

(Translation)

No. CK-17-0000-PO-L-0009

February 27, 2017

Re: Notification of Disposition of Investment in a Subsidiary's Ordinary Shares (Amendment)

Attn.: President of the Stock Exchange of Thailand

CH. Karnchang Public Company Limited (the "Company") hereby informs that the Executive Board's Meeting No. 4/2017 on February 24, 2017 resolved to grant approval for the Company to sell investment in all 999,992 ordinary shares held by the Company in Construction Material Supply Co., Ltd. ("CMS") (its subsidiary), or representing 99.99 percent of CMS's registered capital, to Plus Progress Engineering Co., Ltd., a legal entity which is not connected to the Company (Plus Progress Engineering Co., Ltd. has its major shareholders comprising Para Management Co., Ltd.<sup>1</sup> holding 50 percent of its shares and Exclusive Management Co., Ltd.<sup>2</sup> holding 50 percent of its shares), at the price of Baht 90.00072 per share, totaling Baht 90,000,000, (to ensure the greater clarity of the Company's restructuring and let alone the fact that such business is not the Company's core business, the Company will emphasize operations relating to construction and infrastructure project development only) by applying the adjusted book value approach as the basis for determination of the price under the report on valuation of CMS's shares prepared by a financial advisor, namely, Advisory Plus Co., Ltd. (in its capacity as the financial advisor approved by the Office of the Securities and Exchange Commission), which is of the opinion that it is a proper approach in valuating CMS's shares (currently, CMS operates the business of production and distribution of construction materials, tools and equipment for construction of all kinds, with its registered capital of Baht 100,000,000, divided into 1,000,000 shares, at the par value of Baht 100 each, with its 100-percent paid-up capital). In this case, the financial advisor deems that the appropriate approaches for valuation of CMS's shares are the book value approach and the adjusted book value approach, with the resultant valuation of CMS's shares equal to Baht 61.18 - 88.45 per share.

Remarks: <sup>1</sup> Mrs. Piyaporn Sresthaolarn holds 99.99 percent of shares in Para Management Co., Ltd..

<sup>2</sup> Mrs. Piyaporn Sresthaolarn holds 99.99 percent of shares in Exclusive Management Co., Ltd.

Summary Information relating to Financial Position and Operational Results of CMS

Unit: Baht	As at December 31, 2014	As at December 31, 2015	As at September 30, 2016
<b>Statement of Financial Position</b>			
<b>Assets</b>			
Current assets	83,603,979	54,428,805	37,861,601
Non-current assets	111,687,546	97,430,466	86,483,528
<b>Total assets</b>	<b>195,291,525</b>	<b>151,859,271</b>	<b>124,345,129</b>
<b>Liabilities and shareholders' equity</b>			
Current liabilities	96,376,926	87,561,302	44,895,905
Non-current liabilities	47,592,976	31,466,266	18,264,827
<b>Total liabilities</b>	<b>143,969,902</b>	<b>119,027,568</b>	<b>63,160,732</b>
Shareholders' equity	51,321,623	32,831,703	61,184,397
<b>Total liabilities and shareholders' equity</b>	<b>195,291,525</b>	<b>151,859,271</b>	<b>124,345,129</b>
<b>Statement of Comprehensive Income</b>			
	<b>For 2014</b>	<b>For 2015</b>	<b>For Nine-Month Period in 2016</b>
<b>Total revenues</b>	<b>224,271,052</b>	<b>193,014,286</b>	<b>157,600,128</b>
<b>Total expenses (including financial cost)</b>	<b>231,545,783</b>	<b>211,504,206</b>	<b>129,247,433</b>
<b>Net profit/ (net loss)</b>	<b>(7,274,731)</b>	<b>(18,489,920)</b>	<b>28,352,695</b>

Such transaction is not subject to consideration under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004), due to calculation of the transaction volume under the maximum value, namely, basis of value of acquired or disposed assets under the consolidated financial statements as at September 30, 2016 (calculation of the total value of consideration, including loans, guarantee burden and other obligations in the amount of Baht 166,000,000, was already made; however, currently, all such obligations have already been fulfilled), representing 0.28 percent, which is lower than 15 percent. Moreover, such transaction is not within the scope of connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) since it is execution of the transaction with the person/legal entity which is not the Company's connected person.

However, such transaction is the transaction on disposition of investment in CMS, which causes CMS to no longer be the Company's subsidiary and represents cancellation of investment in other company at the rate exceeding 10 percent of such company's paid-up capital, the listed Company is thus required to disclose such information to the Stock Exchange of Thailand in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Any Acts of Listed Companies.

Please be informed accordingly.

Very truly yours,

-Signature-

(Dr. Anukool Tuntimas)

Director and Executive Vice President,  
Human Resource and General Administration