

(Translation)

Information Memorandum on Connected Transaction

**Nam Ngum 2 Power Company Limited's Execution of the Engagement Agreement
for Improvement of Voltage and Construction of the 230/500 kV Nabong
Substation with CH. Karnchang (Lao) Co., Ltd.**

by

CK Power Public Company Limited

**Supporting Documents of the 2016 Annual Ordinary
General Meeting of Shareholders
Tuesday, April 19, 2016**

(Translation)

**Nam Ngum 2 Power Company Limited's Execution of the Engagement Agreement
for Improvement of Voltage and Construction of the 230/500 kV Nabong
Substation with CH. Karnchang (Lao) Co., Ltd.**

1. Transaction Date

Nam Ngum 2 Power Company Limited ("NN2") will enter into the Engagement Agreement for Improvement of Voltage and Construction of the 230/500 kV Nabong Substation) on an engineering, procurement and construction contract (EPC Contract) with CH. Karnchang (Lao) Co., Ltd. ("CHK") after receipt of approval by the 2016 Annual Ordinary General Meeting of Shareholders of CK Power Public Company Limited (the "Company"), to be held on April 19, 2016, and upon the Company's giving notice of approval to SouthEast Asia Energy Limited ("SEAN") and NN2.

2. Related Parties

Employer: Nam Ngum 2 Power Company Limited ("NN2")
Contractor: CH. Karnchang (Lao) Co., Ltd. ("CHK")

The relationship between CHK and the Company is as follows:

- The Company holds shares representing 56 percent of the registered and paid-up capital of SEAN, and SEAN holds shares representing 75 percent of the registered and paid-up capital of NN2 (information as at March 2, 2016), and NN2 is the Company's core company, therefore, NN2 is a subsidiary of the Company.

CH. Karnchang Public Company Limited ("CK") holds all shares in CHK (information as at March 2, 2016); therefore, CHK is a subsidiary of CK.

CK holds shares representing 30.25 percent of the registered and paid-up capital of the Company (information as at March 2, 2016); therefore, CK is the major shareholder of both the Company and CHK.

Therefore, the execution of such transaction is a transaction between the Company's subsidiary and a connected person, and as such, it is considered the execution of a connected transaction.

- The Company's directors who serve as directors in CK, and the Company's directors who are related with such directors, and thus considered as interested directors, include Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, Dr. Supamas Trivisvavet, and Mr. Thanawat Trivisvavet.

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- As at March 8, 2016, there are four common directors of the Company and CK, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, and Dr. Supamas Trivisvavet.

3. General Characteristics, Category and Volume of the Transaction

Reference is made to the fact that NN2 executed the Power Purchase Agreement with the Electricity Generating Authority of Thailand (“EGAT”) on March 26, 2006, and pursuant to the conditions of the Agreement, NN2 is allowed to temporarily distribute electricity at 230 Kilovolt (kV) to the delivery point via the 500 kV transmission line until EGAT would enter into power purchase agreements from other projects in the Lao PDR at the same delivery point. By then, NN2 would have to upgrade the distribution of electricity in respect of the Nam Ngum 2 Hydroelectric Power Project to be 500 kV within 56 months, at NN2’s own expense. In addition, NN2 would have to allow other projects that entered into power purchase agreements with EGAT to connect and transmit electricity at 500 kV at the Nabong Substation. Subsequently, EGAT executed a power purchase agreement with a project in the Lao PDR, which electricity must be transmitted at such Nabong Substation. EGAT then gave notice to NN2 to carry out such improvement of the Nabong Substation to complete the upgrade of the existing voltage to 500 kV by May 2018.

Moreover, pursuant to the conditions of the Concession Agreement of the Nam Ngum 2 Hydroelectric Power Project, NN2 shall grant the right to connect the transmission system of the Lao PDR with that of other future projects to transmit electricity at the Nabong Substation to the delivery point via the 500 kV transmission line. NN2 and the government of the Lao PDR thus concluded the Framework Agreement in March 2014, requiring NN2 to carry out improvement of voltage and construction of the Nabong Substation to accommodate potential electricity from other projects in the future. In this regard, the government of the Lao PDR would compensate NN2 in the form as mutually agreed upon on the principle of no gain, no loss for NN2 from such additional investment.

NN2 then considered proposing engagement of CHK, a subsidiary of CK and contractor for construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project, having expertise and experience in construction of various types of power projects, to carry out such improvement of voltage and construction of the Nabong Substation, with the scheduled construction completion by May 2018, with the service fee on a lump sum turnkey contract basis not exceeding Baht 799,850,000 and USD 39,113,320 (excluding value added tax) (Remark: The total value of this transaction in Thai Baht is approximately Baht 2,192.30 Million, calculated at the Weighted-average Interbank Exchange Rate, published by the Bank of Thailand on March 2, 2016, at Baht 35.60 per US Dollar).

Given the fact that the execution of this transaction by NN2, as a subsidiary of the Company, on engagement of CHK, as a subsidiary of CK which is the Company’s major shareholder, is considered a connected transaction. Therefore, when combined with the connected transactions between NN2 and CHK during the past six months, the volume of all connected transactions is 17.76 percent of the net tangible assets (NTA) of the Company’s consolidated financial statements as at December 31, 2015. Such transaction is considered a connected transaction in the category of large-sized assets and services under the Notification of the Capital

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Market Supervisory Board No. ThorChor. 21/2551, Re: Rules on Connected Transactions, dated August 31, 2008, 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 Connected Transactions B.E. 2546 (2003), dated November 19, 2003.

The details of the Agreement can be summarized below.

3.1 Transaction Date

NN2 will enter into the Lump Sum Turnkey Agreement for Improvement of Voltage and Construction of the 230/500 kV Nabong Substation with CHK after receipt of approval by the Company's 2016 Annual Ordinary General Meeting of Shareholders, to be held on April 19, 2016, and upon the Company's giving notice of approval to SouthEast Asia Energy Limited ("SEAN") and NN2.

3.2 Contractual Parties and Relationship of the Contractual Parties

Employer: Nam Ngum 2 Power Company Limited ("NN2")

Contractor: CH. Karnchang (Lao) Co., Ltd. ("CHK")

As at March 8, 2016, the relationship between CHK and the Company is as follows:

- The Company holds 369,977,999 shares representing 56 percent of the registered and paid-up capital of SEAN, and SEAN holds 660,675,000 shares representing 75 percent of the registered and paid-up capital of NN2 (information as at March 2, 2016), and NN2 is the Company's core company, therefore, NN2 is a subsidiary of the Company.
- CH. Karnchang Public Company Limited ("CK") holds all shares in CHK; therefore, CHK is a subsidiary of CK. In addition, CK holds 2,229,275,478 shares representing 30.25 percent of the registered and paid-up capital of the Company (information as at March 23, 2016); therefore, CK is the major shareholder of both the Company and CHK.
- There are four common directors of the Company and CK, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, and Dr. Supamas Trivisvavet, and the Company's director who is related with CK's said directors is Mr. Thanawat Trivisvavet.

Therefore, the execution of such transaction between NN2 and CHK is a transaction between the Company's subsidiary and a connected person, and as such, it is considered the execution of a connected transaction under the Notification of the Capital Market Supervisory Board No. ThorChor. 21/2551, Re: Rules on Connected Transactions, dated August 31, 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies

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Concerning the Connected Transactions B.E. 2546 (2003), dated November 19, 2003, and their amendments.

3.3 General Characteristics of the Transaction

NN2 will enter into the agreement for engagement of CHK to complete the improvement of voltage and construction of the 230/500 kV Nabong Substation under NN2's obligations as specified in the Power Purchase Agreement dated March 26, 2006 with EGAT, and pursuant to the Framework Agreement with the government of the Lao PDR, with the scheduled construction completion by May 2018, with the service fee on a lump sum turnkey basis not exceeding Baht 799,850,000 and USD 39,113,320 (excluding value added tax). The essence of the Agreement can be summarized as follows:

3.3.1 Scope of the Agreement

Scope of works for improvement of voltage and construction of the 230/500 kV Nabong Substation can be summarized as follows:

1. Improvement of voltage and construction of the 230/500 kV Nabong Substation;
2. Installation of equipment at the 230/500 kV Nabong Substation:
 - Installation of three sets of 230/500 kV transformer, 750 MVA;
 - Installation of two sets of 500 kV reactors, 110 MVAR;
 - Installation of two sets of 230 kV reactors, 40 MVAR;
 - Installation of two sets of 230 kV electrical equipment, communication and prevention systems, in order to accept electricity from the Nam Ngiep 1 Hydroelectric Power Project, including improvement of areas for other future projects;
 - Installation of two sets of 500 kV electrical equipment, communication and prevention systems, in order to transmit electricity from the Nam Ngum 2 Hydroelectric Power Project, the Nam Ngiep 1 Hydroelectric Power Project, and other future projects, to the delivery point at the Thailand - Lao People's Democratic Republic ("Lao PDR") border;
 - Purchase of spare parts and special tools for maintenance to ensure the availability for electricity distribution;

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- Construction of three new control buildings, staff camp, guesthouses and large-sized warehouse.
3. Test on the entire operation of the 230/500 kV Nabong Substation;
 4. Supply of equipment, tools, spare parts and personnel for construction.

3.3.2 Obligations of the Contractual Parties:

Obligations of CHK

- CHK will provide services of improvement of voltage and construction of the 230/500 kV Nabong Substation in accordance with the specified construction period, subject to the provisions in the Engagement Agreement for Improvement of Voltage and Construction of the 230/500 kV Nabong Substation, and in the case of its failure to achieve the goal and/or its non-compliance with such Agreement, CHK will be liable to pay liquidated damages as specified in such Agreement.
- CHK will provide additional services at NN2's written request, whereby the service fee for such additional services will be mutually agreed upon.
- CHK will supply facilities and accommodation for its own personnel, NN2, and contractors during the construction period under the Agreement.

Obligations of NN2

- NN2 will pay CHK such consideration under the Agreement.

3.3.3 Consideration and Payment

1. The contract value equal to consideration payable by NN2 to CHK amounts to not exceeding 799,850,000 and USD 39,113,320 (excluding value added tax).

Remark: The total value of this transaction in Thai Baht is approximately Baht 2,192.30 Million, calculated at the Weighted-average Interbank Exchange Rate, published by the Bank of Thailand on March 2, 2016, at Baht 35.60 per US Dollar.

2. Payment
 - NN2 will make the advance payment to CHK at the rate not exceeding 10 percent of the total contract value.

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- The remaining service fee will be monthly paid by NN2 to CHK throughout the period of the Agreement, subject to the details and conditions as specified in the Agreement.
- Pursuant to the conditions for payment, the payment must be made within 30 days from the date of receipt of an invoice from CHK.
- NN2's late payment under the Agreement will be subject to interest at the rate of MLR+1 per annum.
- Such Lump Sum Turkey Agreement stipulates the conditions for revision of the Interim Payment Schedule in respect of works actually performed and works specified in the Interim Payment Schedule, which must not be more or less than three percent.

3.3.4 Liquidated Damages for Non-Compliance with the Agreement

1. Should CHK fail to complete the improvement of voltage and construction of the 230/500 kV Nabong Substation as planned, CHK is required to pay liquidated damages in the amount as mutually agreed upon in the Agreement.
2. If 230/500 kV transformer losses do not comply with the requirements, CHK is required to pay such damages under the Agreement.
3. CHK is liable to damages in the following cases:
 - Any defects or damage in case the operations of the Substation do not meet the requirements under the Agreement;
 - Any delay in the scheduled completion date of the project (at the rate of 0.1 percent of the project price per day).

3.3.5 Security

1. CHK is required to provide a performance bond issued by any financial institutions, with the value of 7.50 percent of the total consideration, to secure its performance under the Agreement.
2. As at Completion of the Facility, NN2 will return the performance bond to CHK, whereby CHK will have to provide a maintenance bond issued by any financial institutions, with the value of 5.00 percent of all fees, to secure its performance under the Agreement.

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3.3.6 Assignment

NN2 may, without CHK's prior consent, assign its own rights under the Agreement to any of the following persons:

- Creditor(s);
- Successor(s) or legal entity(ies) entrusted by NN2 for project management;
- Person(s) or legal entity(ies) as specified in the Financing Agreement;
- NN2's affiliated company(ies).

In addition, NN2 may assign its own rights under this Agreement to any other persons than those specified above with CHK's prior written approval, which will not be unreasonably withheld.

3.3.7 Termination

Termination by NN2: NN2 is entitled to terminate the Agreement in the following cases:

1. Should CHK become insolvent, or CHK breach this Agreement, and fail to remedy such breach within 10 days (or longer as approved by NN2) from the date of NN2's notice to CHK to remedy such breach, as per the details of the termination in this case as follows:
 - 1.1 NN2 is entitled to carry out construction of such project by itself or engage any third parties to do so, whereby CHK has to discontinue the project and NN2 will not be held liable to all damages so incurred.
 - 1.2 NN2 may terminate the Agreement and take possession of all equipment and tools of CHK for the purpose of completing the project.
 - 1.3 CHK, upon receipt of written notice of termination of the Agreement from NN2, will transfer any and all contractors to NN2 to continue the project.
 - 1.4 CHK provides NN2 with the exclusive right to use its patents in completing the construction of the project and until the Substation is functional in accordance with the Agreement.
 - 1.5 In the event that CHK is terminated in the course of construction, CHK will be liable to all expenses until completion of the project.

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2. After the commencement of the construction, should, in NN2's opinion, the project become economically burdensome, CHK is entitled to compensation for damages for any such works performed under the Agreement.
3. Should there be any delay in the project due to force majeure or any events resulting in work suspension for a period of one year or longer in aggregate, regardless of CHK's reason thereof, a third party shall be engaged to continue the project within 15 days. If, after such 15 days, such force majeure or suspension still continues, this Agreement shall terminate.

Termination by CHK: CHK is entitled to terminate the Agreement in the following cases:

1. Should NN2 become insolvent; or NN2 breach the Agreement due to late payment under the Agreement to CHK for more than 120 days from the due date under the Agreement.
2. In the event that CHK finds that NN2's breach of the Agreement may not be remedied reasonably by way of price adjustment under the Agreement and NN2 fails to remedy such breach within 14 days after CHK's notice to remedy such breach or in the event that NN2 fails to remedy such breach within 30 days after CHK's written notice of such breach (or for a longer period as may be mutually agreed upon by the contractual parties).
3. In the event that CHK terminates the Agreement under this clause, CHK will be compensated for the works performed and completed, as follows:
 - Compensation for the works actually performed based on the Interim Payment Schedule;
 - Costs for relocation of construction materials;
 - Compensation for termination of the contracts with CHK's contractors;
 - Costs for security and clearance of the project.

In this regard, CHK shall exercise its due care and diligence to minimize such costs.

4. Total Value of Consideration and Basis for Determination of Total Value of Consideration

4.1 Total Value of Consideration

The total amount does not exceed Baht 799,850,000 and USD 39,113,320 (excluding value added tax).

4.2 Payment

- NN2 will make the advance payment to CHK at the rate not exceeding 10 percent of the total contract value.
- The remaining service fee will be monthly paid by NN2 to CHK throughout the period of the Agreement, subject to the details and conditions as specified in the Agreement.
- Pursuant to the conditions of payment, the payment must be made within 30 days from the date of receipt of an invoice from CHK.

4.3 Basis for Determination of Total Value of Consideration

NN2 has engaged Pöyry Energy Limited (“Pöyry”) as independent consulting engineer, an internationally accepted firm and an independent consulting engineer of the government of the Lao PDR in supervision of construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project, to review the justification of the price under the Agreement and the reasonableness of the execution of the transaction, in comparison with the construction values of other projects of similar nature to the improvement of voltage and construction of the Nabong Substation. In this regard, Pöyry has found that the construction value proposed by CHK is reasonable. The basis for consideration is as follows:

- Basis for Consideration and Selection of the Contractor

CHK holds all shares in CK, which is a public limited company with good financial standing, experienced and competent personnel in construction of various power projects, together with its experience in construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project, with the scope of works beyond improvement of voltage and construction of the Nabong Substation. This can be certainly assured that CHK will be able to comply with the Agreement within the specified period under the Agreement as notified by EGAT to NN2.

- Basis for Consideration of Value

NN2 has considered the appropriateness of the work price based on the price appraisal report of Pöyry, the independent consulting engineer, to review the appropriateness of the construction price and the justification of the transaction, together with the value for improvement of voltage and construction of the 230/500 kV Nabong Substation to be operated by CHK, and found that the total price for the project as proposed by CHK is lower than the price as appraised by Pöyry based on EGAT’s reference price by approximately Baht 121.70 Million, or representing 5.26 percent. The Board of Directors’ Meeting thus considered the price proposed by CHK reasonable.

4.4 Calculation of Volume of the Connected Transaction

The total amount shall not exceed Baht 799,850,000 and USD 39,113,320 (excluding value added tax).

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Remark: For the purpose of calculating the volume of the transaction, the total value of this transaction in Thai Baht is approximately Baht 2,192.30 Million, calculated at the Weighted-average Interbank Exchange Rate, published by the Bank of Thailand on March 2, 2016, at Baht 35.60 per US Dollar.

Given that NN2's execution of the agreement for engagement of CHK to carry out improvement of voltage and construction of the 230/500 kV Nabong Substation is considered a transaction between the Company's subsidiary and a legal entity having its common major shareholder with the Company, therefore, it is deemed as a connected transaction in the category of large-sized assets or services under the Notifications on Connected Transactions, with the transaction volume of 17.45 percent of the net tangible assets (NTA) per the Company's consolidated financial statements, which, as at December 31, 2015, amounted to Baht 12,561,024,064, per the details of calculation of NTA as follows:

Total assets	Baht	54,566,542,609
<u>Less</u> Total liabilities	Baht	22,754,360,514
<u>Less</u> Non-controlling interests	Baht	14,057,736,861
<u>Less</u> Intangible assets	Baht	<u>5,193,421,170</u>
The Company's net tangible assets (NTA) (as at December 31, 2015)	Baht	<u>12,561,024,064</u>

The volume of transaction for improvement of voltage and construction of the Nabong Substation can be calculated as follows:

$$= (2,192.30 / 12,561.03) \times 100 = 17.45\%$$

During March 2016, NN2 executed a transaction on engagement of CHK for road repair in the area of the Nam Ngum 2 Hydroelectric Power Project due to a rock slide incident, with the value of Baht 39 Million (excluding value added tax), and as such, it is considered a transaction executed with the same connected person during the past six months prior to the execution date of this connection transaction. The transaction volume for road repair in the area of the Nam Ngum 2 Hydroelectric Power Project is 0.31 percent of the net tangible assets (NTA) per the Company's consolidated financial statements as at December 31, 2015.

The volume of transaction for road repair in the area of the Nam Ngum 2 Hydroelectric Power Project can be calculated as follows:

$$= (39 / 12,561.03) \times 100 = 0.31\%$$

When combined with the transaction between NN2 and CHK, which is the same connected person during the past six months, the transaction volume is 17.76 percent of the net tangible assets (NTA) per the Company's consolidated financial statements as at December 31, 2015, which can be calculated as follows:

The total volume of connected transactions during the past six months can be calculated as follows:

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$$= 17.45\% + 0.31\% = 17.76\%$$

Given that the engagement of CHK by NN2 for improvement of voltage and construction of the 230/500 kV Nabong Substation is the execution of a transaction between the Company's subsidiary and a legal entity having its common major shareholder with the Company, therefore, it is deemed as the execution of a transaction between a listed company's subsidiary and its connected person under the Notification of the Capital Market Supervisory Board No. ThorChor. 21/2551, Re: Rules on Connected Transactions, dated August 31, 2008, 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 Connected Transactions B.E. 2546 (2003), dated November 19, 2003, and their amendments (the "Notifications on Connected Transactions"). Upon considering the volume of such connected transaction under the Notifications on Connected Transactions and all connected transactions executed with the same connected person during the past six months, the transaction volume is 17.76 percent of the Company's net tangible assets (NTA) per the consolidated financial statements ended December 31, 2015, which exceeds 3 percent of NTA, the Company is thus required to disclose the information memorandum on the connected transaction to the Stock Exchange of Thailand ("Stock Exchange"), and appoint an independent financial advisor to provide opinions on justification, benefits of the execution of the transaction, fairness of price and conditions on the execution of the transaction, for further proposing the same to the Company's shareholders for consideration and approval for the execution of such transaction. In this regard, the Company is required to obtain a resolution of the shareholders' meeting approving the execution of such transaction with the votes of not less than three-fourths of all votes of the shareholders attending the meeting and having the voting right, excluding the votes of interested shareholders.

However, in the improvement of voltage and construction of the Nabong Substation, NN2 was required to use additional investment in the total amount not exceeding Baht 1,790.26 Million and USD 39.11 Million (the total value of this transaction in Thai Baht is approximately Baht 3,182.58 Million, calculated at the Weighted-average Interbank Exchange Rate at Baht 35.60 per US Dollar, published by the Bank of Thailand on March 2, 2016) to cover the value of the improvement of voltage and construction, engineering fee, insurance premium, consulting fee, contingency fund, including finance cost and other expenses incurred in the course of construction of the project. Given NN2's additional investment in such amount amounting to the Company's additional investment in NN2 equal to the total project value, such transaction is thus considered a transaction on acquisition of assets under the Notification of the Capital Market Supervisory Board No. ThorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets, dated August 31, 2008, and their amendments, 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), dated October 29, 2004, and their amendments, (the "Notifications on Acquisition or Disposition"). In this regard, assets to be acquired by the Company in this case include the Nabong Substation at an upgraded voltage of 500 kV, with the total project value of approximately Baht 3,182.58 Million. Therefore, such transaction is subject to calculation of volume of the transaction on acquisition of assets based on the total value of consideration, with the transaction volume representing 5.83 percent of the Company's total assets per

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the most recent financial statements, which, as at December 31, 2015, amounted to Baht 54,566.54 Million, and can be calculated as follows:

$$= \frac{\text{Transaction value disposed or acquired} \times 100}{\text{Total assets per the most recent consolidated financial statements}}$$

The volume of transaction for improvement of voltage and construction of the Nabong Substation can be calculated as follows:

$$= \frac{3,182.58 \times 100}{54,566.54} = 5.83 \%$$

In this connection, during the past six months prior to the execution date of this transaction, the Company did not execute any transaction on acquisition of assets. Therefore, volume of the transaction on acquisition of assets from the improvement of voltage and construction of the Nabong Substation is 5.83 percent of the Company's total asset value per the most recent financial statements as at December 31, 2015, which remains within the scope of power of management to consider approving execution of the transaction on acquisition of assets. This is because such transaction does not fall into the scope of transaction in categories 1 to 4 under the Notifications on Acquisition or Disposition which is required to disclose the information memorandum on such transaction to the Stock Exchange or deliver the information memorandum on such transaction to the Company's shareholders, as well as to seek approval of the shareholders' meeting for approval of such transaction, therefore, management can consider the justifications and optimum benefits of the Company in support of its consideration and approval of execution of the transaction on improvement of voltage and construction of the 230/500 kV Nabong Substation.

5. Details of Connected Persons

CK is CHK's major shareholder, holding all shares of CHK's registered capital, and CK is also the Company's shareholder, holding shares representing 30.25 percent of the Company's registered and paid-up capital (information as at March 23, 2016), therefore, CK is the Company's major shareholder. The execution of the transaction between NN2 and CHK is thus considered a transaction between the Company's subsidiary and a legal entity having its common major shareholder with the Company, and as such, it is deemed a connected transaction under the Notifications on Connected Transactions. Details of connected persons are as follows:

- (1) CK is the major shareholder of the Company, by holding 2,229,275,478 shares or representing 30.25 percent of the registered and paid-up capital.^{1/}
- (2) CK holds all shares in CHK; therefore, CHK is a subsidiary of CK.
- (3) NN2's major shareholder is SEAN, which holds 660,675,000 shares in NN2 or representing 75 percent^{2/} and the Company is the major shareholder of SEAN, whereby the Company holds 369,977,999 shares in SEAN or representing 56 percent of the registered and paid-up capital.^{3/}
- (4) Mr. Plew Trivisvavet is the father of Mr. Thanawat Trivisvavet and Dr. Supamas Trivisvavet, the Chairman of the Executive Committee and shareholder of the Company, and the Chairman of the Executive Board of NN2, and the Chairman of the Executive Board and shareholder of CK, by holding 12,631,497 shares or representing 0.75 percent of the registered and paid-up capital.^{4/}
- (5) Mr. Narong Sangsuriya is a director of the Company, and director of NN2, and director and senior executive as well as shareholder of CK, by holding 512,500 shares or representing 0.03 of the registered and paid-up capital.^{4/}
- (6) Mr. Prasert Marittanaporn is a director of the Company, and director of NN2, and director and senior executive of CK.
- (7) Dr. Supamas Trivisvavet is a daughter of Mr. Plew Trivisvavet and an elder sister of Mr. Thanawat Trivisvavet, director and shareholder of CK, by holding 1,700,000 shares or representing 0.10 percent of the registered and paid-up capital.^{4/}
- (8) Mr. Thanawat Trivisvavet is a son of Mr. Plew Trivisvavet and a younger brother of Dr. Supamas Trivisvavet, director and the Managing Director of the Company, and director of NN2.
- (9) Mr. Aswin Kongsiri is the Chairman of the Board of Directors of CK, as well as a shareholder of the Company, by holding 678,410 shares or representing 0.01 percent of the registered and paid-up capital.^{1/}
- (10) Mr. Watchara Sanghattawattana is the Executive Vice President: Engineering of CK, and Mr. Watchara Sanghattawattana holds 391,000 shares in the Company or representing 0.01 percent of the registered and paid-up capital.^{1/}
- (11) Mrs. Rinrada Tangtrongkid is the Executive Vice President: Accounting and Finance of CK, and Mrs. Rinrada Tangtrongkid holds 26,800 shares in the Company or representing 0.00 percent of the registered and paid-up capital.^{1/}

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- (12) Mr. Wibul Angkhaphiphatthanachai is the Executive Vice President: Internal Audit Office of CK, and Mr. Wibul Angkhaphiphatthanachai holds 20,000 shares in the Company or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (13) Mr. Prasert Trivisvavet is a close relative of Mr. Plew Trivisvavet, and Mr. Prasert Trivisvavet holds 5,175,000 shares in the Company or representing 0.07 of the registered and paid-up capital^{1/} and holds 3,154,285 shares in CK or representing 0.19 percent of the registered and paid-up capital.^{4/}
- (14) Mrs. Saikasem Trivisvavet is the spouse of Mr. Plew Trivisvavet, and Mrs. Saikasem Trivisvavet holds 2,000,000 shares in the Company or representing 0.03 percent of the registered and paid-up capital.^{1/}
- (15) Mr. Nattavut Trivisvavet is a son of Mr. Plew Trivisvavet and a younger brother of Dr. Supamas Trivisvavet and Mr. Thanawat Trivisvavet, and Mr. Nattavut Trivisvavet holds 150,000 shares in the Company or representing 0.00 percent of the registered and paid-up capital^{1/} and also holds 2,514,285 shares in CK or representing 0.15 percent of the registered and paid-up capital.^{4/}
- (16) Miss Sawanya Trivisvavet is a daughter of Mr. Sittidej Trivisvavet, who is the Executive Vice President: Administration Group of CK, and Miss Sawanya Trivisvavet holds 863,582 shares in the Company or representing 0.01 percent of the registered and paid-up capital^{1/} and holds 622,525 shares in CK or representing 0.04 percent of the registered and paid-up capital.^{4/}
- (17) Mr. Sompol Trivisvavet is a son of Mr. Sittidej Trivisvavet, who is the Executive Vice President: Administration Group of CK, and Mr. Sompol Trivisvavet holds 18,000 shares in the Company or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (18) Mrs. Korakot Trivisvavet is a younger sister of Mr. Sittidej Trivisvavet, who is the Executive Vice President: Administration Group of CK, and Mrs. Korakot Trivisvavet holds 670,000 shares in the Company or representing 0.01 percent of the registered and paid-up capital^{1/} and also holds 226,250 shares in CK or representing 0.01 percent of the registered and paid-up capital.^{4/}
- (19) Miss Chansai Santaannop is a daughter of Mr. Ratn Santaannop, who is a director and senior executive of CK, and Miss Chansai Santaannop holds 670,000 shares in the Company or representing 0.01 percent of the registered and paid-up capital^{1/} and holds 10,000 shares in CK or representing 0.00 percent of the registered and paid-up capital.^{4/}
- (20) Miss Woraluk Tejatussanasoontorn is a daughter of Mr. Vitoon Tejatussanasoontorn, who is a director of CK, and Miss Woraluk Tejatussanasoontorn holds 339,202 shares in the Company or representing 0.00 percent of the registered and paid-up capital.^{1/}
- (21) Mr. Peeraphan Tantisuvanitchkul is a younger brother of Mr. Phongsarit Tantisuvanitchkul, who is the Executive Vice President: Operation Group of CK, and Mr. Peeraphan Tantisuvanitchkul holds 1,868,000 shares in the Company or representing 0.03 percent of the registered and paid-up capital.^{1/}
- (22) Mr. Thawan Khongdee is the spouse of a daughter of Mr. Narong Sangsuriya, who is a director and senior executive of CK, and Mr. Thawan Khongdee holds 50,000 shares in the Company or representing 0.00 percent.

(Translation)

(23) Miss Chintana Marittanaporn is a close relative of Mr. Prasert Marittanaporn, who is a director of the Company, and director and senior executive of CK, and Miss Chintana Marittanaporn holds 10,150 shares or representing 0.00 percent of the registered and paid-up capital.^{1/}

Remarks: 1/ Information upon closing of the shareholder register of the Company as at March 23, 2016
2/ Information based on the shareholder register of NN2 as at March 2, 2016
3/ Information based on the shareholder register of SEAN as at March 2, 2016
4/ Information based on the shareholder register of CK as at September 10, 2015

6. Potential Benefits of the Transaction

This engagement of CHK to carry out improvement of voltage and construction of the 230/500 kV Nabong Substation will be of benefit to NN2 since CHK operates the construction business, with experience and personnel who are knowledgeable and specialize in construction of power projects, such as, the Nam Ngum 2 Hydroelectric Power Project, the Xayaburi Hydroelectric Power Project, and has CK, a listed company with good financial standing, as its major shareholder. In addition, such engagement is on a lump sum turnkey basis, in the fixed amount and within the specified time, which will certainly enable NN2 to manage time and costs of improvement of voltage and construction of the 230/500 kV Nabong Substation. Therefore, it can be assured that CHK will be able to carry out and complete the improvement of voltage and construction of the Nabong Substation within the specified time.

7. Nature and Scope of Interests of the Connected Persons

As this transaction will be executed between NN2, the Company's subsidiary, and CHK, CK's subsidiary, and CK is the common major shareholder of both the Company and CHK, therefore, such transaction is considered the execution of a transaction between a listed company's subsidiary and its connected person. Upon comparison with NTA under the financial statements as at December 31, 2015, such transaction value represents 17.45 percent of the Company's net tangible assets (NTA) per the consolidated financial statements ended December 31, 2015, and when combined with the connected transactions during the past six months, such transaction volume is 17.76 percent of the Company's NTA per the consolidated financial statements ended December 31, 2015. Thus, such transaction is considered a connected transaction in the category of assets and services, with a transaction value higher than 3 percent, which requires the approval of the shareholders' meeting of the Company by the votes of not less than three-fourths of all votes of the shareholders attending the meeting and having the right to vote, excluding the votes by the interested shareholders pursuant to the Notifications on Connected Transactions.

In this regard, the Company has appointed Capital Advantage Co., Ltd. as the independent financial advisor to provide an opinion on the justification and benefits for the Company, fairness of price and conditions of the connected transaction, and report such opinion to the Stock Exchange and the shareholders in the 2016 Annual Ordinary General Meeting of Shareholders.

8. Source of Funding

Source of funding required for the improvement of voltage and construction of the Nabong Substation is based on the principle of NN2's creation of additional debts in the form of Baht-dominated and USD-dominated loans in line with expenses of the project as well as refinancing of the total existing loans in order to accommodate the debt serviceability of the project from such additional debts for improvement of voltage and construction of the Nabong Substation, per the details which can be summarized as follows:

8.1 Long-term loans of NN2

	Loans under the Agreement	Debt Repayment	Remaining Loans As at December 31, 2015
Baht-dominated loan (Million Baht)	15,003	3,832	11,171
USD-dominated loan (Million USD)	180	41	139
Guarantee (Million USD)	25	2.5	22.5

8.2 Refinancing of the existing loans and creation of additional debts

NN2 will refinance the total remaining existing loans per clause 8.1 and create additional debts in Baht not exceeding Baht 2,100 Million and in USD not exceeding USD 44 Million, including an increase in guarantee by USD 2.5 Million, to cover expenses for the improvement of voltage and construction of the Nabong Substation, together with relevant finance cost, as well as additional obligations pursuant to the Power Purchase Agreement between NN2 and EGAT.

8.3 Debt to equity ratio

Pursuant to NN2's loan agreement, NN2 is required to maintain the debt to equity ratio (D/E ratio) at the rate not exceeding 2.5 times, by calculating from the remaining long-term loan value divided by the paid-up capital. In this regard, before and after creation of additional debts, NN2 continues to maintain the D/E ratio as specified in the credit facility agreement. That is, before creation of additional debts, NN2's D/E ratio was 1.84 times, and after creation of additional debts, NN2's D/E ratio was 2.25 times, per the details as follows:

	Before Creation of Additional Debts (based on NN2's financial statements as at December 31, 2015)	After Creation of Additional Debts
Long-term loan in Baht (Million Baht)	11,171	13,271
Long-term loan in USD (converted into Million Baht)	5,039 ⁽¹⁾	6,515 ⁽²⁾
Total long-term loans (Million Baht)	16,210	19,786
Paid-up capital (Million Baht)	8,809	8,809
D/E ratio (times)	1.84	2.25

(Translation)

Remarks:

- (1) Loan in USD amounted to USD 139 Million, at the selling rate of the Bank of Thailand as at December 31, 2015 equal to Baht 36.2538 per US Dollar.
- (2) Loan in USD amounted to USD 183 Million, at the Weighted-average Interbank Exchange Rate of the Bank of Thailand as at March 2, 2016 equal to Baht 35.60 per US Dollar.

The Company's D/E ratio per the Company's consolidated financial statements as at December 31, 2015 was 0.72 times, and after NN2's creation of additional debts, the Company's D/E ratio would not significantly increase, per the details as follows:

	Before Creation of Additional Debts <small>(per the consolidated financial statements as at December 31, 2015)</small>	After Creation of Additional Debts
Total liabilities (Million Baht)	22,754	26,330
Total shareholders' equity (Million Baht)	31,812	31,812
D/E ratio (times)	0.72	0.83

8.4 Liquidity and investment adequacy

The improvement of voltage and construction of the Nabong Substation by way of creation of additional debts and refinancing of the existing loans do not affect NN2's liquidity since:

- NN2 has revised the repayment schedule to reduce each installment payment and to extend the debt repayment period so as to ensure its debt serviceability of the principal and interest from such creation of additional debts;
- NN2 will be compensated by the government of the Lao PDR from the construction value requiring NN2's additional investment at the government of the Lao PDR's request, in the form of rental income, while NN2 must pay the wheeling charge to the government of the Lao PDR based on the principle of no gain, no loss for NN2 from such additional investment. In this regard, the rental rate and the wheeling charge are in accordance with the Agreement; and
- Currently, NN2 does not have any other investment burden than specified above.

In regard to the Company's liquidity, the improvement of voltage and construction of the Nabong Substation by way of NN2's creation of additional debts and refinancing do not affect the Company's cash outflow. As for investment in the Company's both projects in progress, namely, the Bangpa-in Cogeneration Project No. 2 (BIC-2) and the Xayaburi Hydroelectric Power Project, requiring additional investment in respect of basic capital by approximately Baht 5,056 Million from 2016 until completion of the projects, the Company will use working capital from its business operations and/or loan and/or debenture issuance and/or capital increase.

9. Other Information relating to the Company

(a) Summary of Corporate Profile of the Company and Business Operations

CK Power Public Company Limited registered its incorporation as a limited company on June 8, 2011, converted into a public limited company on February 6, 2013, and started trading on the Stock Exchange of Thailand on July 18, 2013.

CK Power Public Company Limited was founded by the group of CH. Karnchang Public Company Limited, with the objective to have the Company become the center of those companies focusing on investment in the business of production and distribution of electricity generated from various types of energy sources. The Company operates its core business as a holding company by holding shares in other companies engaging in core business of production and distribution of electricity generated from various types of energy. CK Power Public Company Limited's core revenue is derived from dividends from investment by holding shares in its subsidiaries and associated companies. CK Power Public Company Limited classifies its investments into three business sectors as follows:

1. Hydro Power Business

(1) Nam Ngum 2 Hydroelectric Power Project

The Company holds shares in SEAN representing 56 percent of its registered and paid-up capital, and SEAN holds shares representing 75 percent of the registered and paid-up capital of NN2, which is the Company's core company registered in the Lao People's Democratic Republic (Lao PDR) and which is awarded the concession in the development of the Nam Ngum 2 Hydroelectric Power Project from the Government of the Lao PDR.

The Nam Ngum 2 Hydroelectric Power Project is located on the Nam Ngum River between Phou Xay and Phou Houat, Ban Houaymo, Muang Hom, Vientiane Province, the Lao PDR, 35 kilometers northeastern upstream of the existing Nam Ngum 1 Dam, and 90 kilometers straight from the capital city Vientiane, Lao PDR. This power plant has an installed capacity of 615 MW and has achieved the Initial Operation Date (IOD) on March 26, 2011, and thereafter the Commercial Operation Date (COD) on January 1, 2013. All electricity generated by the plant is sold to EGAT pursuant to the Power Purchase Agreement for a period of 25 years from the Commercial Operation Date.

(2) Xayaburi Hydroelectric Power Project

The Company holds shares in Xayaburi Power Company Limited ("XPCL") representing 30 percent of its registered and paid-up capital, whereby XPCL is registered in the Lao PDR and is awarded the concession in the study, design, construction and operation of the Xayaburi Hydroelectric Power Project from the Government of the Lao PDR for a

(Translation)

period of 29 years from the Commercial Operation Date (COD).

The Xayaburi Hydroelectric Power Project is located on the Mekong River, around 100 kilometers from Luang Prabang. The Xayaburi Hydroelectric Power Project is a run-of-river hydroelectric project, generating electricity by building a diversion weir on the Mekong River to raise the water level without water diversion from the Mekong River and without water impounding like other reservoir dams, with the total production capacity of 1,285 MW, which would have a yearly average production capacity of 7,370 million units.

It is expected that the construction of the project will be completed to achieve the COD in 2019, whereby the produced electricity will be sold to Electricité du Laos amounting to approximately 300 GWh per year or with the production capacity of 60 MW, and sold to EGAT amounting to approximately 7,070 GWh or with the production capacity of 1,220 MW, to the delivery point at the Thailand - Lao PDR border, for a period of 29 years from the COD.

2. Cogeneration Business

The Company holds 65 percent of shares in Bangpa-in Cogeneration Limited (“BIC”). BIC is a producer and distributor of electricity and steam from the natural gas-fired cogeneration power plant. BIC-1 is located in Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province, with a capacity of 117.5 MW of electricity and 19.6 tons of steam per hour. The Project is engaged under the Power Purchase Agreement with the Electricity Generating Authority of Thailand to sell 90 MW of electricity for a period of 25 years from the Commercial Operation Date, with the remainder of electricity and steam to be sold to industrial operators in Bang Pa-in Industrial Estate. BIC-1 commenced its commercial operation on June 28, 2013.

In addition, Bangpa-in Cogeneration Limited is in the process of constructing BIC-2, with a capacity of 120 MW of electricity and 20 tons of steam per hour. This Project is located in the same premises as BIC-1 in Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province. BIC-2 will produce and sell 90 MW of electricity to EGAT pursuant to the Power Purchase Agreement for a period of 25 years from the Commercial Operation Date, which is scheduled for June 1, 2017. The remainder of electricity and 20 tons of steam per hour will be sold to industrial operators in Bang Pa-in Industrial Estate.

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3. Solar Power Business

(1) Solar Power Plant of Bangkhenchai Company Limited

The Company holds 100 percent of shares in Bangkhenchai Company Limited (“BKC”), which is situated at Moo 9 Tambon Khok Thai, Amphoe Pak Thong Chai, Nakhon Ratchasima Province, on approximately 180 rai of land. The plant employs the thin film photovoltaic module technology with a capacity of 8 MW, and entered into a Power Purchase Agreement for Very Small Power Producer with the Provincial Electricity Authority (“PEA”) on July 28, 2009 for a period of five years, which is automatically renewable for five years each until the Agreement is terminated. Under the said Agreement, PEA agrees to purchase electricity at the maximum quantity of 8 MW, and BKC will receive Adder at the rate of Baht 8 per kWh (units) for a period of 10 years from the Commercial Operation Date. BKC started the production and sale of electricity to PEA on August 10, 2012. In addition, BKC applied for a certificate of emission reduction for the right to trade carbon credits, and obtained such certificate on August 29, 2012.

(2) Solar Power Plant of Nakhon Ratchasima Solar Limited

The Company holds 30 percent of shares in Nakhon Ratchasima Solar Limited (“NRS”), which is situated at Tambon Ta Khian, Amphoe Dan Khun Thot, Nakhon Ratchasima Province, on approximately 300 rai of land. The plant employs the thin film photovoltaic module technology with a capacity of 6 MW, and NRS entered into a Power Purchase Agreement for Very Small Power Producer with the Provincial Electricity Authority for a period of five years, which is automatically renewable for five years each until the Agreement is terminated. Under the said Agreement, PEA agrees to purchase electricity at the maximum quantity of 6 MW, and NRS will receive Adder at the rate of Baht 8 per unit for a period of 10 years from the Commercial Operation Date. NRS started the production of electricity for PEA on March 8, 2012. In addition, NRS applied for a certificate of emission reduction for the right to trade carbon credits, and obtained such certificate on August 30, 2012.

(Translation)

(3) Solar Power Plant of Chiangrai Solar Limited

The Company holds 30 percent of shares in Chiangrai Solar Limited (“CRS”), which is situated at Tambon Tha Khao Plueak, Amphoe Mae Chan, Chiang Rai Province, on approximately 160 rai of land. The plant employs the multi-crystalline solar cells technology with a capacity of 8 MW, and CRS entered into a Power Purchase Agreement for Very Small Power Producer with PEA for a period of five years, which is automatically renewable for five years each until the Agreement is terminated. Under the said Agreement, PEA agrees to purchase electricity at the maximum quantity of 8 MW, and CRS will receive Adder at the rate of Baht 8 per unit for a period of 10 years from the Commercial Operation Date. CRS started the production of electricity for PEA on January 17, 2013. In addition, CRS applied for a certificate of emission reduction for the right to trade carbon credits, and obtained such certificate on September 11, 2012.

(b) Names of Directors, Executives and Top Ten Shareholders as at the Closing Date of the Shareholder Register for Suspension of Share Transfer (March 23, 2016)

Names of Directors

- | | | |
|-----|------------------------------|--|
| 1. | Dr. Thanong Bidaya | Chairman of the Board of Directors |
| 2. | Mr. Plew Trivisvavet | Chairman of the Executive Committee |
| 3. | Mr. Techapit Sangsingkeo | Chairman of the Audit Committee |
| 4. | Mr. Narong Sangsuriya | Chairman of the Corporate Governance and Risk Management Committee |
| 5. | Dr. Vicharn Aramvareekul | Chairman of the Nomination and Remuneration Committee
Member of the Audit Committee
Member of the Corporate Governance and Risk Management Committee |
| 6. | Mr. Supong Chayutsahakij | Director |
| 7. | Mr. Chaiwat Utaiwan | Executive Director |
| 8. | Mr. Prawet Ingadapa | Member of the Audit Committee and
Member of the Nomination and Remuneration Committee |
| 9. | Mr. Prasert Marittanaporn | Executive Director and
Member of the Nomination and Remuneration Committee |
| 10. | Dr. Supamas Trivisvavet | Executive Director |
| 11. | Mr. Vorapote Uchupaiboonvong | Director |
| 12. | Mr. Thanawat Trivisvavet | Member of the Corporate Governance and Risk Management Committee
Executive Director |

(Translation)

Names of Executives

1. Mr. Thanawat Trivisvavet Managing Director
Acting Deputy Managing Director:
Administration
2. Mr. Michael Eric Raeder Deputy Managing Director: Project
Acting Deputy Managing Director: Electrical
and Mechanical Engineering
3. Miss Nitawadee Limpodom Assistant Managing Director - Business
Development
4. Miss Parichat Othayakul Assistant Managing Director - Compliance
Unit
5. Miss Rujira Chuaybamrung Assistant Managing Director - Assets and
Subsidiary Management
6. Mr. Warot Saksutjarit Assistant Managing Director -
Administration

Names of Top Ten Shareholders as at the Closing Date of the Shareholder Register for Suspension of Share Transfer (March 23, 2016)

Names of Shareholders		Shareholding Percentage	
		Number of Shares	% of all shares
1	CH. Karnchang Public Company Limited	2,229,275,478	30.25
2	TTW Public Company Limited	1,865,644,429	25.31
3	Bangkok Expressway and Metro Public Company Limited	1,429,950,843	19.40
4	Mrs. Woraphan Juengsappaisarn	92,322,871	1.25
5	Mr. Kampol Wiratepsuporn	67,000,000	0.91
6	Mr. Sombath Phanichewa	52,000,000	0.71
7	Thai NVDR Co., Ltd.	47,206,544	0.64
8	Thai Life Insurance Public Company Limited	41,050,900	0.56
9	CHASE NOMINEES LIMITED	36,169,000	0.49
10	EAST FOURTEEN LIMITED-MERGING MARKETS SMALL CAP SERIE	22,979,590	0.31
Total		5,883,599,655	79.83

(c) **Connected Transactions in Previous and Present Years until Latest Quarter**

Details of connected transactions for 2015 are described in the Annual Report 2015 in the item of Connected Transactions.

(Translation)

(d) **Summary of financial statements for four years for the years ended December 31, 2015, 2014, 2013 and 2012, together with management discussion and analysis, and the operational results of the previous and present years**

Summary of Financial Statements

The presentation of the financial position and operational results comprise:

1. Consolidated financial statements for the year ended December 31, 2012, audited by the auditor;
2. Consolidated financial statements for the year ended December 31, 2013, audited by the auditor;
3. Consolidated financial statements for the year ended December 31, 2014, audited by the auditor;
4. Consolidated financial statements for the year ended December 31, 2015, audited by the auditor.

Statement of Financial Position	December 31, 2015		December 31, 2014		December 31, 2013		December 31, 2012	
	Million Baht	percent	Million Baht	percent	Million Baht	percent	Million Baht	percent
Assets								
Current assets								
Cash and cash equivalents	2,140.58	3.92	1,830.13	3.71	1,791.47	3.55	572.83	1.27
Short-term restricted bank deposits	528.77	0.97	516.13	1.05	464.83	0.92	295.27	0.65
Current investments	1,182.24	2.17	235.05	0.47	64.35	0.13	20.34	0.05
Trade and other receivables	1,219.27	2.23	1,483.18	3.01	1,002.31	1.99	953.36	2.11
Spare parts and supplies	47.23	0.09	44.95	0.09	20.40	0.04	-	-
Other current assets	77.61	0.14	53.31	0.11	158.66	0.31	45.97	0.10
Total current assets	5,195.70	9.52	4,162.75	8.44	3,502.02	6.94	1,887.77	4.18
Non-current assets								
Long-term restricted bank deposits	1,220.67	2.24	1,194.90	2.42	1,360.62	2.70	1,245.83	2.76
Investments in jointly controlled entities	261.07	0.48	235.82	0.48	219.15	0.43	-	-
Investment in an associated company	4,816.00	8.83	-	-	-	-	1,008.33	2.23
Right to produce and sell electricity - Equity attributable to owners of the Company	5,009.53	9.18	5,251.88	10.65	5,494.23	10.88	5,299.22	11.74
Right to produce and sell electricity - Non-controlling interests of the subsidiaries	6,321.03	11.58	6,599.97	13.38	6,878.90	13.63	6,922.34	15.33
Project costs during construction phase	1,614.81	2.96	464.90	0.94	366.65	0.73	342.72	0.76
Assets of hydroelectric power project under concession agreement	24,312.87	44.56	25,385.66	51.46	26,458.46	52.41	27,525.85	60.96
Property, plant and equipment	5,610.91	10.28	5,830.29	11.82	5,993.21	11.87	918.68	2.03
Other non-current assets	203.95	0.37	201.18	0.41	208.27	0.41	3.14	0.01
Total non-current assets	49,370.84	90.48	45,164.60	91.56	46,979.49	93.06	43,266.11	95.82
Total assets	54,566.54	100.00	49,327.35	100.00	50,481.51	100.00	45,153.88	100.00
Liabilities and shareholders' equity								
Current liabilities								
Trade and other payables	618.64	1.13	427.73	0.87	674.11	1.34	205.57	0.45
Current portion of liabilities under finance lease agreements	1.87	0.00	6.13	0.01	4.87	0.01	4.29	0.01
Short-term loans from financial institutions	-	-	71.33	0.15	60.00	0.12	1,829.25	4.05

(Translation)

Statement of Financial Position	December 31, 2015		December 31, 2014		December 31, 2013		December 31, 2012	
	Million Baht	percent	Million Baht	percent	Million Baht	percent	Million Baht	percent
Current portion of long-term loans from related companies and accrued interests	-	-	-	-	-	-	341.91	0.76
Current portion of long-term loans from financial institutions	1,765.68	3.24	1,671.80	3.39	1,713.60	3.39	1,082.59	2.40
Income tax payable	0.13	0.00	0.23	0.00	0.63	0.00	1.22	0.00
Retention payable	0.09	0.00	2.36	0.00	4.54	0.01	3.64	0.01
Other current liabilities	30.01	0.06	41.56	0.08	50.61	0.10	6.28	0.01
Total current liabilities	2,416.42	4.43	2,221.14	4.50	2,508.36	4.97	3,474.75	7.69
<u>Non-current liabilities</u>								
Liabilities under finance lease agreements, net of current portion	1.85	0.00	3.70	0.01	9.83	0.02	13.20	0.03
Long-term loans from financial institutions, net of current portion	20,138.63	36.91	20,821.32	42.21	22,420.48	44.42	19,297.93	42.74
Derivative financial liabilities	24.66	0.05	20.21	0.04	-	-	-	-
Provision for long-term employee benefits	15.11	0.03	10.83	0.02	6.48	0.01	1.63	0.00
Other long-term liabilities - related party	157.69	0.29	146.57	0.30	122.74	0.24	93.61	0.21
Total non-current liabilities	20,337.94	37.27	21,002.63	42.58	22,559.53	44.69	19,406.37	42.98
Total liabilities	22,754.36	41.70	23,223.77	47.08	25,067.89	49.66	22,881.12	50.67
<u>Shareholders' equity</u>								
Registered capital	9,240.00	16.93	5,500.00	11.15	5,500.00	10.90	9,200.00	20.37
Issued and fully paid up capital	7,370.00	13.51	5,500.00	11.15	5,500.00	10.90	9,200.00	20.37
Share premium	9,522.33	17.45	5,796.91	11.75	5,966.91	11.82	-	-
Retained earnings								
Appropriated - statutory reserve	26.34	0.05	10.28	0.02	-	-	-	-
Unappropriated	1,152.42	2.11	866.61	1.75	235.07	0.46	16.19	0.04
Other components of shareholders' equity	(316.65)	(0.58)	(125.67)	(0.25)	(112.19)	(0.22)	3.36	0.01
Total equity attributable to owners of the Company	17,754.44	32.54	12,048.13	24.42	11,589.79	22.96	9,219.55	20.42
Non-controlling interests of the subsidiaries	14,057.74	25.76	14,055.45	28.50	13,823.83	27.38	13,053.21	28.91
Total shareholders' equity	31,812.18	58.30	26,103.58	52.92	25,413.62	50.34	22,272.76	49.33
Total liabilities and shareholders' equity	54,566.54	100.00	49,327.35	100.00	50,481.51	100.00	45,153.88	100.00

(Translation)

Statement of Comprehensive Income	2015		2014		2013		2012	
	Million Baht	percent	Million Baht	percent	Million Baht	percent	Million Baht	percent
Revenue from sales						-		
Revenue from sales of electricity	6,585.09	96.12	6,829.96	97.19	5,456.62	96.86	2,467.31	95.70
Revenue from sales of electricity - electricity tariff adders	111.42	1.63	112.18	1.60	111.65	1.98	45.15	1.75
Project management income	60.59	0.88	56.85	0.81	44.05	0.78	29.84	1.16
Other income								
Interest income	30.55	0.45	24.33	0.34	16.21	0.29	5.08	0.20
Gain on exchange	41.87	0.61	-	-	2.68	0.05	30.48	1.18
Others	21.17	0.31	4.04	0.06	2.21	0.04	0.21	0.01
Total revenues	6,850.69	100.00	7,027.36	100.00	5,633.42	100.00	2,578.07	100.00
Cost of sales								
Cost of sales of electricity	4,023.70	58.73	4,021.67	57.23	2,786.44	49.46	1,118.74	43.39
Amortization of right to produce and sell electricity	521.28	7.61	521.28	7.42	508.09	9.02	322.46	12.51
Cost of project management	73.12	1.07	68.51	0.97	-	-	-	-
Administrative expenses	344.56	5.03	344.47	4.90	409.83	7.28	195.97	7.60
Loss on exchange	-	-	4.74	0.07	-	-	-	-
Total expenses	4,962.66	72.44	4,960.67	70.59	3,704.36	65.76	1,637.17	63.50
Profit before share of profit from investments in associates, finance cost and income tax expenses	1,888.03	27.56	2,066.69	29.41	1,929.06	34.24	940.90	36.50
Share of profit from investments in jointly controlled entities	35.75	0.52	34.67	0.49	15.73	0.28	-	-
Share of profit from investments in associated company	(27.18)	(0.40)	-	-	-	-	108.49	4.21
Profit before finance cost and income tax expenses	1,896.60	27.68	2,101.36	29.90	1,944.79	34.52	1,049.39	40.70
Finance cost	(1,110.19)	(16.21)	(1,218.97)	(17.35)	(1,340.29)	(23.79)	(935.37)	(36.28)
Profit before income tax expenses	786.41	11.48	882.39	12.56	604.50	10.73	114.02	4.42
Income tax expenses	(0.29)	(0.00)	(0.24)	(0.00)	(1.89)	(0.03)	(1.96)	(0.08)
Profit for the period	786.12	11.48	882.15	12.55	602.61	10.70	112.06	4.35
Other comprehensive income:								
Gain on changes in value of available-for-sale investments	5.69	0.08	1.86	0.03	0.15	0.00	-	-
Unrealized loss from cash flow hedges	(438.83)	(6.41)	(25.45)	(0.36)	(275.50)	(4.89)	-	-
Other comprehensive income for the period	(433.14)	(6.32)	(23.59)	(0.34)	(275.35)	(4.89)	-	-
Total comprehensive income for the period	352.98	5.15	858.56	12.22	327.26	5.81	112.06	4.35
Profit attributable to:								
Equity holders of the Company	411.88	6.01	471.82	6.71	218.88	3.89	55.02	2.13
Non-controlling interests of the subsidiaries	374.24	5.46	410.33	5.84	383.73	6.81	57.04	2.21
Total comprehensive income attributable to:								
Equity holders of the Company	220.90	3.22	458.34	6.52	103.32	1.83	55.02	2.13
Non-controlling interests of the subsidiaries	132.08	1.93	400.22	5.70	223.94	3.98	57.04	2.21

(Translation)

Cash Flow Statement	2015	2014	2013	2012
<u>Cash flows from operating activities</u>				
Profit before tax	786.41	882.39	604.50	114.02
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortization	1,344.43	1,336.89	1,241.20	750.31
Share of profit from investments in jointly controlled entities	(35.75)	(34.67)	(15.73)	-
Share of profit from investment in an associated company	27.18	-	-	(108.50)
Gain on sales of equipment	0.83	(2.65)	(1.00)	(0.01)
Unrealized loss on exchange	(25.77)	29.14	26.16	(13.74)
Amortization of interest rate reduction fee	11.79	8.88	3.23	1.23
Amortization of right to produce and sell electricity	521.28	521.28	508.09	322.46
Interest expenses	1,112.75	1,202.67	1,331.23	925.05
Provision for long-term employee benefits (reversed)	4.25	4.33	4.34	(0.20)
Profit from operating activities before changes in operating assets and liabilities	3,747.40	3,948.26	3,702.02	1,990.62
Operating assets (increase) decrease				
Trade and other receivables	261.31	(484.18)	(51.92)	3.09
Spare parts and supplies	(2.28)	(24.55)	(10.90)	-
Other current assets	(24.04)	105.65	(15.29)	82.30
Other non-current assets	(11.69)	(5.17)	(3.75)	1.36
Operating liabilities increase (decrease)				
Trade and other payables	151.91	(223.32)	411.93	35.04
Retention payable	(2.27)	(2.18)	0.90	(3.21)
Other current liabilities	(11.56)	(8.89)	40.12	3.96
Other long-term liabilities - related company	-	14.16	21.38	13.09
Cash flows from operating activities	4,108.78	3,319.78	4,094.49	2,126.25
Cash paid for interest expenses	(49.95)	(55.10)	(111.13)	(99.56)
Cash paid for corporate income tax	(0.64)	(1.06)	(2.58)	(2.41)
Net cash flows from (used in) operating activities	4,058.19	3,263.62	3,980.78	2,024.28
<u>Cash flows from investing activities</u>				-
Increase in short-term restricted bank deposits	(12.83)	(55.76)	(161.98)	(751.55)
Decrease (increase) in long-term restricted bank deposits	(2.66)	153.74	(87.49)	(296.02)
Increase in current investments	(941.50)	(168.84)	(43.86)	(20.34)
Increase in investments in subsidiaries	-	-	-	(220.23)
Increase in investment in an associated company	(4,862.70)	-	-	(4,171.05)
Net cash paid for acquisition of subsidiaries	-	-	(412.24)	(2,367.02)
Increase in project costs during construction phase	(1,103.75)	(91.70)	(13.98)	(127.11)
Increase in assets of hydroelectric power project under concession agreement	-	-	(5.58)	(267.85)
Decrease (increase) in property, plant and equipment	(63.30)	(88.67)	(1,106.12)	245.34
Proceeds from sales of equipment	10.56	4.70	1.00	0.02
Dividend from subsidiaries	10.50	18.00	-	-
Cash paid for interest capitalized as part of project costs during construction phase	-	-	-	-
(18.70)	(1.20)	(94.90)	(3.48)	
Net cash flows used in investing activities	(6,984.38)	(229.73)	(1,925.15)	(7,979.29)

(Translation)

Cash Flow Statement	2015	2014	2013	2012
Cash flows from financing activities				
Increase in non-controlling interests of the subsidiaries	120.11	-	-	-
Cash receipt from short-term loans from financial institutions	-	1,181.33	643.86	1,259.25
Repayment of short-term loans from financial institutions	(71.33)	(1,170.00)	(1,913.11)	(2,700.00)
Decrease in long-term loans from financial institutions	(982.54)	(1,649.64)	(234.06)	(312.75)
Cash paid for loan arrangement fee	(34.04)	-	(1.25)	0.18
Cash paid for loan extension fee and for interest rate reduction fee	-	(28.45)	-	-
Decrease in long-term loans from related companies	-	-	(250.00)	-
Cash paid as result of capital reduction	-	-	(6,133.30)	-
Cash receipt from issuance of ordinary shares	5,595.42	-	8,400.21	9,100.00
Cash paid for interest expenses	(1,033.40)	(1,149.53)	(1,209.92)	(825.97)
Dividend payment	(110.00)	-	-	-
Dividend payment of subsidiaries	(249.91)	(168.60)	(152.66)	-
Net cash flows from (used in) financing activities	3,234.31	(2,984.89)	(850.23)	6,520.71
Effect of exchange rate changes on cash and cash equivalents	2.33	(10.34)	13.24	(2.37)
Net increase in cash and cash equivalents	310.45	38.66	1,218.64	563.33
Cash and cash equivalents at beginning of year	1,830.13	1,791.47	572.83	9.50
Cash and cash equivalents at end of year	2,140.58	1,830.13	1,791.47	572.83

Financial Ratios	Consolidated Financial Statements			
	2015	2014	2013	2012
<u>Profitability Ratio</u>				
Gross Margin Ratio (%)	39.91	42.07	49.96	55.47
Operating Profit Margin (%)	28.07	30.02	34.65	41.28
Cash to Profitability Ratio (%)	213.97	155.31	204.69	192.90
EBITDA Margin (%)	54.92	56.34	65.57	82.32
Net Profit Ratio (%)	11.48	12.55	10.70	4.35
Return on Equity (%)	2.71	3.42	2.53	1.00
<u>Efficiency Ratio</u>				
Return on Assets (%)	1.51	1.77	1.26	0.43
Return on Fixed Assets (%)	6.74	6.88	5.99	5.99
Assets Turnover (times)	0.13	0.14	0.12	0.10
<u>Financial Policy Ratio</u>				
Debt to Equity Ratio (times)	0.72	0.89	0.99	1.03
Interest Serviceability Ratio (times)	3.79	2.76	3.10	2.30

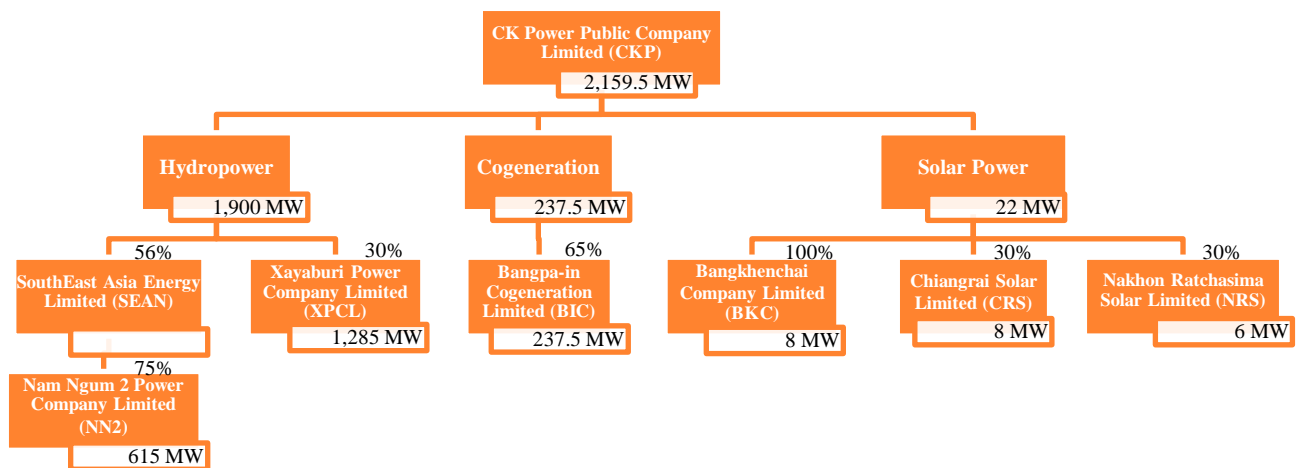
Remark: Data is annualized for comparison purpose.

Management Discussion and Analysis of the Company's Operational Results and Financial Position

1. Overview of Business Operations and Significant Changes

1.1 Operation Overview

The Company operates its core business by holding shares in other companies (Holding Company) that engage in the business of production and distribution of electricity generated from various types of energy. At present, the Company holds shares in six companies which produce electricity from three sources of energy, i.e., two hydroelectric power projects, namely, the Nam Ngum 2 Hydroelectric Power Project operated by SouthEast Asia Energy Limited (SEAN) and the Xayaburi Hydroelectric Power Project operated by Xayaburi Power Company Limited (XPCL); two cogeneration power projects operated by Bangpa-in Cogeneration Limited (BIC); and three solar power projects operated by Bangkhenchai Company Limited (BKC), Chiangrai Solar Limited (CRS) and Nakhon Ratchasima Solar Limited (NRS). As at December 31, 2015, the Company's total contracted capacity was 2,159.5 MW¹.



In 2015, the total revenues of the Company and its subsidiaries amounted to Baht 6,850.69 Million, a decrease of Baht 176.67 Million from the previous year. The core revenue was derived from sales of electricity and steam in the amount of Baht 6,696.51 Million, representing 97.75 percent of the total revenues, divided into revenue from hydroelectric power projects in the amount of Baht 3,883.15 Million; revenue from cogeneration power projects in the amount of Baht 2,654.89 Million; and revenue from solar power projects in the amount of Baht 158.47 Million. In 2014, the total revenues of the Company and its subsidiaries amounted to Baht 7,027.37 Million. The core revenue was derived from sales of electricity and steam in the amount of Baht 6,942.14 Million, representing 98.79 percent of the total revenues, divided into revenue from hydroelectric power projects in the amount of Baht 3,976.45 Million; revenue from cogeneration power projects in the amount of Baht 2,803.12 Million; and revenue from solar power projects in the amount of Baht 162.57 Million.

¹ Operating Capacity of 754.5 MW based on projects which have been commercially operated.

(Translation)

The Company and its subsidiaries' cost of sales in 2015 amounted to Baht 4,023.70 Million, representing 60.09 percent of the revenues from sales of electricity and steam, resulting in a gross profit of Baht 2,672.81 Million, representing 39.91 percent. In 2014, the cost of sales amounted to Baht 4,021.67 Million, representing 57.93 percent of the revenues from sales of electricity, resulting in a gross profit of Baht 2,920.47 Million, representing 42.07 percent.

In 2015, net profit attributable to equity holders of the Company and its subsidiaries amounted to Baht 411.88 Million, a decrease of Baht 59.94 Million or 12.70 percent from the previous year.

1.2 Significant Events in 2015

- The 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 passed the following significant resolutions:
 - (a) Increase of the Company's registered capital in the amount of Baht 3,740 Million, from Baht 5,500 Million, bringing the total registered capital to Baht 9,240 Million, by way of issuance of 3,740 million ordinary shares, at the par value of Baht 1 per share, as well as allocation of new ordinary shares for offering to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering), and for accommodating the exercise of warrants to purchase new ordinary shares of the Company;
 - (b) Issuance and offering for sale of warrants to purchase new ordinary shares of the Company to the existing shareholders who subscribed and made subscription payment for its new ordinary shares, whereby on May 29, 2015, the Company has registered its paid-up capital increase for another Baht 1,870 Million, and as a result, the Company's registered and paid-up capital increased to Baht 7,370 Million, from Baht 5,500 Million. Trading of the Company's new shares started on June 4, 2015, and trading of the Company's warrants to purchase new ordinary shares (CKP-W1) started on June 9, 2015.
- On April 27, 2015, the Company made the first dividend payment to shareholders at the rate of Baht 0.10 per share, totaling Baht 110 Million.
- On June 10, 2015, the Company acquired shares in Xayaburi Power Company Limited (XPCL) from CH. Karnchang Public Company Limited (CK), representing 30 percent of XPCL's registered capital, in the total amount of approximately Baht 4,344 Million. XPCL is the developer of the Xayaburi Hydroelectric Power Project, a run-of-river barrage in the Mekong River, with the production capacity of 1,285 MW, and the commercial operation is scheduled for October 2019.
- Progress of Projects under Construction
 1. **Bangpa-in Cogeneration Power Project Phase 2 (BIC2)** is a cogeneration power plant, with an installed production capacity of 120 MW for electricity, and the production capacity of 20 tons per hour for steam, located in the Bang Pa-in Industrial Estate, Phra Nakhon Si Ayutthaya Province. The project executed a Power Purchase Agreement with the Electricity Generating Authority of Thailand (EGAT) for a period of 25 years after commercial operation. Bangpa-in Cogeneration Limited executed a long-term loan agreement with commercial banks in December 2014 for Baht 4,005 Million. The construction started in early 2015. As at December 31, 2015, the project construction progressed 19 percent, and the commercial operation was scheduled for June 2017.

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2. **Xayaburi Hydroelectric Power Project (XPCL)** is a run-of-river barrage, with an installed production capacity of 1,285 MW, located in the Lao People's Democratic Republic (Lao PDR). The project executed a Power Purchase Agreement with EGAT and the Electricité du Laos (EDL) for a period of 29 years after commercial operation. The loans amounted to Baht 62,288 Million and USD 711 Million. As at December 31, 2015, the project construction progressed 56 percent, and the commercial operation was scheduled for October 2019.

1.3 Economic and Industrial Conditions with Impacts on the Operations

In 2015, Thai economy and the world economy were fluctuating in various areas, such as, commodity prices, interest rate and exchange rate trends, including economic slowdown. However, the power business sector was not materially affected by such fluctuations and slowdown. This was because all projects in the Company's investment portfolio were secured by long-term power purchase agreements with the government sector and private customers with good financial standing, along with efficient risk management for such power purchase agreements. As the Nam Ngum 2 Hydroelectric Power Project derived a certain portion of USD-denominated revenue; with a certain portion of USD-denominated long-term loans as well, this served as a natural hedge. In addition, the Baht value depreciation against USD resulted in an increase of tariff when converted into Baht. The fluctuation of the natural gas price in 2015 resulted in a decrease by 8 percent of the average price of the natural gas which was the main cost of Bangpa-in Cogeneration Limited. However, the Power Purchase Agreements with EGAT had a mechanism to pass the cost of natural gas through to the purchase price of electricity paid by EGAT to Bangpa-in Cogeneration Limited. In other words, the cost of natural gas is included in the price of electricity. Therefore, such fluctuation will in no way affect the profitability of Bangpa-in Cogeneration Limited. Moreover, the economic slowdown and the low policy rate positively resulted in a decrease in the Company's financial costs.

2. Analysis of Operational Results

Summary of Operational Results between 2015 and 2014

Description	Consolidated Financial Statements			
	2015	2014	Changes	
	Million Baht	Million Baht	Million Baht	percent
Revenue from sales of electricity and steam	6,696.51	6,942.14	(245.63)	(3.54)
Project management income	60.59	56.85	3.74	6.57
Other income	93.59	28.37	65.22	229.92
<u>Less:</u> Operating expenses	4,962.66	4,960.67	1.99	0.04
Share of profit (loss) from investments in jointly controlled entities and associated companies	8.57	34.67	(26.10)	(75.28)
Earnings before interest and tax	1,896.60	2,101.36	(204.76)	(9.74)
<u>Less:</u> Finance cost	1,110.19	1,218.97	(108.78)	(8.92)
<u>Less:</u> Income tax expenses	0.29	0.24	0.05	20.10
Net profit for the period	786.12	882.15	(96.03)	(10.89)
- Equity holders of the Company	411.88	471.82	(59.94)	(12.70)
- Non-controlling interests of the subsidiaries	374.24	410.33	(36.09)	(8.80)

(Translation)

2.1 Revenue

The Company's revenue structure is divided into 4 categories, namely, (1) revenue from sales of electricity, comprising hydroelectric power, cogeneration power and solar power; (2) revenue from sales of steam; (3) project management income; and (4) other income, with the details as follows:

Description	Revenues from Consolidated Financial Statements					
	2015		2014		Changes	
	Million Baht	percent	Million Baht	percent	Million Baht	percent
Revenue from sales of electricity	6,619.97	96.63	6,862.07	97.65	(242.10)	(3.53)
Revenue from sales of steam	76.54	1.12	80.07	1.14	(3.53)	(4.41)
Project management income	60.59	0.88	56.85	0.81	3.74	6.57
Other income	93.59	1.37	28.37	0.40	65.22	229.92
Total revenues	6,850.69	100.00	7,027.36	100.00	(176.67)	(2.51)

(1) Revenue from sales of electricity

	Electricity Sale Volume		Changes		Revenue from Sales of Electricity		Changes	
	Unit: Gigawatt-Hour		Unit: Gigawatt-Hour		Unit: Million Baht		Unit: Million Baht	
	2015	2014	Increase (Decrease)	percent	2015	2014	Increase (Decrease)	percent
Hydroelectric power	2,193.48	2,321.37	(127.89)	(5.51)	3,883.15	3,976.45	(93.30)	(2.35)
Cogeneration power	759.02	758.35	0.67	0.09	2,578.35	2,723.05	(144.70)	(5.31)
Solar power	13.98	14.08	(0.10)	(0.71)	158.47	162.57	(4.10)	(2.52)
Total	2,966.48	3,093.80	(127.32)	(4.12)	6,619.97	6,862.07	(242.10)	(3.53)

In 2015, the revenue from sales of electricity of the Company and its subsidiaries amounted to Baht 6,619.97 Million, representing 96.63 percent of the total revenues, which increased from the revenue from sales of electricity in 2014 of Baht 6,862.07 Million. The decrease in revenue from sales of electricity of Baht 242.10 Million, or representing 3.53 percent, was mainly due to:

- **Decrease in selling price of electricity of Bangpa-in Cogeneration Limited due to the decreased natural gas price**

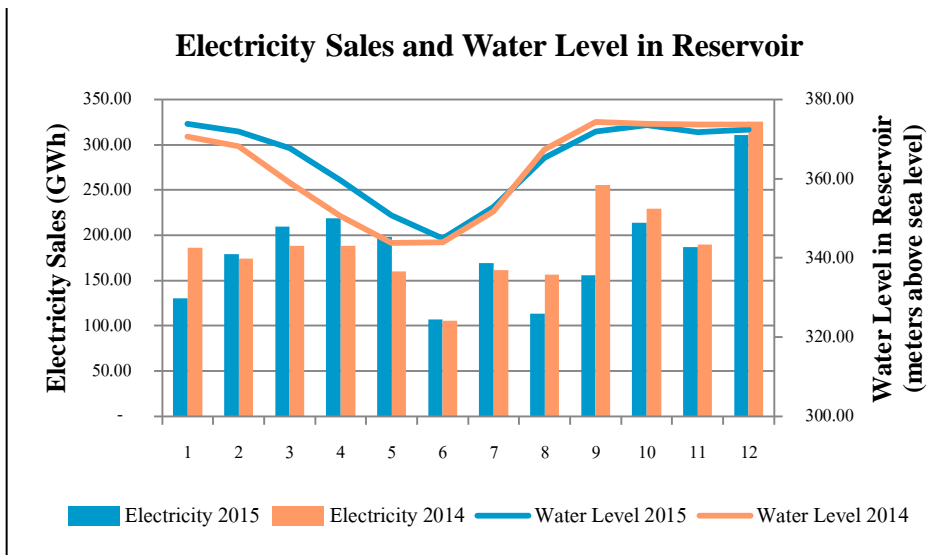
The tariff structure of electricity prices of Bangpa-in Cogeneration Limited for the portion sold to EGAT is on a pass-through basis, namely, the energy payment as the main component of tariff received from EGAT will vary by natural gas price which is the main cost, to minimize the private sector's burden from the fluctuating natural gas price. With respect to the tariff structure of electricity prices for the portion sold to customers in the industrial estate, although it does not directly vary according to natural gas price, it is based on Ft, which includes the natural gas price as one of the factors in the calculation. The average natural gas price in 2015 decreased by approximately 8 percent from the average of the previous year, and the average selling price of electricity of Bangpa-in Cogeneration Limited decreased by approximately 5 percent; while the production volume remained unchanged.

- **Recognition of revenue of the Nam Ngum 2 Hydroelectric Power Project for the Reserve Energy Account as declared for production in 2013, with EGAT’s dispatch in first quarter of 2014, without such item in 2015**

In 2013, given the relatively abundant water volume, the Nam Ngum 2 Hydroelectric Power Project was able to produce electricity in excess of the supply target, which could be recorded in the Primary Energy Account (PE Account) for 95.91 GWh, and in the Secondary Energy Account (SE Account) for 3.21 GWh. However, around the end of 2013, the outbreaks of cold air in Thailand resulted in a decreased electricity demand, EGAT then made a dispatch of electricity production less than the availability as declared by the Nam Ngum 2 Hydroelectric Power Project. Therefore, 55.03 GWh of PE Account as already recorded in the Reserve Energy Account, without EGAT’s dispatch, was not yet counted as revenue in 2013, but upon EGAT’s dispatch in March 2014, it was then recognized as revenue in the amount of Baht 43.83 Million. There was no such item in the first quarter of 2015, because in 2014, the Nam Ngum 2 Hydroelectric Power Project’s actual volume of produced electricity did not meet the supply target, the Reserve Energy Account was thus used for make-up.

- **Decreased water inflow to the Nam Ngum 2 Hydroelectric Power Project in 2015 from that of the previous year**

The graph below indicates the electricity sales and the reservoir water level in comparison between 2015 and 2014. In 2015, the Nam Ngum 2 Hydroelectric Power Project was able to produce less electricity than that in 2014 due to the decreased volume of water flowing through the reservoir compared to the previous year. In 2015, the volume of water inflow through the dam was 5,805.06 million cubic meters, compared to 6,354.55 million cubic meters of the previous year. Moreover, the rainy season was delayed due to the El Nino.



(Translation)

After the use of the Primary Energy Account (PE Account)² which was brought forward from the previous year in the amount of 94.12 GWh, the Nam Ngum 2 Hydroelectric Power Project was able to sell 2,152.51 GWh of Primary Energy, and 40.94 GWh of Secondary Energy. The sales of electricity in 2015 can be summarized as follows:

Million Units	2015	2014
PE Production	2,058.39	2,115.91
PE Account	94.12	102.09
PE Sales	2,152.51	2,218.00
SE Production	40.97	6.84
SE Account	-	8.77
SE Sales	40.97	15.61
EE Sales	-	87.76
Total Sales	2,193.48	2,321.37

(2) Revenue from sales of steam

Bangpa-in Cogeneration Limited produces steam as by-product from its cogeneration power, with an installed capacity of 19.6 tons per hour. In 2015, Bangpa-in Cogeneration Limited sold 97,312.36 tons of steam, an increase of 2,984.36 tons or 3 percent from 2014. However, revenue from sales of steam decreased by Baht 3.53 Million or 4 percent from the previous year, because the selling price of steam varied by the decreased natural gas price from 2014.

(3) Project management income

The Company derived project management income from services provided to its subsidiaries and associated companies per the separate financial statements in the amount of Baht 189.93 Million, but such revenue derived from its subsidiaries was not presented in the consolidated financial statements. Therefore, the project management income in the Company's consolidated financial statements amounted to Baht 60.59 Million which was derived from the Owner's Engineer Agreement with Xayaburi Power Company Limited, with the contract value of approximately Baht 323.05 Million, covering a period from 2015 to 2020. In addition, the Company also received revenue from the Secondment Service Agreement with Xayaburi Power Company Limited in the amount of Baht 0.85 Million per month.

(4) Other income

Other income comprises interest income derived from restricted bank deposits and short-term investments and gains on exchange rates.

² Reserve Energy refers to the volume of electricity produced in excess of the supply target (2,310 million units) and such excess can be recorded in the Reserve Energy Account for make-up in any year with insufficient water volume to produce electricity to meet the supply target.

(Translation)

2.2 Operating expenses

The Company's expenses comprise cost of sales of electricity and steam, amortization of right to produce and sell electricity, and administrative expenses, with the details as follows:

Description	Expenses in Consolidated Financial Statements					
	2015		2014		Changes	
	Million Baht	percent	Million Baht	percent	Million Baht	percent
Cost of sales of electricity and steam	4,023.70	81.08	4,021.67	81.07	2.03	0.05
Fuel costs	1,826.97	36.82	1,979.15	39.90	(152.18)	(7.69)
Depreciation	1,320.63	26.61	1,317.93	26.57	2.70	0.20
Operation and maintenance costs	633.28	12.76	457.04	9.21	176.24	38.56
Royalty fee	132.59	2.67	135.42	2.73	(2.83)	(2.09)
Others	110.23	2.22	132.13	2.66	(21.90)	(16.58)
Amortization of right to produce and sell electricity	521.28	10.51	521.28	10.51	-	(0.00)
Project management fee	73.12	1.47	68.51	1.38	4.61	6.74
Administrative expenses	344.56	6.94	344.47	6.94	0.09	0.03
Loss on exchange rate	-	-	4.74	0.10	(4.74)	(100.00)
Total	4,962.66	100.00	4,960.67	100.00	1.99	0.04

■ Cost of sales of electricity and steam

In 2015, the cost of sales of electricity and steam of the Company and its subsidiaries amounted to Baht 4,023.70 Million, representing 60.09 percent of the revenue from sales of electricity and steam.

■ Fuel costs: Baht 1,826.97 Million, a decrease of Baht 152.18 Million

Bangpa-in Cogeneration Limited uses natural gas as fuel in its production of electricity and steam while other power plants in the group incur no fuel costs. In 2015, the volume of natural gas use was similar to that of the previous year. The heat rate was 7,790 BTU per kilowatt-hour equivalent, which was close to 7,777 BTU per kilowatt-hour equivalent in 2014, which demonstrated the similar production efficiency as that of the previous year. However, given a decrease in natural gas price from 2014 by 8 percent, fuel costs then decreased.

■ Depreciation: Baht 1,320.63 Million, an increase of Baht 2.70 Million

This represents the major cost for power plants, particularly hydroelectric and solar power plants, which require huge investment, whereby the Company uses the straight-line method throughout the project period.

■ Operation and maintenance cost: Baht 633.28 Million, an increase of Baht 176.24 Million

Most of this item is fixed cost as the subsidiaries engaged specialized contractors for maintenance. However, the increase of Baht 176.24 Million or 38.56 percent in the operation and maintenance cost from the previous year was due to a special event of Nam Ngum 2 Power Company Limited, which agreed to terminate the O&M Agreement and the Major Maintenance Agreement with Ratch-Lao Services Company Limited, and agreed to pay

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compensation for termination of the Agreements in the amount of Baht 134.71 Million, with a plan to engage EGAT for such operation and maintenance instead. In addition, Bangpa-in Cogeneration Limited carried out its planned maintenance and spare part replacement, and Bangkokhenchai Company Limited changed the damaged underground cable and executed an Inverter Maintenance Agreement, thereby giving rise to unusually high operation and maintenance costs in 2015.

- **Royalty fee:** Baht 132.59 Million, a decrease of Baht 2.83 Million

This refers to payments to the Government of the Lao PDR, which directly varies according to revenue from sales of electricity of Nam Ngum 2 Power Company Limited.

- **Others:** Baht 110.23 Million, a decrease of Baht 21.90 Million

Other costs of sale comprise costs of environment and public consultation, rentals, insurance premium, power development funds and other costs directly related to power plants. Other expenses decreased by Baht 21.90 Million or 16.58 percent from the previous year, largely due to a decrease in the costs of environment and public consultation of Nam Ngum 2 Power Company Limited in accordance with the contract terms, together with a decreased fine due to the unavailability in power supply.

- **Amortization of right to produce and sell electricity** in the amount of Baht 521.28 Million refers to the amortization of intangible assets as a result of business acquisitions, which are non-cash transactions.

- **Project management fee:** Baht 73.12 Million, an increase of Baht 4.61 Million

This refers to shared cost directly related to provision of services to the subsidiaries and associated companies, mostly comprising salary, traveling expenses and consultant expenses. In 2015, the project management fee increased by Baht 4.61 Million or 6.74 percent from the previous year, as the Company additionally engaged in project management business in February 2014. However, as previously described in Item 2.1 (3) *Project management income*, the transactions between the Company and its subsidiaries were not shown in the consolidated financial statements, therefore, the project management income shown in the consolidated financial statements amounted to merely Baht 60.59 Million, but the project management income shown in the separate financial statements amounted to Baht 189.93 Million, thereby giving the impression that project management business could generate income for the Company.

- **Administrative expenses** in the amount of Baht 344.56 Million, an increase of Baht 0.09 Million, mostly comprise salary, remuneration for directors, office expenses, professional fees and depreciation.

(Translation)

2.3 Share of profit (loss) from investments in jointly controlled entities and associated companies

In 2015, the Company's share of profit from investments in jointly controlled entities and associated companies amounted to Baht 8.57 Million, as compared to the share of profit from investments in jointly controlled entities in the amount of Baht 34.67 Million in the same period of the previous year, as a result of recognition of the share of loss from Xayaburi Power Company Limited since June 2015.

Company	Proportion (%)	2015	2014	Changes	
				Million Baht	percent
Nakhon Ratchasima Solar Limited	30%	13.86	12.49	1.37	10.97
Chiangrai Solar Limited	30%	21.89	22.18	(0.29)	(1.31)
Xayaburi Power Company Limited	30%	(27.18)	-	(27.18)	NA
Total		8.57	34.67	(26.10)	(75.28)

2.4 Finance cost

Finance cost decreased by Baht 108.78 Million or 8.92 percent. In 2015, finance cost amounted to Baht 1,110.19 Million; while in 2014, finance cost amounted to Baht 1,218.97 Million, as a result of gradual debt repayment during the year and reduced interest rates.

2.5 Profitability and Significant Financial Ratios

Description	2015	2014	Changes
Gross Profit Margin	39.91%	42.07%	(2.16%)
Earnings before interest, tax, depreciation and amortization	54.92%	56.34%	(1.42%)
Net Profit Ratio	11.48%	12.55%	(1.07%)
Return on Assets	1.51%	1.70%	(0.19%)
Return on Equity	2.71%	3.29%	(0.58%)

The decrease in profitability was due to special expenses incurred by Nam Ngum 2 Power Company Limited for termination of the O&M Agreement and the Major Maintenance Agreement with Ratch-Lao Services Company Limited, and agreed compensation for termination of the Agreements in the amount of Baht 134.71 Million. This was considered a one-time, short-term impact. The decreased natural gas price caused no material impact on the profitability of Bangpa-in Cogeneration Limited, as the selling price of electricity and the fuel costs tended to change in the same direction.

In addition, the net profit ratio, return on assets, and return on equity were affected by investment in Xayaburi Power Company Limited, as the Xayaburi Hydroelectric Power Project is under construction, therefore, the Company recognizes the share of loss until its commercial operation in 2019. However, such impact is only short-term and the financial ratios will improve upon its commercial operation and the project will generate a constant revenue stream throughout the concession period.

(Translation)

3.1 Analysis of Assets

As at December 31, 2015, the total assets of the Company and its subsidiaries amounted to Baht 54,566.54 Million, an increase of Baht 5,239.19 Million or 10.62 percent from the end of 2014, with the details of significant increases and decreases as follows:

Description <i>Unit : Million Baht</i>	December 31, 2015	December 31, 2014	Change	
			Increase (Decrease)	percent
Cash and cash equivalents	2,140.58	1,830.13	310.45	16.96
Short-term restricted bank deposits	528.77	516.13	12.64	2.45
Current investments	1,182.24	235.05	947.19	402.98
Trade and other receivables	1,219.27	1,483.18	(263.91)	(17.79)
Spare parts and supplies	47.23	44.95	2.28	5.07
Other current assets	77.61	53.31	24.30	45.58
Restricted bank deposits	1,220.68	1,194.90	25.78	2.16
Investments in jointly controlled entities	261.07	235.82	25.25	10.71
Investments in associated companies	4,816.00	-	4,816.00	NA
Right to produce and sell electricity - Company	5,009.53	5,251.88	(242.35)	(4.61)
Right to produce and sell electricity - others	6,321.03	6,599.97	(278.94)	(4.23)
Project costs during construction phase	1,614.81	464.90	1,149.91	247.34
Assets of hydroelectric power project under concession agreement	24,312.86	25,385.66	(1,072.80)	(4.23)
Property, plant and equipment	5,610.91	5,830.29	(219.38)	(3.76)
Other non-current assets	203.95	201.18	2.77	1.38
Total assets	54,566.54	49,327.35	5,239.19	10.62

- **Cash and cash equivalents:** per the details in *Item 4 Liquidity and Capital Adequacy of the Company*.
- **Current investments** increased by Baht 947.19 Million, largely due to the Company's capital increase. The current investments will be used for gradual payment of the equity contribution to Xayaburi Power Company Limited.
- **Trade and other receivables** decreased by Baht 263.91 Million, as Bangpa-in Cogeneration Limited received payment for sales of electricity for November at the end of 2015, therefore, there remained the accrued revenue from sales of electricity for December only, when compared to the accrued revenues of November and December 2014, in conjunction with the decreased sales volume of Nam Ngum 2 Power Company Limited during November and December 2015 from the same period in 2014, thereby resulting in the decreased accrued revenues.
- **Other current assets** increased by Baht 24.30 Million, mainly due to prepayment of insurance premiums and input tax from the Bangpa-in Cogeneration Power Project Phase 2 which remains under construction, as well as accrued income of Bangpa-in Cogeneration Limited from insurance claim for business interruption due to the fire incident of a customer in the Bang Pa-in Industrial Estate.
- **Investments in associated companies** increased by Baht 4,816.00 Million, due to the acquisition of shares and investment in Xayaburi Power Company Limited.
- **Right to produce and sell electricity** decreased by Baht 521.29 Million, due to amortization during the period.

(Translation)

- **Project costs during construction phase** increased by Baht 1,149.91 Million, mostly from investment in the Bangpa-in Cogeneration Power Project Phase 2 which was under construction.
- **Assets of hydroelectric power project under concession agreement and property, plant and equipment** decreased by a total of Baht 1,292.18 Million, mostly due to depreciation during the period.

3.2 Analysis of Liabilities

As at December 31, 2015, the total liabilities of the Company and its subsidiaries amounted to Baht 22,754.36 Million, a decrease of Baht 469.41 Million or 2.02 percent from the end of 2014, with the details of significant increases and decreases as follows:

Description <i>Unit : Million Baht</i>	December 31, 2015	December 31, 2014	Change	
			Increase (Decrease)	percent
Trade and other payables	618.64	427.73	190.91	44.63
Other current liabilities	30.23	44.15	(13.92)	(31.53)
Liabilities under financial lease agreements	3.73	9.83	(6.10)	(62.07)
Short-term loans from financial institutions	-	71.33	(71.33)	(100.00)
Long-term loans from financial institutions	21,904.30	22,493.12	(588.82)	(2.62)
Derivative financial liabilities	24.66	20.21	4.45	22.04
Provision for long-term employee benefits	15.11	10.83	4.28	39.49
Other long-term liabilities - related party	157.69	146.57	11.12	7.59
Total liabilities	22,754.36	23,223.77	(469.41)	(2.02)

- **Trade and other payables** increased by Baht 190.91 Million or 44.63 percent, mainly due to the termination of the O&M Agreement and the Major Maintenance Agreement between Nam Ngum 2 Power Company Limited and Ratch-Lao Services Company Limited, with the accrued compensation payable for termination of the Agreements in the amount of Baht 134.71 Million. In addition, the Bangpa-in Cogeneration Power Project Phase 2 remains under construction since early 2015, thereby resulting in the increased construction costs payable.
- **Short-term loans from financial institutions** decreased by Baht 71.33 Million, as Bangpa-in Cogeneration Limited had sufficient cash as working capital, therefore, it was not necessary to use any short-term loans from financial institutions.

(Translation)

- **Long-term loans from financial institutions** decreased by Baht 588.82 Million, due to the repayment of long-term loans during the period, despite the increased loans for construction of the Bangpa-in Cogeneration Power Project Phase 2.

Company	Long-Term Loans (Million Baht)
CK Power Public Company Limited	470.00
Nam Ngum 2 Power Company Limited	16,228.73
Bangpa-in Cogeneration Limited (Phase 1)	3,863.40
Bangpa-in Cogeneration Limited (Phase 2)	922.00
Bangkhenchai Company Limited	<u>502.89</u>
Total	<u><u>21,987.02</u></u>

Further details are described in Note 20 to Financial Statements: Long-term loans from financial institutions.

- **Derivative financial liabilities** amounted to Baht 24.66 Million from entering into an interest rate swap agreement for certain portions of Bangpa-in Cogeneration Limited's long-term loans from floating interest rates to fixed interest rates. Fair value of derivatives must be measured at the end of each quarter.

3.3 Analysis of Shareholders' Equity

As at December 31, 2015, the total shareholders' equity of the Company and its subsidiaries amounted to Baht 31,812.18 Million, representing an increase from the end of the previous year by Baht 5,708.60 Million or 21.87 percent, with the details of significant increases and decreases as follows:

Description <i>Unit : Million Baht</i>	December 31, 2015	December 31, 2014	Change	
			Increase (Decrease)	percent
Issued and fully paid-up capital	7,370.00	5,500.00	1,870.00	34.00
Share premium	9,522.33	5,796.91	3,725.42	64.27
Retained earnings - statutory reserve	26.34	10.28	16.06	156.26
Retained earnings - unappropriated	1,152.42	866.61	285.81	32.98
Other components of shareholders' equity	(316.65)	(125.67)	(190.98)	151.97
Non-controlling interests of the subsidiaries	14,057.74	14,055.45	2.29	0.02
Total shareholders' equity	31,812.18	26,103.58	5,708.60	21.87

- **Issued and fully paid-up capital and share premium** increased by a total of Baht 5,595.42 Million, as a result of the capital increase by issuance of 1,870 million shares for offering to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering).
- **Other components of shareholders' equity** amounted to Baht (316.63) Million, mostly comprising unrealized losses due to cash flow hedges, divided into two portions:
 - 1) Nam Ngum 2 Power Company Limited applied hedge accounting in order to hedge the foreign exchange exposure on a certain portion of its

(Translation)

forecasted revenue from sales of electricity in USD currency, whereby such revenue from sales of electricity was designated as the hedged item and the long-term loans in USD was designated as the hedging instrument, which could minimize fluctuations of gains and losses arising from changes in exchange rates.

- 2) Bangpa-in Cogeneration Limited and Xayaburi Power Company Limited applied hedge accounting in order to hedge the loan interest rates, whereby cash flows relating to interest expenses were designated as the hedged item and the derivative financial instrument (interest rate swap) was designated as the hedging instrument, which could minimize fluctuations of gains and losses from measurement of fair value of the derivative financial instrument.

The effective portion of the changes in the fair value of the hedging instruments is recognized in other comprehensive income instead of being recognized in the Company's income statement, and is transferred to be recognized in profit or loss when the hedged cash flow transactions occur.

4. Liquidity and Capital Adequacy of the Company

4.1 Source and Use of Capital

As at December 31, 2015, cash and cash equivalents amounted to Baht 2,140.58 Million, an increase of Baht 310.45 Million from the end of 2014, comprising:

Description	Unit: Million Baht
Net cash flows <u>from</u> operating activities	4,058.19
Net cash flows <u>used</u> in investing activities	(6,984.38)
Net cash flows <u>from</u> financing activities	3,234.31
Effect of exchange rate changes on cash	2.33
Net increase in cash flows	310.45

Operating activities

Net cash flows from operating activities amounted to Baht 4,058.19 Million, due to net profit restated by non-cash items and changes in operating assets and liabilities.

Investing activities

Net cash flows used in investing activities amounted to Baht 6,984.38 Million, mainly due to the acquisition of shares and investment in Xayaburi Power Company Limited in the amount of Baht 4,862.70 Million, investments in projects under construction in the amount of Baht 1,103.75 Million, and increase in current investments in the amount of Baht 941.50 Million.

Financing activities

Net cash flows from financing activities amounted to Baht 3,234.31 Million, as a result of the capital increase of Baht 5,595.42 Million, additional loans in the amount of Baht 1,053.87 Million, and interest payment in the amount of Baht 1,033.4 Million.

(Translation)

Debt to Equity Ratio <i>Unit : Times</i>	December 31, 2015	December 31, 2014	Change
Consolidated Financial Statements	0.72	0.89	(0.17)
Separate Financial Statements	0.03	0.04	(0.01)

4.2 Liquidity Adequacy

Liquidity Ratio <i>Unit : Times</i>	December 31, 2015	December 31, 2014	Change
Consolidated Financial Statements	2.15	1.87	0.28
Separate Financial Statements	27.81	21.89	5.93

4.3 Liability Commitments

Further details are described in Note 32.2 to Financial Statements: Operating lease agreements and other commitments.

4.4 Events or factors which may affect the financial position or operation in the future

Key factors which will affect the Company's financial position and operation in the future depend on both projects under construction, namely, the Bangpa-in Cogeneration Power Project Phase 2 and the Xayaburi Hydroelectric Power Project, which upon commercial operation in 2017 and 2019, respectively, they will help generate long-term income for the Company.

10. **According to Information upon Closing of the Shareholder Register on March 23, 2016, the Shareholders who are Connected Persons Having No Right to Vote are as follows:**

List of Shareholders who are Connected Persons	Number of Shares (shares)	Percentage (%)
CH. Karnchang Public Company Limited	2,229,275,478	30.2479
Mr. Aswin Kongsiri	678,410	0.0092
Mr. Watchara Sanghattawattana	391,000	0.0053
Mrs. Rinrada Tangtrongkid	26,800	0.0004
Mr. Wibul Angkhaphiphatthanachai	20,000	0.0003
Mr. Prasert Trivisvavet	5,175,000	0.0702
Mrs. Saikasem Trivisvavet	2,000,000	0.0271
Mr. Nattavut Trivisvavet	150,000	0.0020
Miss Sawanya Trivisvavet	863,582	0.0117
Mr. Sompol Trivisvavet	18,000	0.0002
Mrs. Korakot Trivisvavet	670,000	0.0091
Miss Chansai Santaannop	670,000	0.0091
Miss Woraluk Tejatussanasoontorn	339,202	0.0046
Mr. Peeraphan Tantisuvanitchkul	1,868,000	0.0254
Mr. Thawan Khongdee	50,000	0.0007
Miss Chintana Marittanaporn	10,150	0.0002
Total	2,242,205,622	30.4234

11. Appraisal of Price of Assets by the Independent Appraiser

Pöyry Energy Limited (“Pöyry”), as independent consulting engineer, has appraised the contract price in comparison with the construction values of other projects of similar nature to the improvement of voltage and construction of the Nabong Substation.

12. Directors who are Interested Parties and Connected Persons

No.	Directors	Interests	
		CKP/NN2	CK/CHK
1.	Mr. Plew Trivisvavet	Chairman of the Executive Committee of CKP and NN2; Dr. Supamas Trivisvavet’s father; Mr. Thanawat Trivisvavet’s father	Chairman of the Executive Board of CK; Dr. Supamas Trivisvavet’s father
2.	Mr. Narong Sangsuriya	Director of CKP and NN2	Director and Executive of CK
3.	Mr. Prasert Marittanaporn	Director of CKP and NN2	Director and Executive of CK
4.	Dr. Supamas Trivisvavet	Director of CKP	Chief Executive Officer of CK; Mr. Plew Trivisvavet’s daughter; Mr. Thanawat Trivisvavet’s elder sister
5.	Mr. Thanawat Trivisvavet	Managing Director of CKP and Director of NN2; Mr. Plew Trivisvavet’s son; Dr. Supamas Trivisvavet’s younger brother	Mr. Plew Trivisvavet’s son; Dr. Supamas Trivisvavet’s younger brother

All these five directors neither attended the meeting nor voted on the item concerning the connected transaction in the Board of Directors’ Meeting No. 3/2016 on March 8, 2016.

13. Opinion of the Board

The Board of Directors’ Meeting No. 3/2016, excluding interested directors and/or those who were connected persons, considered the matter and was of the opinion that such transaction would be of benefit to NN2, the Company’s subsidiary, to fully comply with the conditions of the Power Purchase Agreement with EGAT dated March 26, 2006. The source of funding for all expenses in the improvement of voltage and construction of the Nabong Substation is based on the principle of creation of additional debts and refinancing of the total existing loans, without any impact on the D/E ratio as specified in the credit facility agreement, namely, not exceeding 2.5 times, and without any impact on the liquidity of both NN2 and CKP. This is due to NN2’s revised repayment schedule to reduce each installment

(Translation)

payment and to extend the debt repayment period, so as to ensure its debt serviceability of the principal and interest from such creation of additional debts. Furthermore, NN2 would be compensated by the government of the Lao PDR for the construction value requiring NN2's additional investment at the government of the Lao PDR's request, in the form of rental income, while NN2 must pay the wheeling charge to the government of the Lao PDR based on the principle of no gain, no loss for NN2 from such additional investment. In this regard, the rental rate and the wheeling charge are in accordance with the Agreement.

As for financing the Company's both projects in progress requiring additional investment in respect of basic capital by approximately Baht 5,056 Million from 2016 until completion of the projects, the Company will use working capital from its business operations and/or loan and/or debenture issuance and/or capital increase.

Therefore, the execution of this transaction was considered reasonable, without any impact on the Company's liquidity and for the optimum benefit of the Company. The execution of the transaction would be under general commercial conditions in a manner persons of ordinary prudence might enter into with general parties under the same circumstances, through commercial negotiation without exercising influence in their capacity as persons who may have a conflict of interests (arm's length basis) and without transfer of benefit between the Company and persons who may have a conflict of interests.

14. Opinion of the Audit Committee and/or the Company's Directors which is different from the Opinion of the Board

- None -

15. Other information which may materially affect the decision of the investors

- None -

16. Responsibility of the Board towards the Information Memorandum

The Board of Directors shall be responsible for the Information Memorandum, which, upon consideration, was believed to be materially correct, complete and adequate to support the shareholders' decision.

17. Opinion of the Independent Financial Advisor

Per details in the Report on Opinions of Capital Advantage Co., Ltd. (Independent Financial Advisor).