and Joint Venture BBCD.

16.2 Share of profit

During the years, the Company recognised its share of profit from investments in the jointly controlled entities in the separate financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entities' name	Separate financial statement	
	Profit sharing from jointly controlled entities during the year	
	2012	2011
Joint Venture BCKT	1,807	-
Joint Venture CKNNL	-	1,514
Joint Venture CKAE Consortium	9,200	72,000
Total	11,007	73,514



16.3 Summarised financial information of significant jointly controlled entities

The Company's proportionate shares of the assets, liabilities, revenues and expenses of significant jointly controlled entities, according to proportion under joint venture agreements, are as follows:

(Unit: Million Baht)

As at 31 December								
	Joint Venture BBCT		Joint Venture CKET		CKTC Joint Venture		CH. Karnchang-Krungthon Engineers Joint Venture	
	2012	2011	2012	2011	2012	2011	2012	2011
Current assets	317	320	210	375	2,258	2,054	286	285
Non-current assets	1	1	508	712	114	231	3	2
	318	321	718	1,087	2,372	2,285	289	287
Current liabilities	(157)	(161)	(22)	(237)	(1,834)	(1,712)	(289)	(287)
Non-current liabilities	-	-	(622)	(697)	(164)	(367)	-	-
Net assets	161	160	74	153	374	206	-	-

(Unit: Million Baht)

For the years ended 31 December								
	Joint Venture BBCT		Joint Venture CKET		CKTC Joint Venture		CH. Karnchang-Krungthon Engineers Joint Venture	
	2012	2011	2012	2011	2012	2011	2012	2011
Total revenues	2	1	-	5	2,326	2,845	416	382
Total expenses	(2)	(1)	(79)	(94)	(2,158)	(2,711)	(415)	(379)
Profit (loss) for the year	-	-	(79)	(89)	168	134	1	3

17. Investments in associated companies

17.1 Details of associated companies:

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012 (%)	2011 (%)	2012	2011	2012	2011
CH. Karnchang (Qatar) Contracting Company	Construction	Qatar	49.00	49.00	838	838	-	-
Bangkok Metro Public Company Limited	Operation of the MRTA Initial System Project - Chaloem Ratchamongkhon Line and Commercial development	Thailand	24.61	24.61	3,593,305	3,593,305	81,260	316,155



(Unit: Thousand Baht)

Consolidated financial statements

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
Thai Tap Water Supply Public Company Limited	Production and sale of treated water to the Provincial Water works Authority	Thailand	30.04	30.04	2,032,453	2,032,453	2,661,029	2,505,796
Xayaburi Power Company Limited	Generating and sale of electricity	The Lao People's Democratic Republic	50.00	50.00	983,000	500,000	389,122	134,690
Nakhon Ratchasima Solar Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	-	30.00	-	56,482	-	48,430
CK Power Limited	Making investment in other companies	Thailand	38.00	38.00	3,496,000	38,000	1,854,748	23,245
Chiang Rai Solar Company Limited ⁽²⁾	Generating and sale of electricity	Thailand	-	30.00	-	30,829	-	30,845
Bangpa-in Cogeneration Limited	Generation and sale of electricity and other energy	Thailand	-	46.00	-	209,300	-	180,200
Total					10,105,596	6,461,207	4,986,159	3,239,361

⁽¹⁾Change status from an associated company to a related company on 26 June 2012⁽²⁾Change status from an associated company to a related company on 26 December 2012

(Unit: Thousand Baht)

Separate financial statements

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for loss on investments	Carrying amounts based on cost method - net		
			2012	2011	2012	2011	2012	2011	2012	2011
			(%)	(%)						
CH. Karnchang (Qatar) Contracting Company	Construction	Qatar	49.00	49.00	838	838	(838)	(838)	-	-
Bangkok Metro Public Company Limited	Operation of the MRTA Initial System Project - Chaloem Rat chamongkhon Line and Commercial development	Thailand	24.61	24.61	3,593,305	3,593,305	(534,665)	(534,665)	3,058,640	3,058,640

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for loss on investments		Carrying amounts based on cost method - net	
			2012 (%)	2011 (%)	2012	2011	2012	2011	2012	2011
Thai Tap Water Supply Public Company Limited	Production and sale of treated water to the Provincial Water works Authority	Thailand	30.04	30.04	2,032,453	2,032,453	-	-	2,032,453	2,032,453
Xayaburi Power Company Limited	Generating and sale of electricity	The Lao People's Democratic Republic	50.00	50.00	983,000	500,000	-	-	983,000	500,000
Nakhon Ratchasima Solar Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	-	30.00	-	56,482	-	-	-	56,482
CK Power Limited	Making investment in other companies	Thailand	38.00	38.00	3,496,000	38,000	-	-	3,496,000	38,000
Chiang Rai Solar Company Limited ⁽²⁾	Generating and sale of electricity	Thailand	-	30.00	-	30,829	-	-	-	30,829
Bangpa-in Cogeneration Limited	Generation and sale of electricity and other energy	Thailand	-	46.00	-	209,300	-	-	-	209,300
Total					10,105,596	6,461,207	(535,503)	(535,503)	9,570,093	5,925,704

⁽¹⁾Change status from an associated company to a related company on 26 June 2012

⁽²⁾Change status from an associated company to a related company on 26 December 2012

17.2 Share of profit (loss) 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:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associated companies during the years		Dividend received during the years	
	2012	2011	2012	2011
CH. Karnchang (Qatar) Contracting Company	-	-	-	-
Bangkok Metro Public Company Limited and its subsidiary	(234,894)	(277,514)	-	-
Thai Tap Water Supply Public Company Limited and its subsidiaries	718,658	619,816	563,425	419,572



(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associated companies during the years		Dividend received during the years	
	2012	2011	2012	2011
SouthEast Asia Energy Limited and its subsidiary	-	266,693	-	-
Xayaburi Power Company Limited	(228,568)	(118,941)	-	-
Nakhon Ratchasima Solar Company Limited	4,111	(8,052)	-	-
CK Power Limited	71,220	88,352	-	-
Chiang Rai Solar Company Limited	(10,314)	16	-	-
Bangpa-in Cogeneration Limited	(52,555)	-	-	-
Total	267,658	570,370	563,425	419,572

17.3 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 2012 and 2011, as quoted on the Stock Exchange of Thailand. Such fair values are as follow:

(Unit: Million Baht)

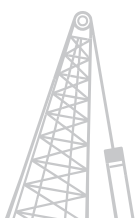
Company's name	Fair values as at 31 December	
	2012	2011
Bangkok Metro Public Company Limited	2,059	1,765
Thai Tap Water Supply Public Company Limited	10,969	6,054
Total	13,028	7,819

17.4 Summarised financial information of associated companies

Financial information of the associated companies is summarised below

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Bangkok Metro Public Company Limited and its subsidiary	11,950	11,950	18,304	18,467	17,347	16,530	2,281	1,903	(981)	(1,154)
Thai Tap Water Supply Public Company Limited and its subsidiaries	3,990	3,990	24,670	21,728	13,927	11,537	5,273	4,635	2,421	2,113
Xayaburi Power Company Limited	1,966	1,000	9,665	1,016	7,888	76	1	-	(129)	(55)



(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Nakhon Ratchasima Solar Company Limited	-	188	-	857	-	670	-	-	-	(1)
CK Power Limited and its subsidiaries	9,200	100	45,154	6,495	22,881	6,434	2,578	-	55	(39)
Chiang Rai Solar Company Limited	-	88	-	410	-	321	-	-	-	-
Bangpa-in Cogeneration Limited	-	455	-	1,821	-	1,374	-	-	-	(2)

Bangkok Metro Public Company Limited

The Company has pledged part of its share certificates of investment in Bangkok Metro Public Company Limited with a group of banks to secure parts of the long-term loans obtained from that group of banks by the associated company.

In December 2012, a group of domestic lenders of Bangkok Metro Public Company Limited gave their consent and approval to that company's proposed revisions of the loan agreement. That company has to comply with additional covenants.

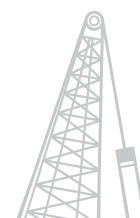
Thai Tap Water Supply Public Company Limited

On 5 February 2013, the Extraordinary General Meeting of the Company's shareholders approved the Company to sell 438.9 million ordinary shares in Thai Tap Water Supply Public Company Limited to Bangkok Expressway Public Company Limited, a related company, representing 11 percent of the registered capital, at the price of Baht 7.55 per share, or a total of Baht 3,313.7 million.

SouthEast Asia Energy Limited

On 21 June 2011, a meeting of the Company's Board of Directors passed a resolution granting approval for the Company to sell all 251 million of the ordinary shares it held in SouthEast Asia Energy Limited to an associated company named CK Power Limited, representing 38 percent of the registered capital of such company. The offering price was to be Baht 25 per share, equivalent to a total price of approximately Baht 6,276 million. In June 2011, the Company initially sold 134 million ordinary shares for a total of Baht 3,350 million, and in September 2011 sold the remaining 117 million shares for a total of Baht 2,926 million. The Company received cash of Baht 3,110 million from the sale of these shares and the outstanding amount of Baht 3,166 million was presented as receivable from sales of investments. Subsequently, in the second quarter of 2012, the Company received cash payment of Baht 3,166 million for the shares from CK Power Limited.

The Company recorded gains on the sale of investment in such associated company amounting to approximately Baht 1,963 million (net of the elimination of profit between parties amounting to Baht 1,913 million) in profit or loss in the consolidated financial statement for the year 2011 (Baht 3,766 million recorded in profit or loss in the separate financial statement).



Xayaburi Power Company Limited

Xayaburi Power Company Limited is principally engaged in the generation and sale of electricity from the Xayaburi Hydroelectric Power Project in the Lao People's Democratic Republic. That company entered into the Engineering, Procurement and Construction Contract for the Xayaburi Hydroelectric Power Project with CH. Karnchang (Lao) Company Limited (subsidiary) to construct the Xayaburi Hydroelectric Power Project.

As at 31 December 2012 and 2011, the Company had a shareholding of 50 percent in that company. The Company classified the investment in this company as "Investment in associated company" in the statements of financial position and accounted for the investment in the associated company using the equity method in the consolidated financial statements. As stipulated in the conditions in the Xayaburi Hydroelectric Power Project Concession Agreement between Xayaburi Power Company Limited and the Government of the Lao People's Democratic Republic, the Company will hold no less than 30 percent of the registered share capital. In this regard, the Company is in the process of diluting its shareholding to comply with such conditions.

In December 2011, Xayaburi Power Company Limited increased its registered share capital from Baht 1,000 million to Baht 6,750 million through the issuance of 575 million new ordinary shares of Baht 10 each. Subsequently, during 2012, the Company made share payments in proportion to its investment in Xayaburi Power Company Limited amounting to Baht 483 million, as such company called up additional share payments of 16.8 percent of the value of the 287.5 million ordinary shares held by the Company which were not fully paid (par value of Baht 10 each).

In June 2012, Xayaburi Power Company Limited increased its registered share capital from Baht 6,750 million to Baht 16,250 million through the issuance of 950 million new ordinary shares of Baht 10 each, to be allocated to the existing shareholders in proportion to their shareholding. The management of this company can gradually call up the additional share capital, as required to fund project expenditure. However, as at 31 December 2012, the company had not called up any of the share price of this part.

The Company has pledged all share certificates for its investment in Xayaburi Power Company Limited with a group of banks to secure long-term loans of such company obtained from that group of banks.

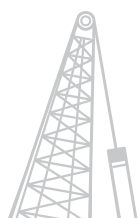
The Company entered into the Shareholders Agreement with Xayaburi Power Company Limited and other shareholders. Under the agreement, the Company agreed to provide financial support to Xayaburi Power Company Limited in the proportion stipulated in the agreement (51.39 percent) in the event of any budget cost overruns in the Xayaburi Hydroelectric Power Project.

Nakhon Ratchasima Solar Company Limited

In June 2012, the Company sold all 0.66 million ordinary shares of Nakhon Ratchasima Solar Company Limited to an associated company named CK Power Limited, representing 30 percent of the registered capital of such company, at a price of Baht 128.5 per share, or for a total of Baht 85 million. The Company recorded a gain on the sale of investment in such associated company amounting to approximately Baht 20 million (net of the elimination of profit between parties) in profit or loss in the consolidated financial statement for the second quarter of 2012 (Baht 29 million recorded in profit or loss in the separate financial statement).

CK Power Limited

In June 2011, the Company invested in 49,000 ordinary shares of CK Power Limited at the par value of Baht 10 each, or for a total of Baht 0.49 million. This represents 49 percent of the registered share capital of that company. CK Power Limited subsequently increased its share capital from Baht



1 million to Baht 100 million through the issuance of 9.9 million ordinary shares of Baht 10 each. The Company exercised its right to purchase 4,851,000 shares, in proportion to its existing shareholding, or a total of Baht 48.5 million, to maintain its shareholding in that company.

In September 2011, the Company sold 1.1 million ordinary shares of CK Power Limited, equivalent to 11 percent of its registered capital, to Thai Tap Water Supply Public Company Limited at the par value of Baht 10 per share, or for a total of Baht 11 million. As a result, the Company's equity interest in the above company fell from 49 percent to 38 percent. The Company recorded a gain on the sale of investment in such associated company amounting to approximately Baht 287 million (net of the adjustment of profit between parties) in profit or loss in the consolidated financial statement for the year 2011.

In May 2012, CK Power Limited increased its registered share capital from Baht 100 million to Baht 9,200 million through the issuance of 910 million new ordinary shares of Baht 10 each, with such new shares to be allocated to the existing shareholders in proportion to their shareholding. The Company has already made payment for the shares of such company in proportion to its shareholding, amounting to Baht 3,458 million. CK Power Limited made bank loan repayments amounting to Baht 2,700 million in the second quarter of 2012.

The Company provided financial support to CK Power Limited in the form of a guarantee to give financial support to a subsidiary of CK Power Limited in proportion to its shareholding (38 percent), or a total of not more than Baht 195 million, should the subsidiary be unable to comply with its obligations under the Financing Documents, or default on loan repayment to the lending banks.

In November 2012, the Extraordinary General Meeting of the shareholders of CK Power Limited passed a resolution to decrease its registered share capital from Baht 9,200 million to Baht 3,067 million through the decrease of 613 million ordinary shares, a par value of Baht 10 each. The capital decrease is to be returned to the shareholders in proportion of their shareholding. CK Power Limited registered the capital decrease with the Ministry of Commerce in January 2013.

Subsequently in February 2013, the Extraordinary General Meeting of CK Power Limited passed the following resolutions.

- a) Approved the increase of registered share capital from Baht 3,067 million to Baht 4,600 million through the issuance of 153 million shares, a par value of Baht 10 each, offered to the existing shareholders in proportion to their shares holding at a price of Baht 40 per share.
- b) Approve the change of the value of its ordinary shares from 460 million shares at Baht 10 each to 920 million shares of Baht 5 each.
- c) Approved the change of its status from a company limited to a public company limited, and registered the shares in the Stock Exchange of Thailand.
- d) Approved the increase of its registered capital from Baht 4,600 million to Baht 5,500 million through the issuance of 180 million shares at a par value of Baht 5 each to reserve for the initial public offering.

Chiang Rai Solar Company Limited

In December 2012, the Company sold all 875,250 ordinary shares of Chiang Rai Solar Company Limited to an associated company named CK Power Limited, representing 30 percent of the registered capital of such company, at a price of Baht 122.88 per share, or for a total of Baht 107.6 million. The Company recorded a gain on the sale of investment in such associated company amounting to approximately Baht 21.5 million (net of the elimination of profit between parties) in profit or loss in the consolidated financial statement for the year 2012 (Baht 24.4 million recorded in profit or loss in the separate financial statement).



The Company entered into a Shareholders Agreement with Chiang Rai Solar Company Limited and another shareholder. Under the agreement, the Company agreed to provide financial support to such company in the proportion stipulated in the agreement (30 percent), or in total not more than Baht 16.5 million, if such company has continually negative working capital for a certain period stipulated in the agreement. The Company is committed to provide this financial support to Chiang Rai Solar Company Limited until the Company will transfer the commitment to CK Power Limited.

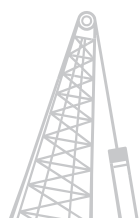
Bangpa-in Cogeneration Limited

In 2011, the Company sold 48 million ordinary shares of Bangpa-in Cogeneration Limited, or equivalent to 35 percent of its registered capital, at a par values of Baht 10 each and Baht 2.5 (for each share which is 25 percent paid-up), or a total of Baht 159 million. As a result, the Company's equity interest in the above company fell from 81 percent to 46 percent. The Company classified its investment in Bangpa-in Cogeneration Limited as investment in an associated company and excluded its financial statements from the consolidated financial statements since 28 December 2011. The Company recorded a gain on sale of investment in such associated company amounting to approximately Baht 32 million (net of the adjustment of profit between parties) in profit or loss in the 2011 consolidated financial statement.

As at the date the Company ceases control in Bangpa-in Cogeneration Limited, the net asset value of that company was as follows:

	(Unit: Million Baht)
Current assets	166
Land and equipment, net	165
Costs of power plant project during construction phase	1,489
Other non-current assets	1
Total assets	1,821
Current liabilities	150
Non-current liabilities	1,224
Total liabilities	1,374
Net asset value	447
Investment sales amount	159
Less: Receivable from sales of investments	(28)
Less: Cash and cash equivalents in subsidiary of which control is lost	(74)
Cash received from loss of control of subsidiary	57

In December 2012, the Company sold all 63 million ordinary shares of Bangpa-in Cogeneration Limited to an associated company named CK Power Limited, representing 46 percent of the registered capital of such company, at a price of Baht 12.88 per share, or for a total of Baht 811.7 million. The Company recorded a gain on the sale of investment in such associated company amounting to approximately Baht 232.7 million (net of the elimination of profit between parties) in profit or loss in the consolidated financial statement for the year 2012 (Baht 293.7 million recorded in profit or loss in the separate financial statement).



The Company entered into a Sponsor Undertaking Agreement with Bangpa-in Cogeneration Limited, other shareholders and lenders of such company. Under the agreement, the Company agreed to provide financial support to that company in the proportion to its shareholding stipulated in the agreement, in the event of any budget cost overruns in the construction of the power plant project. The Company is committed to provide this financial support to Bangpa-in Cogeneration Limited until the Company will transfer the commitment to CK Power Limited.

18. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Share- holding percentage	Investments		Share- holding percentage	Investments	
		2012	2011		2012	2011
	Percent			Percent		
Investments in available for sale-related company						
Bangkok Expressway Public Company Limited	16.46	2,568,237	2,552,053	15.15	2,411,614	2,411,614
Add (less): Unrealised gain (loss) on changes in value of investments		1,835,307	(254,836)		1,642,653	(288,228)
		4,403,544	2,297,217		4,054,267	2,123,386
Other Investments - other companies						
Nava Finance and Securities Public Company Limited	-	27,291	27,291	-	27,291	27,291
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	2,000	2,000	0.25	2,000	2,000
Other related parties		136	136		136	136
		78,457	78,457		76,177	76,177
Less: Provision for loss on diminution in value of investments		(71,041)	(71,041)		(71,041)	(71,041)
		7,416	7,416		5,136	5,136
Investments in held-to-maturity debt securities						
Subordinated Debentures of Bangkok Bank Public Company Limited No. 1/2012		5,000	-		5,000	-
Other long-term investments, net		4,415,960	2,304,633		4,064,403	2,128,522

The Company has pledged part of the share certificates for its investment in Bangkok Expressway Public Company Limited with a bank to secure loans provided to an associated company.



19. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 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 2012:						
Cost	253,194	219,979	473,173	271,062	305,729	576,791
Less Accumulated depreciation	-	(26,683)	(26,683)	-	(39,763)	(39,763)
Less Allowance for diminution in value (46,113)		-	(46,113)	(41,834)	-	(41,834)
Net book value	207,081	193,296	400,377	229,228	265,966	495,194
31 December 2011:						
Cost	253,236	237,676	490,912	271,285	323,026	594,311
Less Accumulated depreciation	-	(23,226)	(23,226)	-	(33,690)	(33,690)
Less Allowance for diminution in value (46,113)		-	(46,113)	(41,834)	-	(41,834)
Net book value	207,123	214,450	421,573	229,451	289,336	518,787

A reconciliation of the net book value of investment properties for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

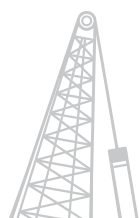
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	421,573	475,412	518,787	497,396
Acquisition of assets	-	39,721	-	907
Transfers	(16,033)	(87,988)	(15,835)	28,202
Depreciation charged	(5,163)	(5,572)	(7,758)	(7,718)
Net book value at end of year	400,377	421,573	495,194	518,787

The fair value of the investment properties as at 31 December 2012 and 2011 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Land	314,288	314,288	397,500	397,500
Office building for rent	242,134	261,966	310,496	329,511

The fair values of the above investment properties have been determined based on valuations performed by an independent valuer. The fair value of investment properties has been determined based on market prices.



20. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								Total
	Land and land improvement	Condominium building	Buildings and construction	Building improvements	Machinery and equipment	vehicles fixtures and office equipment	Motor vehicles	Assets under construction	
Cost									
31 December 2010	302,307	426,462	180,783	334,224	2,959,978	198,748	412,036	263,063	5,077,601
Additions	426,460	-	-	-	336,987	34,491	77,074	353,134	1,228,146
Acquisition of the subsidiary during the year	95,983	-	-	-	-	-	-	-	95,983
Disposals/write off	-	-	(1,103)	-	(125,387)	(11,683)	(38,930)	(914)	(178,017)
Disposal of the subsidiary during the year	(165,101)	-	-	-	-	(420)	-	(336)	(165,857)
Reclassification/transfer in (out)	133,841	(32,382)	18,007	420	244,255	-	50	(262,731)	101,460
31 December 2011	793,490	394,080	197,687	334,644	3,415,833	221,136	450,230	352,216	6,159,316
Accumulated depreciation									
31 December 2010	23,928	31,510	94,060	324,460	1,976,464	138,095	318,324	-	2,906,841
Depreciation for the year	5,868	9,189	17,072	2,006	294,808	22,907	55,994	-	407,844
Depreciation on disposals/write off	-	-	(1,103)	-	(87,984)	(11,117)	(37,911)	-	(138,115)
Disposal of the subsidiary during the year	-	-	-	-	-	(74)	-	-	(74)
Reclassification/transfer in (out)	-	(2,395)	-	-	-	-	-	-	(2,395)
31 December 2011	29,796	38,304	110,029	326,466	2,183,288	149,811	336,407	-	3,174,101
Allowance for impairment loss									
31 December 2010	73,860	-	-	-	-	-	-	-	73,860
31 December 2011	73,860	-	-	-	-	-	-	-	73,860
Net book value									
31 December 2010	204,519	394,952	86,723	9,764	983,514	60,653	93,712	263,063	2,096,900
31 December 2011	689,834	355,776	87,658	8,178	1,232,545	71,325	113,823	352,216	2,911,355

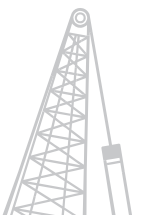


Consolidated financial statements

	Land and land improvement	Condominium building	Buildings and construction	Building improvements	Machinery and equipment	vehicles fixtures and office equipment	Motor vehicles	Assets under construction	Total
Cost									
31 December 2011	793,490	394,080	197,687	334,644	3,415,833	221,136	450,230	352,216	6,159,316
Additions	358,393	-	8,865	-	1,136,775	110,624	6,388	709,798	2,330,843
Disposals/write off	(387)	-	(255)	-	(60,950)	(12,967)	(24,282)	-	(98,841)
Disposal of the subsidiary during the year	(96,724)	-	-	-	(151)	(2,525)	-	-	(99,400)
Reclassification/transfer in (out)	(22)	21,625	10,920	-	34,376	32,697	3,627	(48,678)	54,545
31 December 2012	1,054,750	415,705	217,217	334,644	4,525,883	348,965	435,963	1,013,336	8,346,463
Accumulated depreciation									
31 December 2011	29,796	38,304	110,029	326,466	2,183,288	149,811	336,407	-	3,174,101
Depreciation for the year	5,717	9,599	17,399	1,431	342,492	34,918	33,541	-	445,097
Depreciation on disposals/write off	(180)	-	(54)	-	(41,394)	(11,992)	(24,282)	-	(77,902)
Disposal of the subsidiary during the year	(64)	-	-	-	-	(379)	-	-	(443)
Reclassification/transfer in (out)	-	1,705	4,110	-	14,597	7,483	3,455	-	31,350
31 December 2012	35,269	49,608	131,484	327,897	2,498,983	179,841	349,121	-	3,572,203
Allowance for impairment loss									
31 December 2011	73,860	-	-	-	-	-	-	-	73,860
Increase during the year	64	-	-	-	-	-	-	-	64
31 December 2012	73,924	-	-	-	-	-	-	-	73,924
Net book value									
31 December 2011	689,834	355,776	87,658	8,178	1,232,545	71,325	113,823	352,216	2,911,355
31 December 2012	945,557	366,097	85,733	6,747	2,026,900	169,124	86,842	1,013,336	4,700,336
Depreciation for the year									
2011 (Baht 385 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									407,844
2012 (Baht 423 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									445,097

(Unit: Thousand Baht)

	Separate financial statements								
	Land and land improvement	Condominium building	Buildings and construction	Building improvements	Machinery and equipment	vehicles fixtures and office equipment	Motor vehicles	Assets under construction	Total
Cost									
31 December 2010	204,096	361,843	121,051	19,545	1,608,213	80,086	304,155	3,558	2,702,547
Additions	437,417	-	-	-	70,629	19,469	57,157	11,287	595,959
Disposals/write off	-	-	-	-	(55,256)	(6,625)	(32,049)	(914)	(94,844)
Reclassification/transfer in (out)	(388)	(30,038)	-	419	1,900	-	-	(2,319)	(30,426)
31 December 2011	641,125	331,805	121,051	19,964	1,625,486	92,930	329,263	11,612	3,173,236
Accumulated depreciation									
31 December 2010	21,696	26,787	66,581	9,854	1,202,721	56,265	246,319	-	1,630,223
Depreciation for the year	5,803	7,753	6,651	1,986	94,963	9,931	43,264	-	170,351
Depreciation on disposals/write off	-	-	-	-	(42,631)	(6,475)	(31,161)	-	(80,267)
Reclassification/transfer in (out)	-	(2,224)	-	-	-	-	-	-	(2,224)
31 December 2011	27,499	32,316	73,232	11,840	1,255,053	59,721	258,422	-	1,718,083
Allowance for impairment loss									
31 December 2010	73,860	-	-	-	-	-	-	-	73,860
31 December 2011	73,860	-	-	-	-	-	-	-	73,860
Net book value									
31 December 2010	108,540	335,056	54,470	9,691	405,492	23,821	57,836	3,558	998,464
31 December 2011	539,766	299,489	47,819	8,124	370,433	33,209	70,841	11,612	1,381,293



(Unit: Thousand Baht)

	Separate financial statements							Total	
	Land and land improvement	Condominium building	Buildings and construction	Building improvements	Machinery and equipment	vehicles fixtures and office equipment	Motor vehicles		Assets under construction
Cost									
31 December 2011	641,125	331,805	121,051	19,964	1,625,486	92,930	329,263	11,612	3,173,236
Additions	357,652	-	8,865	-	567,380	50,265	462	1,804	986,428
Disposals/write off	(387)	-	(254)	-	(35,902)	(2,158)	(8,778)	-	(47,479)
Reclassification/transfer in (out)	223	17,296	-	-	11,913	-	-	(11,913)	17,519
31 December 2012	998,613	349,101	129,662	19,964	2,168,877	141,037	320,947	1,503	4,129,704
Accumulated depreciation									
31 December 2011	27,499	32,316	73,232	11,840	1,255,053	59,721	258,422	-	1,718,083
Depreciation for the year	5,589	8,157	6,548	1,411	113,634	15,708	20,098	-	171,145
Depreciation on disposals/write off	(180)	-	(54)	-	(28,055)	(1,820)	(8,778)	-	(38,887)
Reclassification/transfer in (out)	-	1,685	-	-	-	-	-	-	1,685
31 December 2012	32,908	42,158	79,726	13,251	1,340,632	73,609	269,742	-	1,852,026
Allowance for impairment loss									
31 December 2011	73,860	-	-	-	-	-	-	-	73,860
Increase during the year	64	-	-	-	-	-	-	-	64
31 December 2012	73,924	-	-	-	-	-	-	-	73,924
Net book value									
31 December 2011	539,766	299,489	47,819	8,124	370,433	33,209	70,841	11,612	1,381,293
31 December 2012	891,781	306,943	49,936	6,713	828,245	67,428	51,205	1,503	2,203,754
Depreciation for the year									
2011 (Baht 153 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									170,351
2012 (Baht 152 million included in cost of construction services, sales of construction materials and services, and the balance in administrative expenses)									171,145

As at 31 December 2012, the Company and a subsidiary had machinery, vehicles and equipment under hire purchase agreements with net book values amounting to Baht 541 million (2011: Baht 107 million) (Separate financial statements: Baht 537 million (2011: Baht 101 million))

As at 31 December 2012, 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 1,544 million (2011: Baht 1,689 million) (Separate financial statements: Baht 1,256 million (2011: Baht 1,038 million)).

21. Intangible assets

Details of intangible assets which are computer software are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cost	101,630	82,095	93,946	75,233
Accumulated amortisation	(24,554)	(15,923)	(21,571)	(14,146)
Net book value	77,076	66,172	72,375	61,087
Amortisation expenses included in the profit or loss for the year	8,631	6,289	7,425	5,217

A reconciliation of the net book value of intangible assets for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	66,172	64,286	61,087	58,523
Acquisition of computer software	18,885	8,175	18,713	7,781
Reclassification	650	-	-	-
Amortisation	(8,631)	(6,289)	(7,425)	(5,217)
Net book value at end of year	77,076	66,172	72,375	61,087

22. Advances for future projects

This mostly represents cash payments made for the new hydroelectric power plant projects in the Lao People's Democratic Republic, which the Company will establish a new company or assign a group company to operate in the future. The Company will refund these advances from the companies that operate the projects.



23. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% p.a.)	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Bank overdrafts	MOR	4,476	9,372	4,476	2,325
Short-term loans from banks	FDR + 2.65, FDR + 2.75 and MLR - margin	1,738,596	1,157,200	1,738,596	1,157,200
Trust receipts	LIBOR + margin, SIBOR + 2.00 and MLR - margin	741,286	805,585	293,874	263,190
Total		2,484,358	1,972,157	2,036,946	1,422,715

Parts of the bank overdrafts and 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, 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 obtained by subsidiary from subcontractors and are guaranteed by the Company and subsidiaries' shareholders.

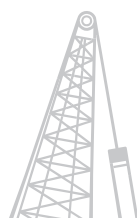
The bank overdrafts of two limited partnerships, which were invested in by a subsidiary, are secured by the mortgage of the securities of a related company and are guaranteed by the partners of these partnerships and the Company's directors.

Trust receipts of subsidiaries are guaranteed by the Company.

24. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	99,785	83,229	54,757	16,050
Trade payables - unrelated parties	4,753,943	1,961,269	2,325,596	779,424
Amounts due to related parties	15,037	15,037	-	-
Accrued interest expenses	130,258	126,252	127,274	126,071
Accrued expenses	385,346	220,068	254,508	144,862
Other payables	77,602	107,162	12,158	27,620
Total trade and other payables	5,461,971	2,513,017	2,774,293	1,094,027



25. Hire purchase creditors

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Liabilities under hire purchase	566,327	100,017	563,016	99,391
Less: Deferred interest expenses	(46,309)	(5,923)	(46,111)	(5,884)
Less: Portion due within one year	(166,371)	(93,741)	(165,064)	(93,507)
Liabilities under hire purchase, net of current portion	353,647	353	351,841	-

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.

26. Long-term loans

As at 31 December 2012 and 2011, the balances of the long-term loans are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
The Company:				
CH. Karnchang Public Company Limited	7,327,395	5,873,150	7,327,396	5,873,150
Subsidiaries:				
Bangkhenchai Company Limited	-	114,206	-	-
CH. Karnchang (Lao) Company Limited	4,522,708	-	-	-
Jointly controlled entity:				
CKTC Joint Venture	655,690	770,000	-	-
Long-term loans	12,505,793	6,757,356	7,327,396	5,873,150
Less: Current portion	(4,876,905)	(2,214,158)	(3,285,608)	(1,785,581)
Long-term loans, net of current portion	7,628,888	4,543,198	4,041,788	4,087,569

The Company

As at 31 December 2012, the Company's long-term loans from bank comprise credit facilities from 4 local commercial banks. Details of interests and repayments are as follows:

- The balance of loan amounting to Baht 1,250 million carry interest at the 6 month fixed deposit rate plus a stipulated margin per annum. The loans are repayable in installments each time payment for construction work is received, at the percentage stipulated in the loan agreements. The Company is to complete repayment of all principal when the Company has received accumulated construction work installments equal to 90 percent of the construction contract value.

- The balance of loans amounting to Baht 2,141 million carries interest at the Minimum Loan Rate minus stipulated margins (MLR - margin) per annum. The loan is repayable in installments each time payment for construction work is received, at the percentage stipulated in the loan agreement.



The Company is to complete repayments of principal of the loan of Baht 666 million within December 2013, loan principal of Baht 275 million within February 2017 and loan principal of Baht 1,200 million within February 2016.

- The balance of loan amounting to Baht 1,438 million carries interest at a fixed rate of 4.25 percent per annum for a period of two years from the drawdown date and thereafter at the Minimum Loan Rate minus stipulated margins (MLR - margin) per annum. The loan is repayable in quarterly installments and the final installment is due in September 2014.

- The balance of loan amounting to Baht 1,573 million carries interest at a fixed rate of 5.75 percent per annum. The loan is repayable in quarterly installments and the final installment is due in February 2019.

- Other long-term loans mostly carry interests at the Minimum Loan Rate minus stipulated margins (MLR - margin) per annum to Minimum Loan Rate (MLR) per annum and the loan principals are to be repaid in quarterly and semi-annual bases. Full settlement of these loans is to be made within September 2013 to September 2014.

Partial long-term loans of the Company are secured by the mortgage of land and construction thereon of other company (as discussed in Note 13), the transfer of rights over collection of revenues from construction projects and guarantees provided by the Company's directors, certain related companies and other companies.

The loan agreements contain covenants that, among other things, require the Company to maintain certain debt to equity ratio.

CH. Karnchang (Lao) Company Limited

In January 2012, CH. Karnchang (Lao) Company Limited entered into a loan agreement with 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.

CKTC Joint Venture

As at 31 December 2012, long-term loan from banks of CKTC Joint Venture represented a loan from a local commercial bank totaling Baht 1,200 million. The loan carries interest at the Minimum Loan Rate minus stipulated margins (MLR - margin) per annum. The loan is repayable in installments each time payment for construction work is received, at the percentage stipulated in the loan agreement. The first installment is due in January 2012 and the final installment in June 2013. The long-term loans were secured by the transfer of the rights over a saving deposit of the joint venture.



27. Debentures

(Unit: Thousand Baht)

Debentures	Life	Date of issue	Maturity date	Interest rate	Consolidated and separate financial statements	
					2012	2011
				(% per annum)		
1	3 years	6 February 2009	6 February 2012	5.3 and 5.9	-	1,616,200
2	5 years	6 February 2009	6 February 2014	5.5 and 6.3	883,800	883,800
3	3 years	25 June 2009	25 June 2012	5.3 and 6.0	-	1,400,000
4	4 years	22 October 2009	22 October 2013	5.4 and 6.2	2,000,000	2,000,000
5	4 years	25 March 2010	25 March 2014	4.9	1,100,000	1,100,000
6	3 years	9 July 2010	9 July 2013	4.0	1,000,000	1,000,000
7	5 years	9 July 2010	9 July 2015	4.75	1,000,000	1,000,000
8	4 years	28 April 2011	28 April 2015	4.9 and 5.5	2,000,000	2,000,000
9	4 years 9 months	28 October 2011	28 July 2016	5.25, 5.75 and 6.25	2,000,000	2,000,000
10	6 years 9 months	28 October 2011	28 July 2018	5.4, 5.75, 6.25 and 6.75	1,000,000	1,000,000
11	4 years 9 months	18 July 2012	18 April 2017	5.5	2,000,000	-
Total					12,983,800	14,000,000
Less: Current portion of debentures					(3,000,000)	(3,016,200)
Less: Deferred debenture issuing costs					(19,357)	(25,476)
Debentures, net of current portion					9,964,443	10,958,324

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 debentures.

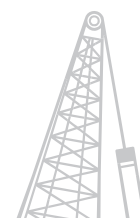
On 21 April 2010, the Annual General Meeting of the Company's shareholders passed a resolution approving an increase in the maximum outstanding balance of debentures approved for issue at any particular time, from a limit of Baht 12,000 million to a limit of Baht 17,000 million.

Debentures presented in items 1 to 4 and item 8 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 9 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 10 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.

The conditions of the debentures include covenants that, among other things, require the Company to maintain a certain debt to equity ratio.



28. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2012 and 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	246,416	205,131	130,847	111,819
Current service cost	41,227	35,515	14,155	15,724
Interest cost	7,634	6,911	4,393	3,913
Benefits paid during the year	(4,586)	(1,142)	(3,879)	(609)
Defined benefit obligation at end of year	290,691	246,415	145,516	130,847
Unrecognised transitional provisions	(123,079)	(164,105)	(67,091)	(89,455)
Provisions for long-term employee benefits at end of year	167,612	82,310	78,425	41,392

Long-term employee benefit expenses included in the profit or loss was as follows:

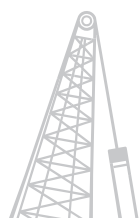
(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	41,227	35,515	14,155	15,724
Interest cost	7,634	6,911	4,393	3,913
Transitional liability recognised during the year	41,026	41,026	22,364	22,364
Total expense recognized in profit or loss	89,887	83,452	40,912	42,001

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements
	2012 and 2011
	(% per annum)
Discount rate	3.5
Future salary increase rate - average (depending on age of employees)	5.0
Staff turnover rate - average	0.0 - 28.0

Amounts of defined benefit obligation for the current and previous two periods are as follows:



	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2012	290,691	145,516
Year 2011	246,415	130,847
Year 2010	205,131	111,819

29. 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.

30. Accounts receivable - claims for additional costs

In 2000, Joint Venture BBCD 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 Group's proportionate interest in such amounts 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 judgement reversing that of the Civil Court enforcing the arbitral award requiring the employer to make payments to the Joint Venture BBCD. 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 Group's proportionate interest in such allowance being approximately Baht 2,500 million.

Subsequently, after the management of the Company carefully reviewed the details of the Supreme Court's judgement, on 11 February 2008 a lawsuit was filed against the employer with the Civil Court, to recover costs paid by the Joint Venture BBCD 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 Group's proportionate interest).

On 15 September 2011, the Civil Court handed down a judgement ruling that the employer was to pay the Joint Venture BBCD Baht 1,750 million (per the Group's proportionate interest) 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 BBCD.

Currently, the case is in the process of consideration of the Appeals Court.



31. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	2,275,444	1,607,149	954,691	716,676
Depreciation	442,007	413,416	178,904	178,069
Construction materials and consumables used and subcontractors costs	14,913,296	9,281,587	8,246,425	4,629,997
Repair and maintenance expenses	280,195	102,014	67,076	64,781

32. 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

33. Contracts in progress

As at 31 December 2012, the aggregate amount of construction cost incurred and recognised profits or losses to date for contracts in progress of the Company, its subsidiaries and its jointly controlled entities was approximately Baht 35,712 million (Separate financial statements: Baht 18,444 million), gross amounts due from customers for contracts in progress were approximately Baht 10,255 million (Separate financial statements: Baht 3,128 million), and gross amounts due to customers for contracts in progress were approximately Baht 1,602 million (Separate financial statements: Baht 1,349 million).

34. Segment information

The Company, its subsidiaries and its jointly controlled entities' operations involve principally a single industry segment, construction service, and are carried on in two geographic areas in Thailand and in the Lao People's Democratic Republic, as operated by a subsidiary. The financial information of the Company, its subsidiaries and its jointly controlled entities by geographical segment, for the years ended 31 December 2012 and 2011 are as follows:

(Unit: Million Baht)

	Thailand		The Lao People's Democratic Republic		Elimination of inter- segment revenues		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	14,959	8,222	5,936	2,790	-	-	20,895	11,012
Inter-segment revenues	220	461	-	-	(220)	(461)	-	-
Total revenues	15,179	8,683	5,936	2,790	(220)	(461)	20,895	11,012
Segment operating profit (loss)	309	(621)	582	(197)	-	-	891	(818)



(Unit: Million Baht)

	Thailand		The Lao People's Democratic Republic		Elimination of inter-segment revenues		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011	2012	2011
Unallocated income and expenses:								
Other income							1,175	2,828
Share of profit from investments in associated companies							268	570
Finance cost							(1,421)	(1,079)
Income tax expenses							(313)	(564)
Non-controlling interests of subsidiaries							(32)	(10)
Profit for the year - attributable to equity holders of the Company							568	927
Trade and other receivables	4,488	5,521	1,966	39	(1,130)	(1,107)	5,324	4,453
Unbilled receivables	4,529	3,494	5,459	4,572	-	-	9,988	8,066
Advance payment to subcontractors	4,072	2,155	3,471	557	-	-	7,543	2,712
Property, plant and equipment	2,512	1,884	2,198	1,027	(10)	-	4,700	2,911
Unallocated assets	28,696	21,668	2,316	939	(7,382)	(4,109)	23,630	18,498
Total assets							51,185	36,640

Transfer prices between business segments are as set out in Note 6.

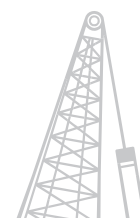
35. Provident funds

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 TMB Asset Management Company Limited and TISCO Asset Management Company Limited (Separate financial statements: TMB Asset Management Company Limited) will be paid to employees upon termination in accordance with the fund rules. During the years 2012 and 2011, the Company and the subsidiaries contributed Baht 32.0 million and Baht 23.6 million, respectively (Separate financial statements: Baht 19.5 million and Baht 15.8 million, respectively) to the funds.

36. Dividends

On 22 April 2011, the Annual General Meeting of the Company's shareholders passed resolutions approving the payment of a dividend for 2010 of Baht 0.10 per share, or a total of not exceeding Baht 165.3 million. The dividend was paid on 20 May 2011.

On 25 August 2011, a Meeting of the Company's Board of Directors passed resolutions approving the payment of an interim dividend for 2011 of Baht 0.10 per share to the Company's shareholders



from the profit of the six-month period ended 30 June 2011, a total of Baht 165.3 million. The dividend was paid in 23 September 2011.

On 24 April 2012, the Annual General Meeting of the Company's shareholders passed resolutions approving the payment of a dividend of Baht 0.25 per share, or a total of Baht 413.1 million, in respect of the operations of July to December 2011. This dividend was paid on 22 May 2012.

37. Commitments and contingent liabilities

37.1 Capital commitments

As at 31 December 2012, the Company and its subsidiaries had capital commitment of approximately Baht 13 million, Euro 0.3 million, USD 29 million and Japanese Yen 94.5 million (2011: Baht 62 million and Japanese Yen 359 million), relating to the acquisition of fixed assets (Separate financial statements: Baht 0.3 million and Japanese Yen 94.5 million (2011: Baht 46 million and Japanese Yen 359 million)).

37.2 Operating lease commitments

A subsidiary and jointly controlled entities have entered into lease agreements in respect of the lease of office building space, land and motor vehicles. The term of the agreements are between 1 to 3 years.

Future minimum lease payments required under the operating lease contracts were as follows:

(Unit: Million Baht)

	As at 31 December	
	2012	2011
Payable within:		
1 year	6	9
2 to 3 years	-	2

37.3 Service commitments and other commitments

As at 31 December 2012, the Company, its subsidiaries and its jointly controlled entities have the following service commitments and other commitments:

- a) The Company, its subsidiaries and its jointly controlled entities have commitments totaling Baht 20,228 million, USD 265 million, CHF 4 million and Japanese Yen 4 million (2011: Baht 14,737 million, USD 3 million and CHF 5 million) (Separate financial statements: Baht 12,392 million (2011: Baht 10,620 million)) in respect of project construction costs and services, which the Company, its subsidiaries and its jointly controlled entities had already entered into agreements.
- b) The Company has commitment in respect of uncalled portion of investments in associated company of approximately Baht 7,142 million (2011: uncalled portion of investments in subsidiaries and associated companies of Baht 603 million).
- c) The Company has commitments in respect of its undertakings to provide financial support to four associated companies, as stipulated in the conditions in the agreements (as discussed in Note 17).

37.4 Related party guarantees

As at 31 December 2012, the Company has provided guarantees totaling Baht 48,038 million (2011: Baht 1,699 million) for bank credit facilities on behalf of two subsidiaries.



37.5 Bank guarantees

As at 31 December 2012 and 2011, there were outstanding bank guarantees issued by banks on behalf of the Company, its subsidiaries and its jointly controlled entities (in proportionate of the Company's interest in joint ventures) in respect of certain performance bonds as required in the normal course of business of the Company, its subsidiaries and its jointly controlled entities. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Guarantee of construction contracts bidding and debt repayment	11,719	7,981	8,034	6,955
Guarantee of advance payment bond and retention	10,312	5,154	8,376	4,618
Other guarantees	171	102	112	78
	22,202	13,237	16,522	11,651

37.6 Contingent liabilities

Joint Venture BBCD

In 2006, the Central Tax Court issued a judgement ordering the Joint Venture BBCD to pay additional customs duties on construction equipment imports amounting to approximately Baht 109 million (in proportion to the Company's interest in the joint venture). The joint venture filed an appeal against the judgement with the Supreme Court and the case is currently in the process of consideration of the Supreme Court. However, since the management of the Joint Venture BBCD believes that the joint venture has no liability in respect of such additional customs duties, it has not set aside provision for loss for the customs duty assessment in the accounts.

38. Financial instruments

38.1 Financial risk management

The Company's, its subsidiaries' and its jointly controlled entities' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise the following:

Financial assets	Financial liabilities
- Cash and cash equivalents	- Bank overdrafts and short-term loans from financial institutions
- Current investments	- Trade and other payables
- Trade and other receivables	- Hire purchase creditors
- Short-term loans to related parties and interest receivable	- Retention for construction
- Restricted bank deposits	- Long-term loans
- Long-term loans to jointly controlled entities and interest receivable	- Debentures
- Long-term loans to associated companies and interest receivable	
- Long-term loans to related company and interest receivable	
- Long-term loans to other companies and interest receivable	
- Other long-term investments	



The financial risks associated with these financial instruments and how they are managed is described below.

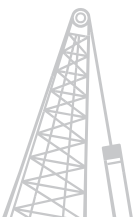
a) Credit risk

The Company, its subsidiaries and its jointly controlled entities are exposed to credit risk primarily with respect to construction receivables and loans. However, since the majority of the Company's, its subsidiaries' and jointly controlled entities' 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, its subsidiaries' and its jointly controlled entities' 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.



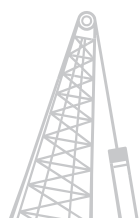
31 December 2012

Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1,086	-	-	2,752	135	3,973	0.1 to 3.5
Current investments	234	-	-	-	1,346	1,580	0.75 to 4.65
Trade and other receivables	-	-	-	-	5,324	5,324	-
Short-term loans to related parties	-	-	-	-	1	1	-
Restricted bank deposits	38	15	-	309	-	362	0.1 to 2.75
Long-term loans to jointly controlled entity and interest receivable	-	-	-	155	-	155	MLR + 1.25
Long-term loans to associated companies and interest receivable	-	-	-	4,195	-	4,195	MLR - 0.76, MLR + 0.5 and MLR + 1
Long-term loans to related companies and interest receivable	-	-	-	21	-	21	MLR - 0.01
Long-term loans to other companies and interest receivable	-	-	-	688	-	688	MLR + 1.5
Other long-term investments	-	-	5	-	4,411	4,416	4.375
Long-term trade accounts receivable	-	-	-	141	-	141	MLR + 1
	1,358	15	5	8,261	11,217	20,856	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	447	-	-	2,037	-	2,484	FDR + 2.75, FDR + 2.65, LIBOR + margin, SIBOR + 2, MOR and MLR - margin
Trade and other payables	-	-	-	-	5,462	5,462	-
Hire purchase creditors	166	354	-	-	-	520	2.66 to 4.65
Retention for construction	-	-	-	-	367	367	-
Long-term loans	302	-	1,447	10,757	-	12,506	3.0 to 5.75, FDR + 2.65, FDR + 2.75, MLR - margin and MLR
Debentures	3,000	6,964	3,000	-	-	12,964	4.0 to 6.3
	3,915	7,318	4,447	12,794	5,829	34,303	



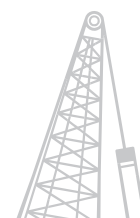
31 December 2011

Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1,004	-	-	2,931	84	4,019	0.5 to 2.5
Current investments	940	-	-	-	-	940	2.0 to 3.5
Trade and other receivables	-	-	-	-	4,453	4,453	-
Short-term loans to related parties	-	-	-	-	1	1	-
Restricted bank deposits	37	15	-	239	-	291	0.1 to 2.75
Long-term loans to jointly controlled entity and interest receivable	-	-	-	174	-	174	MLR + 1.25
Long-term loans to associated companies and interest receivable	-	-	-	3,929	-	3,929	MOR - 0.76, MLR + 0.5 and MLR + 1
Long-term loans to other companies and interest receivable	-	-	-	1,066	-	1,066	MLR + 1.5
Other long-term investments	-	-	-	-	2,305	2,305	-
Long-term trade accounts receivable	-	-	-	138	-	138	MLR + 1
	1,981	15	-	8,477	6,843	17,316	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	813	-	-	1,159	-	1,972	FDR + 2.65, FDR + 2.75, MOR and MLR - margin
Trade and other payables	-	-	-	-	2,513	2,513	-
Hire purchase creditors	94	-	-	-	-	94	2.66 to 4.65
Retention for construction	-	-	-	-	253	253	-
Long-term loans	-	1,988	-	4,769	-	6,757	3.0, 4.25, FDR + 2.65, FDR + 2.75, MLR - margin and MLR
Debentures	3,016	9,959	1,000	-	-	13,975	4.0 to 6.3
	3,923	11,947	1,000	5,928	2,766	25,564	



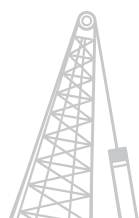
31 December 2012

Separate financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years				
							(% p.a.)
Financial assets							
Cash and cash equivalents	500	-	-	1,343	57	1,900	0.125 to 3.2
Current investments	234	-	-	-	1,216	1,450	0.75 to 4.65
Trade and other receivables	-	-	-	-	4,146	4,146	-
Short-term loans to related parties and interest receivable	-	-	-	7,056	-	7,056	MLR + 0.25, LIBOR + 4.25
Restricted bank deposits	38	-	-	209	-	247	0.625 to 2.2
Long-term loans to jointly controlled entity and interest receivable	-	-	-	777	-	777	MLR + 1.25
Long-term loans to associated companies and interest receivable	-	-	-	4,195	-	4,195	MLR + 0.5 and MLR + 1.0
Long-term loans to related company and interest receivable	-	-	-	21	-	21	MLR - 0.01
Other long-term investments	-	-	5	-	4,059	4,064	4.375
Long-term trade accounts receivable	-	-	-	141	-	141	MLR + 1
	772	-	5	13,742	9,478	23,997	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	2,037	-	2,037	LIBOR + margin, SIBOR + 2, MOR and MLR - margin
Trade and other payables	-	-	-	-	2,774	2,774	-
Hire purchase creditors	165	352	-	-	-	517	2.9
Retention for construction	-	-	-	-	130	130	-
Long-term loans	302	-	1,447	5,578	-	7,327	3.0 to 5.75, FDR + 2.65, FDR + 2.75, MLR - margin and MLR
Debentures	3,000	6,964	3,000	-	-	12,964	4.0 to 6.3
	3,467	7,316	4,447	7,615	2,904	25,749	



31 December 2011

Separate financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years				
							(% p.a.)
Financial assets							
Cash and cash equivalents	1,001	-	-	1,524	20	2,545	0.5 to 2.5
Current investments	940	-	-	-	-	940	2.0 to 3.5
Trade and other receivables	-	-	-	-	6,857	6,857	-
Short-term loans to related parties and interest receivable	-	-	-	4,291	-	4,291	MLR + 0.25 and LIBOR + 4.25
Restricted bank deposits	37	-	-	89	-	126	0.88 to 2.5
Long-term loans to jointly controlled entity and interest receivable	-	-	-	872	-	872	MLR + 1.25
Long-term loans to associated companies and interest receivable	-	-	-	3,929	-	3,929	MLR - 0.76, MLR + 0.5 and MLR + 1
Other long-term investments	-	-	-	-	2,129	2,129	-
Long-term trade accounts receivable	-	-	-	138	-	138	MLR + 1
	1,978	-	-	10,843	9,006	21,827	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	263	-	-	1,160	-	1,423	MOR and MLR - margin
Trade and other payables	-	-	-	-	1,094	1,094	-
Hire purchase creditors	94	-	-	-	-	94	2.66 to 4.65
Retention for construction	-	-	-	-	88	88	-
Long-term loans	-	1,987	-	3,886	-	5,873	3.0, 4.25, FDR + 2.65, FDR + 2.75, MLR - margin and MLR
Debentures	3,016	9,959	1,000	-	-	13,975	4.0 to 6.3
	3,373	11,946	1,000	5,046	1,182	22,547	



C) Foreign currency risk

The Company's, its subsidiaries' and its jointly controlled entities' 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, its subsidiaries and its jointly controlled entities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	57.8	10.8	53.3	45.7	30.58	31.69
Japanese yen	-	18.9	365.5	21.5	0.35	0.41
Euro	1.8	2.2	12.7	2.8	40.50	41.03

Separate financial statements						
Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	13.9	7.9	5.5	9.7	30.58	31.69
Japanese yen	-	18.9	364.4	20.9	0.35	0.41
Euro	0.4	1.8	5.7	2.0	40.50	41.03

The Company, its subsidiaries and its jointly controlled entities do not utilise forward exchange contracts to hedge foreign exchange rate risk.

38.2 Fair values of financial instruments

Since the majority of the Company's, its subsidiaries' and its jointly controlled entities' financial assets are short-term in nature, and the significant financial assets and liabilities comprise loans to, loans from and debentures which bear interests at rates close to market rates, the fair values of these financial assets and liabilities are not expected to differ materially from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.



39. Capital management

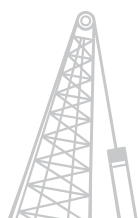
The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. The Group has to maintain a debt-to-equity ratio as stipulated in long-term loan agreements and condition of debentures.

40. Events after the reporting period

On 22 February 2013, a meeting of the Company's Board of Directors passed resolutions approving the payment of a dividend for 2012 of Baht 0.35 per share, or a total of Baht 578 million. This resolution will be proposed for approval by the Annual General Meeting of the Company's shareholders for the year 2013.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2013.





Presentation Map for Construction
CH. Karnchang
 Public Company Limited

- Buildings
- Industrial Estates
- Tunnels
- Environments
- Road / Bridges
- Airports
- Energy
- Harbours
- Mass Rapid Transit System



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