

CH. Karnchang Public Company Limited and its subsidiaries
Report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of CH. Karnchang Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of CH. Karnchang Public Company Limited and its subsidiaries as at 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of CH. Karnchang Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 15 August 2017

CH. Karnchang Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		6,174,513	11,406,173	2,973,070	8,156,486
Current investments		1,265,281	1,130,475	1,173,793	1,089,464
Trade and other receivables	3, 4	5,715,685	7,920,132	7,083,968	7,767,265
Short-term loans to related parties and interest receivable	3	283,913	283,913	3,101,989	4,502,064
Unbilled receivables		6,007,481	2,715,073	5,102,539	2,541,248
Construction in progress and construction supplies		2,544,423	2,775,199	540,056	798,271
Advance payment to subcontractors		5,614,542	6,209,782	2,367,239	2,541,025
Derivative financial assets		-	28,831	55,783	15,413
Other current assets		643,964	860,234	581,805	773,685
Total current assets		28,249,802	33,329,812	22,980,242	28,184,921
Non-current assets					
Restricted bank deposits	5	15,221	33,120	221	16,383
Long-term loans to associated company and interest receivable	3	11,263,946	10,359,710	11,263,946	10,359,710
Long-term loans to related company and interest receivable	3	6,520	9,253	6,520	9,253
Investments in subsidiaries	6	-	-	251,477	351,476
Investments in associated companies	7	19,639,740	19,436,337	22,568,355	22,286,857
Other long-term investments	8	8,234,812	8,312,220	8,215,932	8,293,340
Long-term trade receivable	4	13,334,940	14,095,406	13,334,940	14,095,406
Investment properties		526,180	417,260	503,260	499,945
Property, plant and equipment	9	8,275,026	8,609,985	5,685,604	5,527,676
Intangible assets		50,616	58,656	49,517	56,732
Accounts receivable - claims for additional costs	15	2,515,620	2,515,620	2,515,620	2,515,620
Less: Allowance for doubtful accounts	15	(2,515,620)	(2,515,620)	(2,515,620)	(2,515,620)
Accounts receivable - claims for additional costs, net		-	-	-	-
Advances for future projects		61,269	71,802	61,269	71,802
Withholding tax deducted at source		459,222	72,546	409,000	37,913
Deferred tax assets		107,564	103,594	77,945	72,102
Other non-current assets		21,486	18,674	12,661	9,732
Total non-current assets		61,996,542	61,598,563	62,440,647	61,688,327
Total assets		90,246,344	94,928,375	85,420,889	89,873,248

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

CH. Karnchang Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2017</u> (Unaudited but reviewed)	<u>31 December 2016</u> (Audited)	<u>30 June 2017</u> (Unaudited but reviewed)	<u>31 December 2016</u> (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	10	6,244,569	9,531,534	4,257,575	7,455,956
Trade and other payables	3, 11	7,350,662	6,440,968	5,004,608	4,887,656
Current portion of hire purchase creditors		27,494	90,884	27,494	70,449
Current portion of long-term loans	12	3,609,230	4,547,791	3,609,230	3,903,751
Current portion of debentures	13	-	2,000,000	-	2,000,000
Advances received from employers and construction revenue received in advance		4,580,072	5,513,544	4,153,948	4,503,196
Retention for construction		991,738	907,481	728,427	672,730
Income tax payable		30,809	3,277	30,809	3,277
Unbilled output tax		159,792	186,395	141,836	168,061
Derivative financial liabilities		14,919	-	-	-
Other current liabilities		253,974	123,607	239,874	78,362
Total current liabilities		23,263,259	29,345,481	18,193,801	23,743,438
Non-current liabilities					
Hire purchase creditors, net of current portion		3,758	21,610	3,758	14,605
Long-term loans, net of current portion	12	13,609,873	14,631,230	13,609,873	14,631,230
Debentures, net of current portion	13	28,479,591	26,479,667	28,479,591	26,479,667
Provision for long-term employee benefits	14	671,962	612,159	343,697	299,557
Deferred tax liabilities		1,976,061	1,983,905	1,920,052	1,927,896
Total non-current liabilities		44,741,245	43,728,571	44,356,971	43,352,955
Total liabilities		68,004,504	73,074,052	62,550,772	67,096,393

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

CH. Karnchang Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 June 2017</u> (Unaudited but reviewed)	<u>31 December 2016</u> (Audited)	<u>30 June 2017</u> (Unaudited but reviewed)	<u>31 December 2016</u> (Audited)
Shareholders' equity				
Share capital				
Registered				
1,693,899,970 ordinary shares of Baht 1 each	<u>1,693,900</u>	<u>1,693,900</u>	<u>1,693,900</u>	<u>1,693,900</u>
Issued and fully paid-up				
1,693,896,872 ordinary shares of Baht 1 each	1,693,897	1,693,897	1,693,897	1,693,897
Share premium	4,869,410	4,869,410	4,869,410	4,869,410
Retained earnings				
Appropriated - statutory reserve	174,890	174,890	169,390	169,390
Unappropriated	11,184,126	10,637,166	8,490,249	8,364,143
Other components of shareholders' equity	<u>3,954,900</u>	<u>4,105,277</u>	<u>7,647,171</u>	<u>7,680,015</u>
Equity attributable to owners of the Company	<u>21,877,223</u>	<u>21,480,640</u>	<u>22,870,117</u>	<u>22,776,855</u>
Non-controlling interests of the subsidiaries	<u>364,617</u>	<u>373,683</u>	-	-
Total shareholders' equity	<u>22,241,840</u>	<u>21,854,323</u>	<u>22,870,117</u>	<u>22,776,855</u>
Total liabilities and shareholders' equity	<u>90,246,344</u>	<u>94,928,375</u>	<u>85,420,889</u>	<u>89,873,248</u>
	-	-	-	-

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

Directors

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries**Statement of comprehensive income**

For the three-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Revenues from construction services		12,225,364	20,681,805	7,568,946	6,448,668
Sales of construction materials		15	472	2,215	1,477
Other income					
Project management income	3	23,729	-	24,179	450
Rental income		11,746	11,431	34,674	37,998
Transportation income		689	1,506	11,354	9,646
Interest income		189,124	15,079	215,561	269,494
Dividend income	3	232,315	232,316	667,459	638,372
Others		6,678	5,535	27,626	5,340
Total revenues		12,689,660	20,948,144	8,552,014	7,411,445
Expenses					
Cost of construction services and sales of construction materials		11,247,113	19,437,804	7,002,801	5,884,279
Administrative expenses		499,966	329,895	454,251	273,100
Total expenses		11,747,079	19,767,699	7,457,052	6,157,379
Profit before share of profit from investments in associated companies, finance cost and income tax expenses					
Share of profit from investments in associated companies		119,957	41,819	-	-
Profit before finance cost and income tax expenses		1,062,538	1,222,264	1,094,962	1,254,066
Finance cost					
(For construction segment and investment segment)	21	(347,148)	(127,111)	(319,674)	(362,068)
Profit before income tax expenses		715,390	1,095,153	775,288	891,998
Income tax expenses					
(For construction segment and investment segment)	18	(31,546)	(64,889)	(24,066)	(64,470)
Profit for the period		683,844	1,030,264	751,222	827,528
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of available-for-sale investments, net of income tax		(4,281)	681,264	(4,322)	681,264
Unrealised gain (loss) from cash flow hedges, net of income tax		14,288	(38,323)	38,482	(4,504)
Other comprehensive income for the period		10,007	642,941	34,160	676,760
Total comprehensive income for the period		693,851	1,673,205	785,382	1,504,288

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

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
Note	2017	2016	2017	2016
Profit attributable to:				
Equity holders of the Company	668,461	1,027,435	<u>751,222</u>	<u>827,528</u>
Non-controlling interests of the subsidiaries	<u>15,383</u>	<u>2,829</u>		
	<u><u>683,844</u></u>	<u><u>1,030,264</u></u>		
Total comprehensive income attributable to:				
Equity holders of the Company	678,496	1,670,720	<u>785,382</u>	<u>1,504,288</u>
Non-controlling interests of the subsidiaries	<u>15,355</u>	<u>2,485</u>		
	<u><u>693,851</u></u>	<u><u>1,673,205</u></u>		
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.39</u>	<u>0.61</u>	<u>0.44</u>	<u>0.49</u>
Weighted average number of ordinary shares (shares)	<u><u>1,693,896,872</u></u>	<u><u>1,693,896,872</u></u>	<u><u>1,693,896,872</u></u>	<u><u>1,693,896,872</u></u>

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

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries**Statement of comprehensive income**

For the six-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Revenues from construction services		20,267,847	29,664,062	10,404,745	11,576,352
Sales of construction materials		22,031	4,669	4,575	3,388
Other income					
Project management income	3	45,093	518	45,993	1,418
Rental income		23,761	24,112	70,170	77,069
Transportation income		1,189	5,339	19,597	20,029
Interest income		358,093	22,755	418,805	527,286
Dividend income	3	232,315	232,316	667,459	638,372
Gain on sales of investments in subsidiary and associated companies	6, 7	38,898	53,489	-	-
Others		42,004	27,327	64,088	28,830
Total revenues		<u>21,031,231</u>	<u>30,034,587</u>	<u>11,695,432</u>	<u>12,872,744</u>
Expenses					
Cost of construction services and sales of construction materials		18,688,483	27,642,261	9,636,441	10,582,141
Administrative expenses		913,695	745,756	838,324	583,160
Total expenses		<u>19,602,178</u>	<u>28,388,017</u>	<u>10,474,765</u>	<u>11,165,301</u>
Profit before share of profit from investments in associated companies, finance cost and income tax expenses					
		1,429,053	1,646,570	1,220,667	1,707,443
Share of profit from investments in associated companies		316,272	190,933	-	-
Profit before finance cost and income tax expenses		<u>1,745,325</u>	<u>1,837,503</u>	<u>1,220,667</u>	<u>1,707,443</u>
Finance cost					
(For construction segment and investment segment)	21	(713,337)	(364,950)	(637,447)	(744,306)
Profit before income tax expenses		<u>1,031,988</u>	<u>1,472,553</u>	<u>583,220</u>	<u>963,137</u>
Income tax expenses					
(For construction segment and investment segment)	18	(43,462)	(117,371)	(33,757)	(105,396)
Profit for the period		<u>988,526</u>	<u>1,355,182</u>	<u>549,463</u>	<u>857,741</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of available-for-sale investments, net of income tax		(57,327)	371,508	(62,773)	371,508
Unrealised gain (loss) from cash flow hedges, net of income tax		(93,326)	(32,208)	29,929	24,349
Other comprehensive income for the period		<u>(150,653)</u>	<u>339,300</u>	<u>(32,844)</u>	<u>395,857</u>
Total comprehensive income for the period		<u>837,873</u>	<u>1,694,482</u>	<u>516,619</u>	<u>1,253,598</u>

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

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
Note	2017	2016	2017	2016
Profit attributable to:				
Equity holders of the Company	970,317	1,332,152	<u>549,463</u>	<u>857,741</u>
Non-controlling interests of the subsidiaries	<u>18,209</u>	<u>23,030</u>		
	<u><u>988,526</u></u>	<u><u>1,355,182</u></u>		
Total comprehensive income attributable to:				
Equity holders of the Company	819,939	1,671,852	<u>516,619</u>	<u>1,253,598</u>
Non-controlling interests of the subsidiaries	<u>17,934</u>	<u>22,630</u>		
	<u><u>837,873</u></u>	<u><u>1,694,482</u></u>		
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.57</u>	<u>0.79</u>	<u>0.32</u>	<u>0.51</u>
Weighted average number of ordinary shares (shares)	<u><u>1,693,896,872</u></u>	<u><u>1,693,896,872</u></u>	<u><u>1,693,896,872</u></u>	<u><u>1,693,896,872</u></u>

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

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	1,031,988	1,472,553	583,220	963,137
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	484,909	441,223	194,791	136,226
Withholding tax deducted at source written off	5,375	256	5,375	256
Dividend income	(232,315)	(232,316)	(667,459)	(638,372)
Gain on sales of current investments	(8,763)	(39)	(8,763)	(39)
Loss (gain) on sales of investments in subsidiary and associated company	(38,898)	(53,489)	9,999	-
Reversal of allowance for doubtful accounts	-	(17)	-	-
Loss (gain) on sales/written off of property, plant and equipment	(4,501)	(2,927)	(22,669)	234
Unrealised loss (gain) on exchange	18,752	84,609	(832)	34,494
Unrealised gain on changes in value of investments in marketable securities	(1,146)	(984)	(387)	(980)
Loss (gain) from foreign exchange contracts	2,371	(7,594)	(2,959)	(7,594)
Amortisation of deferred front end fee and deferred debenture issuing cost	29,269	14,371	7,185	9,794
Share of profit from investments in associated companies	(316,272)	(190,933)	-	-
Provision for long-term employee benefits	89,675	68,175	51,380	33,134
Interest expenses	676,939	342,041	623,133	725,975
Profit from operating activities before changes in operating assets and liabilities	1,737,383	1,934,929	772,014	1,256,265
Operating assets (increase) decrease				
Trade and other receivables	2,605,780	(942,333)	1,159,087	(741,887)
Unbilled receivables	(3,293,951)	(9,963,155)	(2,561,291)	350,942
Construction in progress and construction supplies	466,004	9,758,923	497,205	(143,605)
Advance payment to subcontractors	593,934	374,481	123,690	387,409
Other current assets	(105,327)	96,529	(101,223)	120,198
Advances for future projects	10,533	-	10,533	-
Other non-current assets	(8,241)	(10,623)	(2,930)	(9,277)
Operating liabilities increase (decrease)				
Trade and other payables	887,285	183,938	58,000	73,621
Advances received from employers and construction revenue received in advance	(932,722)	(412,006)	(349,248)	(392,177)
Retention for construction	86,125	11,524	57,175	16,988
Other current liabilities	104,727	(52,168)	135,286	(59,058)
Cash paid for long-term employee benefits	(20,599)	(29,248)	(7,240)	(21,974)
Cash flows from (used in) operating activities	2,130,931	950,791	(208,942)	837,445
Cash paid for interest expenses	(694,905)	(880,196)	(640,928)	(733,732)
Cash paid for corporate income tax	(107,209)	(269,059)	(103,290)	(238,737)
Net cash flows from (used in) operating activities	1,328,817	(198,464)	(953,160)	(135,024)

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

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	16,140	(64)	16,163	2
Cash payment for purchase of current investments	(2,149,719)	(500,085)	(2,100,000)	(500,085)
Cash receipt from sales of current investments	2,023,763	20,303	2,023,763	20,303
Cash receipt from sales of investments in associated company	-	117,373	-	-
Net cash receipt from sales of investments in subsidiary	85,628	-	90,000	-
Decrease (increase) in short-term loans to related parties and interest receivable	-	-	1,400,075	(2,853,206)
Increase in long-term loans to associated company	(569,130)	-	(569,130)	-
Decrease in long-term loans to related parties	2,400	2,850	2,400	2,850
Dividend from subsidiary, associated companies and related company	642,658	592,938	667,459	583,372
Increase in investments in associated companies	(281,498)	(555,643)	(281,498)	(555,643)
Increase in other long-term investments	-	(150,071)	-	(150,071)
Increase in property, plant and equipment	(599,757)	(277,242)	(562,598)	(193,162)
Increase in intangible assets	(1,238)	(243)	(738)	(214)
Proceeds from sales of property, plant and equipment	76,501	26,788	29,958	3,281
Net cash flows from (used in) investing activities	<u>(754,252)</u>	<u>(723,096)</u>	<u>715,854</u>	<u>(3,642,573)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(3,291,423)	1,880,959	(3,198,381)	2,038,801
Cash receipt from long-term loans	1,451,421	1,750,600	1,451,421	1,750,600
Repayment of long-term loans	(3,428,330)	(2,908,967)	(2,769,158)	(1,583,136)
Cash receipt from issuance of debentures	5,994,600	6,993,750	5,994,600	6,993,750
Repayment of debentures	(6,000,000)	(4,000,000)	(6,000,000)	(4,000,000)
Dividend payment	(423,357)	(677,557)	(423,357)	(677,557)
Dividend payment of subsidiary	(27,000)	-	-	-
Net cash flows from (used in) financing activities	<u>(5,724,089)</u>	<u>3,038,785</u>	<u>(4,944,875)</u>	<u>4,522,458</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(82,136)</u>	<u>(14,660)</u>	<u>(1,235)</u>	<u>3,303</u>
Net increase (decrease) in cash and cash equivalents	<u>(5,231,660)</u>	<u>2,102,565</u>	<u>(5,183,416)</u>	<u>748,164</u>
Cash and cash equivalents at beginning of period	11,406,173	4,666,962	8,156,486	3,730,929
Cash and cash equivalents at end of period	<u>6,174,513</u>	<u>6,769,527</u>	<u>2,973,070</u>	<u>4,479,093</u>
	-	-	-	-
Supplemental disclosures of cash flows information				
Non-cash transactions				
Increase in property, plant and equipment from trust receipts,				
trade and other payables	91,107	-	85,564	-
Transfer equipment to construction supplies	238,990	-	238,990	-
Dividend receivable from subsidiary	-	-	-	55,000
Dividend payable of subsidiary	-	45,000	-	-

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

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
				Other components of equity						
				Other comprehensive income						
				Surplus (deficit)						
				on changes						
				in value of						
				available-for-sale						
				investments						
				Unrealised loss						
				from cash flow hedges						
				Total						
				of shareholders'						
				equity						
				Total equity						
				attributable to						
				owners of						
				the Company						
				Equity attributable to						
				non-controlling						
				interests						
				of the subsidiaries						
				Total						
				shareholders'						
				equity						
Issued and fully paid-up share capital	Share premium	Retained earnings		available-for-sale investments	Unrealised loss from cash flow hedges	Total of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
		Appropriated	Unappropriated							
Balance as at 1 January 2016	1,693,897	4,869,410	174,890	9,781,926	4,039,534	(102,367)	3,937,167	20,457,290	398,377	20,855,667
Dividend paid (Note 22)	-	-	-	(677,557)	-	-	-	(677,557)	-	(677,557)
Profit for the period	-	-	-	1,332,152	-	-	-	1,332,152	23,030	1,355,182
Other comprehensive income for the period	-	-	-	-	371,908	(32,208)	339,700	339,700	(400)	339,300
Total comprehensive income for the period	-	-	-	1,332,152	371,908	(32,208)	339,700	1,671,852	22,630	1,694,482
Decrease in surplus on changes in value of available-for-sale investments	-	-	-	-	(17,886)	-	(17,886)	(17,886)	(14,634)	(32,520)
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	(45,000)	(45,000)
Balance as at 30 June 2016	1,693,897	4,869,410	174,890	10,436,521	4,393,556	(134,575)	4,258,981	21,433,699	361,373	21,795,072
Balance as at 1 January 2017	1,693,897	4,869,410	174,890	10,637,166	4,155,316	(50,039)	4,105,277	21,480,640	373,683	21,854,323
Dividend paid (Note 22)	-	-	-	(423,357)	-	-	-	(423,357)	-	(423,357)
Profit for the period	-	-	-	970,317	-	-	-	970,317	18,209	988,526
Other comprehensive income for the period	-	-	-	-	(57,342)	(93,035)	(150,377)	(150,377)	(275)	(150,652)
Total comprehensive income for the period	-	-	-	970,317	(57,342)	(93,035)	(150,377)	819,940	17,934	837,874
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	(27,000)	(27,000)
Balance as at 30 June 2017	1,693,897	4,869,410	174,890	11,184,126	4,097,974	(143,074)	3,954,900	21,877,223	364,617	22,241,840

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

(Unaudited but reviewed)

CH. Karnchang Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Separate financial statements								
				Other components of equity				
				Other comprehensive income				
		Retained earnings		Surplus (deficit) on changes		Total		
Issued and fully paid-up share capital	Share premium	Appropriated	Unappropriated	in value of available-for-sale investments	Unrealised gain (loss) from cash flow hedges	other components of shareholders' equity	Total shareholders' equity	
Balance as at 1 January 2016	1,693,897	4,869,410	169,390	8,481,593	7,543,204	(5,562)	7,537,642	22,751,932
Dividend paid (Note 22)	-	-	-	(677,557)	-	-	-	(677,557)
Profit for the period	-	-	-	857,741	-	-	-	857,741
Other comprehensive income for the period	-	-	-	-	371,508	24,349	395,857	395,857
Total comprehensive income for the period	-	-	-	857,741	371,508	24,349	395,857	1,253,598
Balance as at 30 June 2016	<u>1,693,897</u>	<u>4,869,410</u>	<u>169,390</u>	<u>8,661,777</u>	<u>7,914,712</u>	<u>18,787</u>	<u>7,933,499</u>	<u>23,327,973</u>
Balance as at 1 January 2017	1,693,897	4,869,410	169,390	8,364,143	7,667,856	12,159	7,680,015	22,776,855
Dividend paid (Note 22)	-	-	-	(423,357)	-	-	-	(423,357)
Profit for the period	-	-	-	549,463	-	-	-	549,463
Other comprehensive income for the period	-	-	-	-	(62,773)	29,929	(32,844)	(32,844)
Total comprehensive income for the period	-	-	-	549,463	(62,773)	29,929	(32,844)	516,619
Balance as at 30 June 2017	<u>1,693,897</u>	<u>4,869,410</u>	<u>169,390</u>	<u>8,490,249</u>	<u>7,605,083</u>	<u>42,088</u>	<u>7,647,171</u>	<u>22,870,117</u>

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

CH. Karnchang Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2017

1. General information

1.1 Corporate 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.

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

In February 2017, CKST Joint Venture entered into the contractual agreement for the MRT Orange Line (East Section) Project with Mass Rapid Transit Authority of Thailand. CKST Joint Venture is a joint arrangement which is treated as a joint operation between the Company and Sino-Thai Engineering and Construction Public Company Limited, with the Company having an interest of 60 percent according to the joint venture agreement.

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

1.3 Basis of consolidation

These interim consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016. There have been no changes in the composition of the Group during the current period except that in February 2017 the Company sold all of its ordinary shares of Construction Material Supply Company Limited, as per the details described in Note 6 to the interim financial statements. The Company has excluded the financial statements of Construction Material Supply Company Limited from the consolidated financial statements since March 2017.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

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

This standard does not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Project management income	-	-	1	1	Based on contracts and agreed between the parties
Rental and transportation income	-	-	33	33	Close to service fee charged to third parties
Space rental and service income	-	-	2	2	Based on contracts
Interest income	-	-	31	258	Interest rates of MLR - 1.25% and MLR - 2% (2016: MLR - 1.25% and LIBOR + 3.25%)
Dividend income	-	-	33	55	As declared
Other income	-	-	5	3	Based on contracts and cost plus margin
Cost of construction materials and construction work	-	-	109	88	Close to prices charged by third parties
<u>Transactions with associated companies</u>					
Revenues from construction services	7,948	17,510	4,018	3,639	Based on construction contracts
Space rental and service income	3	3	3	3	Based on contracts
Interest income	183	-	183	-	Interest rates of MLR + 0.25%, MLR + 1% and FDR + 2.75%
Dividend income	-	-	402	351	As declared
Other income	-	1	-	1	Based on contract
Cost of construction work	-	30	-	27	Based on contract
<u>Transactions with related parties</u>					
Revenues from construction services	115	348	115	335	Based on construction contracts
Project management income	24	-	24	-	Based on contract
Rental and transportation income	1	1	1	1	Close to service fee charged to third parties
Space rental and service income	4	4	4	4	Based on contracts
Dividend income	232	232	232	232	As declared
Other income	3	2	3	2	Based on contracts and cost plus margin
Cost of construction materials and construction work	44	-	44	1	Close to prices charged by third parties and based on contracts
Dividend payment	27	45	-	-	As declared

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Project management income	-	-	1	1	Based on contracts and agreed between the parties
Rental and transportation income	-	-	62	65	Close to service fee charged to third parties
Space rental and service income	-	-	4	4	Based on contracts
Interest income	-	-	67	513	Interest rates of MLR - 1.25% and MLR - 2% (2016: MLR - 1.25% and LIBOR + 3.25%)
Dividend income	-	-	33	55	As declared
Other income	-	-	10	7	Based on contracts and cost plus margin
Cost of construction materials and construction work	-	-	171	178	Close to prices charged by third parties
<u>Transactions with associated companies</u>					
Revenues from construction services	12,764	23,451	4,290	6,138	Based on construction contracts
Project management income	-	1	-	1	Based on contract
Space rental and service income	6	6	6	6	Based on contracts
Interest income	349	4	348	-	Interest rates of MLR + 0.25%, MLR + 1% and FDR + 2.75% (2016: MLR + 1%)
Dividend income	-	-	402	351	As declared
Other income	-	1	-	1	Based on contracts and cost plus margin
Cost of construction work	-	57	-	54	Based on contract
<u>Transactions with related parties</u>					
Revenues from construction services	422	765	422	719	Based on construction contracts
Project management income	45	-	45	-	Based on contract
Rental and transportation income	3	2	3	2	Close to service fee charged to third parties
Space rental and service income	8	7	8	7	Based on contracts
Dividend income	232	232	232	232	As declared
Other income	3	2	3	2	Based on contracts and cost plus margin
Cost of construction materials and construction work	102	4	102	2	Close to prices charged by third parties and based on contracts
Administrative expenses	1	-	1	-	Agreed between the parties
Dividend payment	27	45	-	-	As declared

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2017 and 31 December 2016 between the Company and those related parties are as follows:

a) Trade accounts receivable - related parties (Note 4)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Construction contract receivables				
Subsidiary	-	-	285,522	285,522
Joint arrangements	-	5,424	-	5,424
Associated companies				
- Bangkok Expressway and Metro Public Company Limited	228,742	79,903	228,742	79,903
- Xayaburi Power Company Limited	950,559	2,520,182	-	-
- Bangpa-in Cogeneration Limited	200,828	23,710	200,828	23,710
- Nam Ngum 2 Power Company Limited	239,461	99,004	-	-
	<u>1,619,590</u>	<u>2,722,799</u>	<u>429,570</u>	<u>103,613</u>
Related parties (common directors)				
- TTW Public Company Limited	7,404	189,987	7,404	189,987
- Other related companies and related parties	58	127	-	-
	<u>7,462</u>	<u>190,114</u>	<u>7,404</u>	<u>189,987</u>
Total construction contract receivables	<u>1,627,052</u>	<u>2,918,337</u>	<u>722,496</u>	<u>584,546</u>
Retention as per contracts				
Joint arrangement	408	7,117	408	7,117
Associated companies				
- Bangkok Expressway and Metro Public Company Limited	2,682	56,646	2,682	56,646
- Northern Bangkok Expressway Company Limited	1,279	1,279	1,279	1,279
	<u>3,961</u>	<u>57,925</u>	<u>3,961</u>	<u>57,925</u>
Related parties (common directors)				
- Bangpa-in Land Company Limited	30,817	33,217	30,817	33,217
- TTW Public Company Limited	6,906	6,906	6,906	6,906
- Saha Tokyu Corporation Company Limited	9,241	9,241	-	-
	<u>46,964</u>	<u>49,364</u>	<u>37,723</u>	<u>40,123</u>
Total retention as per contracts	<u>51,333</u>	<u>114,406</u>	<u>42,092</u>	<u>105,165</u>
Total trade accounts receivable - related parties	<u>1,678,385</u>	<u>3,032,743</u>	<u>764,588</u>	<u>689,711</u>

(Unaudited but reviewed)

b) Other receivables - related parties (Note 4)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Receivables from sales of construction materials and others				
Subsidiaries	-	-	2,577,129	2,515,578
Joint arrangements	141,136	45,321	141,136	45,321
Associated companies	21,349	1,395	342	566
Related parties (common directors)				
- Expert Transport Company Limited	14,580	11,727	14,580	11,727
- Other related companies and related parties	1,008	2,623	666	2,623
	<u>15,588</u>	<u>14,350</u>	<u>15,246</u>	<u>14,350</u>
Other joint operators				
- Bilfinger Berger AG	8,108	8,108	8,108	8,108
- CH. Thawee Construction Company Limited	18	-	18	-
	<u>8,126</u>	<u>8,108</u>	<u>8,126</u>	<u>8,108</u>
Total other receivables - related parties	<u>186,199</u>	<u>69,174</u>	<u>2,741,979</u>	<u>2,583,923</u>

c) Advance payment to subcontractor - related party

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Subsidiary	-	-	27,781	50,096

(Unaudited but reviewed)

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

These loans carry interest rates at LIBOR plus a stipulated margin and MLR minus a stipulated margin per annum and are due at call. Loans to Joint Venture BBCD are granted with a condition waiving interest and 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.

As at 30 June 2017 and 31 December 2016, 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 2016	Increase during the period	Decrease during the period	Balance as at 30 June 2017
		(Audited)			
Joint Venture BBCD	Joint operation	283,913	-	-	283,913
		(Unit: Thousand Baht)			
		Separate financial statements			
Loans to	Related by	Balance as at 31 December 2016	Increase during the period	Decrease during the period	Balance as at 30 June 2017
		(Audited)			
- Construction Material Supply Company Limited	Subsidiary	20,651	6,073	(26,724)	-
- CH. Karnchang (Lao) Company Limited	Subsidiary	4,154,845	-	(1,336,769)	2,818,076
- Prasertwit Construction Limited Partnership	Subsidiary	42,655	178	(42,833)	-
- Joint Venture BBCD	Joint operation	3,726,253	-	-	3,726,253
		7,944,404	6,251	(1,406,326)	6,544,329
Less: Allowance for doubtful accounts		(3,442,340)			(3,442,340)
		4,502,064			3,101,989

e) Long-term loans to associated company and interest receivable

As at 30 June 2017 and 31 December 2016, the balances of long-term loans to associated company and interest receivable between the Company and the associated company and the movement are as follows:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	Balance as at 31 December 2016 (Audited)	Increase during the period	Decrease during the period	Balance as at 30 June 2017
Loans:				
- Xayaburi Power Company Limited	10,055,430	569,130	-	10,624,560
Interest receivable:				
- Xayaburi Power Company Limited	304,280	335,106	-	639,386
	<u>10,359,710</u>	<u>904,236</u>	<u>-</u>	<u>11,263,946</u>

On 16 May 2016, a meeting of the Company's Board of Directors passed a resolution to provide financial support to Xayaburi Power Company Limited (an associated company of CK Power Public Company Limited), and on 17 May 2016, the Company entered into a Sponsor Loan Agreement under which it will provide loans of Baht 13,547 million to that company to fund additional construction work on the Xayaburi Hydroelectric Power Project. The loans are to carry interest at the Minimum Loan Rate plus 0.25 percent (MLR + 0.25%) per annum during the construction period and the Minimum Loan Rate (MLR) from the Commercial Operation Date (within the year 2019). The loans are to be repaid in accordance with the loan repayment schedule for the loans from the financial institutions for this project and full settlement is to be made no later than 2031, however, that the payment of interest and principal will be subject to the cash flows available to the shareholders after fulfillment of all conditions stipulated in the long-term loan agreements.

As at 30 June 2017, Xayaburi Power Company Limited has drew Baht 10,625 million of these loans from the Company.

(Unaudited but reviewed)

f) Long-term loans to related company and interest receivable

The loan is subject to interest at the Minimum Loan Rate less 0.01 percent (MLR - 0.01%) per annum and due for repayment after Nakhon Ratchasima Solar Company Limited has paid all indebtedness under the loan agreement from a financial institution.

As at 30 June 2017 and 31 December 2016, the balances of long-term loans to related company and interest receivable between the Company and the related company and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Balance as at 31 December 2016 (Audited)	Increase during the period	Decrease during the period	Balance as at 30 June 2017
Loans:				
- Nakhon Ratchasima Solar Company Limited	8,700	-	(2,400)	6,300
Interest receivable:				
- Nakhon Ratchasima Solar Company Limited	553	220	(553)	220
	<u>9,253</u>	<u>220</u>	<u>(2,953)</u>	<u>6,520</u>

g) Trade accounts payable - related parties (Note 11)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016 (Audited)	30 June 2017	31 December 2016 (Audited)
Subsidiaries	-	-	122,536	103,861
Joint arrangements	10	87	10	86
Associated company	667	12,840	-	12,840
Related parties (common directors)				
- Bangpa-in Land Company Limited	111	-	111	-
- TTW Public Company Limited	291	105	291	105
- Other related companies and related parties	1	115	1	109
	<u>403</u>	<u>220</u>	<u>403</u>	<u>214</u>
Other joint operators				
- CH. Thawee Construction Company Limited	53,959	16,105	53,959	16,105
- Krungthon Engineers Company Limited	-	96	-	96
- Sino-Thai Engineering and Construction Public Company Limited	1,594	-	1,594	-
	<u>55,553</u>	<u>16,201</u>	<u>55,553</u>	<u>16,201</u>
Total trade accounts payable - related parties	<u>56,633</u>	<u>29,348</u>	<u>178,502</u>	<u>133,202</u>

(Unaudited but reviewed)

h) Amounts due to related parties (Note 11)

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)
Other payable				
Associated company				
- Bangkok Expressway and Metro Public Company Limited	980,303	1,029,562	980,303	1,029,562
Other joint operator				
- Bilfinger Berger AG	20,017	20,017	20,017	20,017
Total other payables	1,000,320	1,049,579	1,000,320	1,049,579
Payable from purchase of investment				
Associated company				
- Bangkok Expressway and Metro Public Company Limited	469,741	769,741	469,741	769,741
Total amounts due to related parties	1,470,061	1,819,320	1,470,061	1,819,320

i) Advances received from employers - related parties

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)
Associated companies				
- Bangkok Expressway and Metro Public Company Limited	317	3,906	317	3,906
- Nam Ngum 2 Power Company Limited	4,997	89,235	-	-
	5,314	93,141	317	3,906
Related company (common directors)				
- TTW Public Company Limited	-	8,948	-	8,948
Total advances received from employers - related parties	5,314	102,089	317	12,854

j) Retention for construction - related parties

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)
Subsidiary	-	-	13,438	11,797
Other joint operators				
- CH. Thawee Construction Company Limited	8,995	2,364	8,995	2,364
- Krungthon Engineers Company Limited	408	7,700	408	7,700
Total retention for construction - related parties	9,403	10,064	22,841	21,861

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	42,745	43,276	35,872	36,158
Post-employment benefits	1,227	1,368	1,085	1,166
Total	<u>43,972</u>	<u>44,644</u>	<u>36,957</u>	<u>37,324</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	90,215	101,103	74,742	85,831
Post-employment benefits	2,454	2,736	2,170	2,333
Total	<u>92,669</u>	<u>103,839</u>	<u>76,912</u>	<u>88,164</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 23.4 to the interim financial statements.

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016 (Audited)	30 June 2017	31 December 2016 (Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,501,425	1,531,382	311,347	255,689
Past due				
Up to 3 months	125,627	1,386,955	125,627	43,335
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	285,522	285,522
Total trade receivables - related parties	1,627,052	2,918,337	722,496	584,546
Retention receivable as per contract	51,333	114,406	42,092	105,165
Total	1,678,385	3,032,743	764,588	689,711
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,845,590	3,545,208	2,643,945	3,336,217
Past due				
Up to 3 months	61,524	35,313	52,520	-
3 - 6 months	-	499	-	-
6 - 12 months	-	6,741	-	6,741
Over 12 months	219,675	225,051	219,675	216,021
Total	3,126,789	3,812,812	2,916,140	3,558,979
Less: Allowance for doubtful debts	-	(9,030)	-	-
Total trade receivables - unrelated parties, net	3,126,789	3,803,782	2,916,140	3,558,979
Retention receivable as per contract	195,323	209,838	136,104	143,382
Total	3,322,112	4,013,620	3,052,244	3,702,361
Total trade receivable - net	5,000,497	7,046,363	3,816,832	4,392,072
<u>Other receivables</u>				
Other receivables - related parties	186,199	69,174	2,741,979	2,583,923
Other receivables - unrelated parties	3,503	224,917	101	211,956
Accrued income	525,359	579,458	525,042	579,140
Interest receivable	127	220	14	174
Total other receivables	715,188	873,769	3,267,136	3,375,193
Total trade and other receivables - net	5,715,685	7,920,132	7,083,968	7,767,265

(Unaudited but reviewed)

(Unit: Thousand Baht)

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	30 June 2017	31 December 2016 (Audited)
<u>Long-term trade accounts receivable</u>		
Unrelated party	13,334,940	14,095,406

Long-term trade receivable - unrelated party

The balances represent construction contract receivables from the Agreement for Project Management, as well as for Supply and Installation of M&E Systems in the MRT Purple Line Project which the Company, as the contractor, signed with Bangkok Expressway and Metro Public Company Limited.

The Company performs construction works and records construction receivable on a percentage of completion basis, to the extent that the Mass Rapid Transit Authority of Thailand (“MRTA”) has already issued acceptance certificates. All construction contract receivables are due for billing on the date of the letter of Commissioning Certificate for operation on the MRT Purple Line Project, and the Company will receive payment for the work on a monthly basis, when Bangkok Expressway and Metro Public Company Limited receives compensation from the MRTA. Bangkok Expressway and Metro Public Company Limited entered into an agreement to assign the proceeds under the agreement made with the MRTA to the Company, for use as collateral with the lender banks.

On 6 August 2016, the Company completed the construction works and delivered the project to the owner. The Company will receive payment for the work on a monthly basis as agreed under the construction contract. As at 30 June 2017, the Company therefore reclassified the related trade receivable of Baht 1,642 million as current assets under the caption of “Trade and other receivables”.

5. Restricted bank deposits

The outstanding balances represent bank deposit accounts which have been pledged with banks to secure the issuance of bank guarantees for electricity utilisation, bidding, issuance of other bank guarantees, letters of credit opened for the Company, and as a guarantee of credit facilities of a subsidiary.

(Unaudited but reviewed)

6. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Separate financial statements						Dividend received during the six-month periods ended 30 June	
	Paid-up capital		Shareholding percentage		Cost		2017	2016
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016		
		(Audited)	(%)	(%)		(Audited)		
Construction Material Supply Company Limited	-	100,000	-	99.99	-	99,999	-	-
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	33,000	55,000
CH. Karnchang (Lao) Company Limited (paid-up share capital of USD 1,000,000)	39,636	39,636	100.00	100.00	39,636	39,636	-	-
Total					253,036	353,035	33,000	55,000
Less: Allowance for loss on investments in subsidiaries					(1,559)	(1,559)		
Total investments in subsidiaries - net					251,477	351,476		

Construction Material Supply Company Limited

In February 2017, the Company sold all 999,992 ordinary shares of Construction Material Supply Company Limited to a third party company, representing 99.99 percent of the registered capital of such company, at a price of approximately Baht 90 per share, or for a total of Baht 90 million. The Company recorded a gain on the sale of the investment in the subsidiary of approximately Baht 39 million in profit or loss in the consolidated financial statement for the first quarter of 2017 (Separate financial statement: recorded a loss on the sale of the investment in such subsidiary of approximately Baht 9.99 million under administrative expenses). The Company has therefore excluded the financial statements of Construction Material Supply Company Limited from the consolidated financial statements since March 2017.

Total assets, total liabilities and cash and cash equivalents of Construction Material Supply Company Limited as at the date when the Company ceases its control in that company were Baht 117 million, Baht 61 million and Baht 4 million, respectively.

(Unaudited but reviewed)

7. Investments in associated companies

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method		Fair value ⁽¹⁾	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
			(%)	(%)		(Audited)		(Audited)		(Audited)
Bangkok Expressway and Metro Public Company Limited (29.98 percent held by the Company and 0.89 percent indirectly held by a subsidiary (31 December 2016: 29.73 percent held by the Company and 0.89 percent indirectly held by a subsidiary))	Construction and management of the expressway, the operation of metro services and commercial development	Thailand	30.87	30.62	18,784,081	18,502,583	16,531,993	16,197,948	34,918,985	34,643,634
CK Power Public Company Limited	Making investment in other companies	Thailand	28.77	28.77	4,798,487	4,798,487	3,107,747	3,238,389	6,954,504 ⁽²⁾	7,505,775 ⁽²⁾
Total					23,582,568	23,301,070	19,639,740	19,436,337	41,873,489	42,149,409

⁽¹⁾ Fair value is based on the latest bid price of the last working day of December 2016 and June 2017 as quoted on the Stock Exchange of Thailand.

⁽²⁾ This fair value excludes the fair values of warrants amounting to Baht 264 million (31 December 2016: Baht 305 million).

(Unaudited but reviewed)

(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		Fair value ⁽¹⁾		Dividend received during six-month periods ended 30 June	
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	2017	2016
			(%)	(%)		(Audited)		(Audited)		(Audited)		(Audited)		
Bangkok Expressway and Metro Public Company Limited	Construction and management of the expressway, the operation of metro services and commercial development	Thailand	29.98	29.73	18,069,796	17,788,298	(299,928)	(299,928)	17,769,868	17,488,370	33,907,702	33,632,350	274,927	301,344
CK Power Public Company Limited	Making investment in other companies	Thailand	28.77	28.77	4,798,487	4,798,487	-	-	4,798,487	4,798,487	6,954,504 ⁽²⁾	7,505,775 ⁽²⁾	127,217	49,713
Total					22,868,283	22,586,785	(299,928)	(299,928)	22,568,355	22,286,857	40,862,206	41,138,125	402,144	351,057

⁽¹⁾ Fair value is based on the latest bid price of the last working day of December 2016 and June 2017 as quoted on the Stock Exchange of Thailand.

⁽²⁾ This fair value excludes the fair values of warrants amounting to Baht 264 million (31 December 2016: Baht 305 million).

Bangkok Expressway and Metro Public Company Limited

In March 2017, the Company purchased 37 million ordinary shares of Bangkok Expressway and Metro Public Company Limited amounting to Baht 281 million, as a result, its interest in the equity of such company increased from 29.73 percent to 29.98 percent.

The Company is subject to restrictions on the sale, transfer or creation of obligations with respect to some share certificates for its investment in Bangkok Expressway and Metro Public Company Limited, in compliance with a condition of the Company's long-term loans and debentures.

A subsidiary has pledged some of the share certificates for its investment in Bangkok Expressway and Metro Public Company Limited with a bank to secure its short-term loans from the bank.

CK Power Public Company Limited

The Company has, at no cost, 586.3 million warrants to purchase newly issued ordinary shares of the associate at a ratio of 1 warrant to 1 ordinary share, with an exercise price of Baht 6 per share. The warrants have an exercise period of 5 years and are exercisable on the last business day of each quarter over the term of the warrants. The first and the last exercise dates are 30 September 2015 and 28 May 2020, respectively.

(Unaudited but reviewed)

8. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Shareholding percentage	Investments		Shareholding percentage	Investments	
		30 June 2017	31 December 2016		30 June 2017	31 December 2016
Percent		(Audited)	Percent		(Audited)	
<u>Investments in available-for-sale - related</u>						
<u>company</u>						
TTW Public Company Limited	19.40	5,810,452	5,810,452	19.40	1,255,736	1,255,736
Add: Unrealised gain on changes in value of investments		2,394,772	2,472,180		6,949,488	7,026,896
		8,205,224	8,282,632		8,205,224	8,282,632
<u>Other investments - other companies</u>						
Bangkok Tokyu Department Store Company Limited	19.00	2,280	2,280	-	-	-
Kruasakul Company Limited	10.14	43,750	43,750	10.14	43,750	43,750
The Bangkok Club Company Limited	0.57	3,000	3,000	0.57	3,000	3,000
Chanthaburi Country Club Company Limited	0.25	2,708	2,708	0.25	2,708	2,708
Saha Tokyu Corporation Company Limited	5.00	16,600	16,600	-	-	-
		68,338	68,338		49,458	49,458
Less: Provision for loss on diminution in value of investments		(43,750)	(43,750)		(43,750)	(43,750)
		24,588	24,588		5,708	5,708
<u>Investments in held-to-maturity debt</u>						
<u>securities</u>						
Subordinated Debentures of Bangkok Bank Public Company Limited No. 1/2012		5,000	5,000		5,000	5,000
		5,000	5,000		5,000	5,000
Other long-term investments, net		8,234,812	8,312,220		8,215,932	8,293,340

(Unaudited but reviewed)

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	8,609,985	5,527,676
Acquisitions during period - at cost	632,716	593,975
Disposals/write off during period - net book value at disposal/write off date	(71,056)	(6,904)
Disposal of the subsidiary during the period - net book value at disposal date	(72,050)	-
Depreciation for period	(473,799)	(183,391)
Reclassification/transfer out	(350,770)	(245,752)
Net book value as at 30 June 2017	<u>8,275,026</u>	<u>5,685,604</u>

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

Bank overdrafts and short-term loans from financial institutions as at 30 June 2017 and 31 December 2016 are comprised of:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)
Short-term loans from banks	2,580,000	3,805,978	2,580,000	3,805,978
Trust receipts	2,090,562	2,535,556	103,568	459,978
Bills of exchange	1,574,007	3,190,000	1,574,007	3,190,000
Total	<u>6,244,569</u>	<u>9,531,534</u>	<u>4,257,575</u>	<u>7,455,956</u>

Parts of the short-term loans from financial institutions of the Company are secured by the transfer of rights over collection of revenues from construction projects.

(Unaudited but reviewed)

Bank overdrafts and short-term loans from financial institutions of subsidiaries are secured by certain saving deposits of a subsidiary, certain share certificates of Bangkok Expressway and Metro Public Company Limited owned by a subsidiary, the transfer of the rights over saving deposits of a subsidiary, the transfer of rights over receipt of payment under construction contracts of subsidiaries, the transfer of bank guarantees provided by subcontractors and are guaranteed by the Company and subsidiaries' shareholders.

Trust receipts of subsidiaries are guaranteed by the Company.

11. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade payables - related parties	56,633	29,348	178,502	133,202
Trade payables - unrelated parties	5,338,805	3,942,125	2,998,400	2,446,227
Amounts due to related parties	1,470,061	1,819,320	1,470,061	1,819,320
Accrued interest expenses	155,966	182,163	155,966	181,992
Accrued expenses	303,687	450,729	177,337	293,638
Other payables	25,510	17,283	24,342	13,277
Total trade and other payables	<u>7,350,662</u>	<u>6,440,968</u>	<u>5,004,608</u>	<u>4,887,656</u>

12. Long-term loans

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Long-term loans	17,219,103	19,179,021	17,219,103	18,534,981
Less: Current portion	<u>(3,609,230)</u>	<u>(4,547,791)</u>	<u>(3,609,230)</u>	<u>(3,903,751)</u>
Long-term loans - net of current portion	<u>13,609,873</u>	<u>14,631,230</u>	<u>13,609,873</u>	<u>14,631,230</u>

(Unaudited but reviewed)

Movements in the long-term loans account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	19,211,200	18,552,028
Add: Additional borrowings during the period	1,451,421	1,451,421
Less: Repayment during the period	(3,428,330)	(2,769,158)
Less: Deferred front end fees	(15,188)	(15,188)
Balance as at 30 June 2017	<u>17,219,103</u>	<u>17,219,103</u>

Partial long-term loans of the Company are secured by the transfer of rights over collection of revenues from construction projects.

Under the loan agreement, the Company is required to comply with the same conditions and restrictions as those applicable for the Company's debentures (as described in Note 13) and to maintain a certain debt to equity ratio.

13. Debentures

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	30 June 2017	31 December 2016
		(Audited)
Debentures	28,479,591	28,479,667
Less: Current portion of debentures	-	(2,000,000)
Debentures, net of current portion	<u>28,479,591</u>	<u>26,479,667</u>

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 or 6 months in accordance with the conditions of each debentures issuance.

The conditions of the debentures include covenants that, among other things, prohibit the Company from selling, transferring or creating any commitments with respect to some share certificates for its investment in an associated company and some plots of land of the Company, and require it to maintain a certain debt to equity ratio.

(Unaudited but reviewed)

Movements in the debentures account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2017	28,500,000
Add: Issuance of debentures during the period	6,000,000
Less: Repayment debentures during the period	(6,000,000)
	<hr/> 28,500,000
Less: Deferred debenture issuing costs	(20,409)
Balance as at 30 June 2017	<hr/> <hr/> 28,479,591

In April 2017, the Company redeemed Baht 2,000 million of debentures that had terms of 4 years 9 months and coupon rate of 5.5 percent per annum.

On 26 May 2017, the Company issued and offered debentures as follows:

- a) Debenture No. 1/2017 Tranche 1: 2,250,000 units or a total of Baht 2,250 million, with a term of 4 years, and bearing interest at a rate of 2.97 percent per annum.
- b) Debenture No. 1/2017 Tranche 2: 1,600,000 units, or a total of Baht 1,600 million, with a term of 7 years, and bearing interest at a rate of 3.80 percent per annum.
- c) Debenture No. 1/2017 Tranche 3: 1,150,000 units, or a total of Baht 1,150 million, with a term of 10 years, and bearing interest at a rate of 4.19 percent per annum.
- d) Debenture No. 1/2017 Tranche 4: 1,000,000 units, or a total of Baht 1,000 million, with a term of 12 years, and bearing interest at a rate of 4.32 percent per annum.

In June 2017, the Company redeemed Baht 4,000 million of debentures that had terms of 2 years 3 months and coupon rate of 4.16 percent per annum.

14. Provision for long-term employee benefits

Provision for long-term employee benefits as at 30 June 2017, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Defined benefit obligation at 1 January 2017	612,159	299,557
Current service cost and interest cost	89,675	51,380
Benefits paid during the period	(20,599)	(7,240)
Decrease from disposal of the subsidiary during the period	(9,273)	-
Provisions for long-term employee benefits at 30 June 2017	671,962	343,697

15. Accounts receivable - claims for additional costs

Accounts receivable - claims for additional costs represents receivable arising from claims lodged by Joint Venture BBCD since 2000 for payment of additional construction costs by the Expressway Authority of Thailand (the employer), which are in the legal process. On 15 September 2011, the Civil Court handed down a judgment ruling that the employer was to pay the Joint Venture BBCD Baht 1,750 million (per the Company's interest in the joint operation) together with interest at a rate of 7.5 percent per annum on the principal from 15 February 2007 to the date that employer pays the debt to the Joint Venture BBCD. The employer and the Joint Venture BBCD appealed the ruling to the Appeal Court.

On 27 December 2013, the Appeal Court overturned the judgment made in favor of the Joint Venture BBCD. Subsequently, in February 2014 the joint venture filed an appeal with the Supreme Court, petitioning it to enforce the employer's payment of all additional costs and accrued interest until payment is made.

Subsequently, on 22 June 2017, the Supreme Court affirmed the judgment of the Appeal Court in favor of the Joint Venture BBCD. Currently, the joint venture is considering taking further legal action.

16. Assets and liabilities in foreign currencies

As at 30 June 2017 and 31 December 2016, the balances of the net assets (liabilities) of the Company and its subsidiaries outstanding in foreign currencies, were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
US Dollar (Million USD)	(23)	(32)	-	-
Euro (Million Euros)	-	(3)	-	(2)

17. Derivative financial instruments**Foreign exchange contracts**

As at 30 June 2017 and 31 December 2016, the outstanding foreign exchange contracts of the Company and its subsidiary are summarised below.

30 June 2017				
Foreign currency	Bought amount (Million)	Contractual exchange rate - Bought (Baht per 1 foreign currency unit)	Contractual Maturity date	Fair value Gain (loss) (Million Baht)
US Dollar	70	33.48 - 35.48	July 2017 to March 2020	(69)
Euro	31	37.18 - 37.99	July 2017 to March 2018	54
Yen	105	0.3094	July 2017	(1)

31 December 2016				
Foreign currency	Bought amount (Million)	Contractual exchange rate - Bought (Baht per 1 foreign currency unit)	Contractual Maturity date	Fair value Gain (Million Baht)
US Dollar	22	33.39 - 35.48	January 2017 - October 2017	29

The Company and its subsidiary use foreign exchange contracts to hedge cash flow risk arising from changes in foreign exchange rates.

During the three-month and six-month periods ended 30 June 2017, the Company and its subsidiary recognised an unrealised gain and loss of approximately Baht 22 million and Baht 18 million (net of income tax), respectively, as a result of changes in the fair value of foreign exchange contracts in other comprehensive income.

Interest rate swap agreements

The Company entered into interest rate swap agreements with a local commercial bank to manage risk associated with some of its debentures, carrying interest at fixed rates. As at 30 June 2017, the Company has interest rate swap agreements for a total notional amount of debentures of Baht 1,000 million, to swap fixed interest rate of 5.4 percent per annum to the Minimum Loan Rate minus stipulated margins (MLR - margin) per annum. The interest rate swap agreements terminate in July 2018.

18. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	33,194	60,053	25,468	59,680
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,648)	4,836	(1,402)	4,790
Income tax expense reported in the statements of comprehensive income	<u>31,546</u>	<u>64,889</u>	<u>24,066</u>	<u>64,470</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	47,065	102,326	39,233	90,498
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,603)	15,045	(5,476)	14,898
Income tax expense reported in the statements of comprehensive income	<u>43,462</u>	<u>117,371</u>	<u>33,757</u>	<u>105,396</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to				
Gain (loss) on changes in value of available- for-sale investments	(1,080)	170,316	(1,080)	170,316
Unrealised gain (loss) from cash flow hedges	9,620	(1,126)	9,620	(1,126)
	<u>8,540</u>	<u>169,190</u>	<u>8,540</u>	<u>169,190</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to				
Gain (loss) on changes in value of available- for-sale investments	(15,693)	92,877	(15,693)	92,877
Unrealised gain from cash flow hedges	7,482	6,087	7,482	6,087
	<u>(8,211)</u>	<u>98,964</u>	<u>(8,211)</u>	<u>98,964</u>

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

20. Contracts in progress

As at 30 June 2017, the aggregate amount of construction cost incurred and recognised profits or losses to date for contracts in progress of the Company and its subsidiaries was approximately Baht 176,207 million (31 December 2016: Baht 156,774 million) (Separate financial statements: Baht 94,458 million (31 December 2016: Baht 84,567 million)), gross amounts due from customers for contracts in progress were approximately Baht 7,727 million (31 December 2016: Baht 4,949 million) (Separate financial statements: Baht 5,258 million (31 December 2016: Baht 3,211 million)), and gross amounts due to customers for contracts in progress were approximately Baht 2,357 million (31 December 2016: Baht 3,110 million) (Separate financial statements: Baht 2,038 million (31 December 2016: Baht 2,299 million)).

21. Segment information

The Group is principally engaged in construction and provision of related services, and investment in infrastructure. During the current period, the Group has not changed the organisation of its reportable segments.

Inter-segment revenues are eliminated on consolidation.

Operating segment information for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

For the three-month periods ended 30 June	(Unit: Million Baht)					
	Construction and related service segment		Investment in infrastructure business segment		Consolidated	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue						
Revenue from external customers	12,262	20,695	352	274	12,614	20,969
Depreciation and amortisation	227	210	-	-	227	210
Administrative expenses	458	299	40	31	498	330
Interest expenses	173	39	174	88	347	127
Segment operating profit	406	940	309	155	715	1,095
Unallocated income and expenses:						
Income tax expenses					(31)	(65)
Profit for the period					<u>684</u>	<u>1,030</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June	Construction and related service segment		Investment in infrastructure business segment		Consolidated	
	2017	2016	2017	2016	2017	2016
	Revenue					
Revenue from external customers	20,360	29,699	587	476	20,947	30,175
Depreciation and amortisation	459	423	-	-	459	423
Administrative expenses	835	683	79	63	914	746
Interest expenses	363	180	350	185	713	365
Segment operating profit	538	1,244	494	228	1,032	1,472
Unallocated income and expenses:						
Income tax expenses					(43)	(117)
Profit for the period					989	1,355

22. Dividend payment

On 28 April 2016, the 2016 Annual General Meeting of the Company's shareholders passed resolutions approving the appropriation of Baht 310 of the 2015 net profit to the statutory reserve and the payment of a dividend of Baht 0.40 per share in respect of the operations of July to December 2015, or a total of Baht 677.6 million. The dividend was paid on 27 May 2016. Together with the payment of an interim dividend of Baht 0.25 per share for the operations of January to June 2015, total dividends for the year 2015 thus amount to Baht 0.65 per share, or a total of Baht 1,101 million.

On 28 April 2017, the 2017 Annual General Meeting of the Company's shareholders passed resolutions approving an appropriation of profit the 2016 to make a dividend payment of Baht 0.25 per share in respect of the operations of July to December 2016, or a total of Baht 423.4 million. The dividend was paid on 26 May 2017. Together with the payment of an interim dividend of Baht 0.25 per share for the operations of January to June 2016, total dividends for the year 2016 thus amount to Baht 0.50 per share, or a total of Baht 847 million.

23. Commitments and contingent liabilities

23.1 Capital commitments

As at 30 June 2017, the Company and its subsidiary had capital commitment of approximately Baht 32 million (31 December 2016: Baht 48 million) (Separate financial statements: Baht 2 million (31 December 2016: Baht 8 million)) relating to the acquisition of equipment.

23.2 Operating lease commitments

As at 30 June 2017, the Company and its subsidiary had rental commitments totaling Baht 8 million (31 December 2016: Baht 10 million) (Separate financial statements: Baht 6 million (31 December 2016: Baht 9 million)) in respect of lease agreements for office building space and office equipment.

23.3 Service commitments and other commitments

As at 30 June 2017, the Company and its subsidiaries have the following service commitments and other commitments:

- a) The Company and its subsidiaries have commitments totaling Baht 22,882 million and USD 134 million (31 December 2016: Baht 19,085 million and USD 259 million) (Separate financial statements: Baht 16,570 million and USD 3 million (31 December 2016: Baht 12,157 million and USD 6 million)) in respect of project construction costs and services, which the Company and its subsidiaries had already entered into agreements.
- b) The Company has a commitment in respect of its undertakings to provide financial support to an associated company, as stipulated in the conditions in the agreement (as described in Note 3e)).

23.4 Related party guarantees

As at 30 June 2017, the Company has provided guarantees totaling Baht 25,851 million for bank credit facilities on behalf of a subsidiary (31 December 2016: Baht 47,020 million for bank credit facilities on behalf of two subsidiaries).

23.5 Bank guarantees

As at 30 June 2017 and 31 December 2016, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries. The details of bank guarantees are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Guarantee of construction contracts, bidding and debt repayment	19,048	17,785	13,873	12,570
Guarantee of advance payment bond and retention	11,349	10,236	8,550	7,109
Other guarantees	294	327	129	151
	<u>30,691</u>	<u>28,348</u>	<u>22,552</u>	<u>19,830</u>

24. Fair value hierarchy

As of 30 June 2017 and 31 December 2016, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016	2017	2016
		(Audited)		(Audited)		(Audited)		(Audited)
Financial assets measured at fair value								
Held for trade investments								
Equity instruments	6	6	-	-	-	-	6	6
Available-for-sale investments								
Equity instruments	8,205	8,283	-	-	-	-	8,205	8,283
Debt instruments	-	-	1,259	1,125	-	-	1,259	1,125
Derivatives								
Foreign currency forward contracts	-	-	-	29	-	-	-	29
Financial liabilities measured at fair value								
Derivatives								
Foreign currency forward contracts	-	-	15	-	-	-	15	-

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016	2017	2016
		(Audited)		(Audited)		(Audited)		(Audited)
Financial assets measured at fair value								
Held for trade investments								
Equity instruments	6	6	-	-	-	-	6	6
Available-for-sale investments								
Equity instruments	8,205	8,283	-	-	-	-	8,205	8,283
Debt instruments	-	-	1,168	1,084	-	-	1,168	1,084
Derivatives								
Foreign currency forward contracts	-	-	56	15	-	-	56	15

During the current period, there were no transfers within the fair value hierarchy.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 15 August 2017.