Annual Report 2015

Focused on Growth

CK POWER ENDLESS ENERGY

CK Power Public Company Limited

Contents

CK POWER
ENDLESS ENERGY

Vision and Mission

Vision:

To be a leading power business company in Thailand and the ASEAN region, with efficient operation.

Mission:

1. To produce and optimal, stable and fair return for shareholders;
2. To be responsible to the environment, community and all stakeholders.

Focused on
Growth

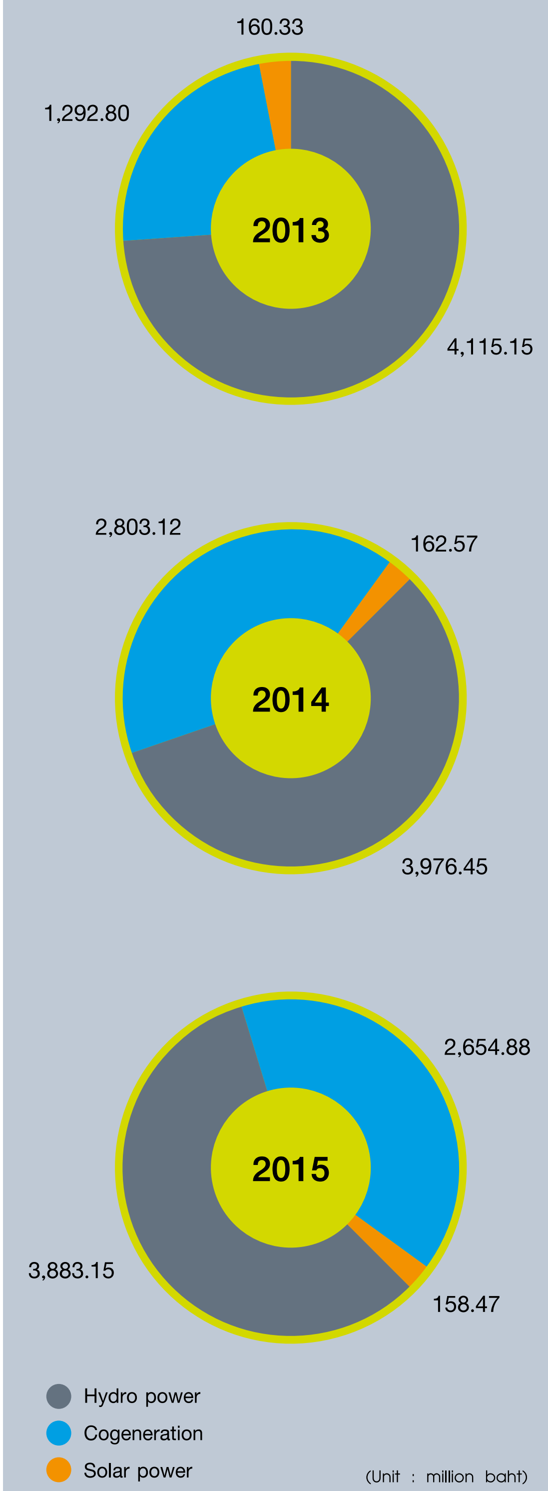
Sustainable Growth

We are the first holding company with overseas core asset in the Stock Exchange of Thailand.

With commitment to reach the full potential in every aspects of operation, our the performance demonstrated the promising returns with solid and continuous growth. We will deliver the reliable power that benefit to society and country with the aim to move toward the leading Asean region power company in the sustainable manner.

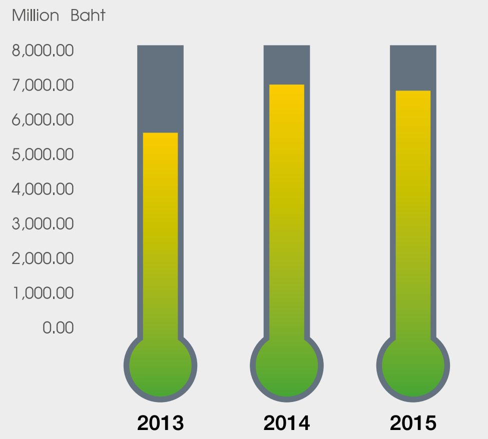
Financial Highlight

Sources of revenue defined by fuel type

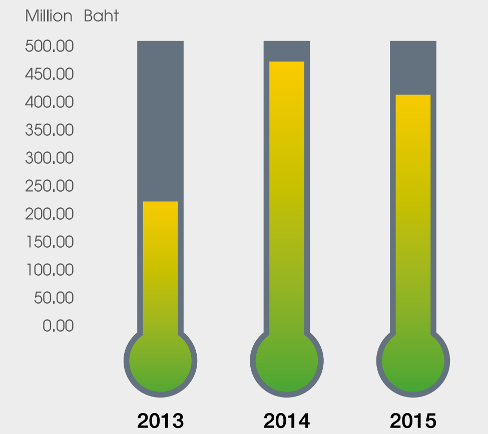


(Unit : million baht)

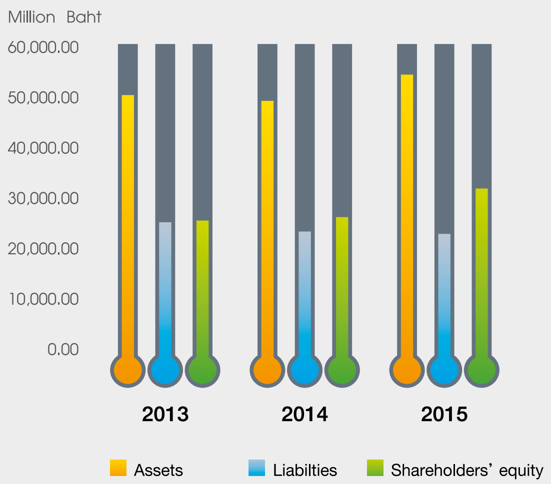
Total revenue



Profit attributable to equity holder of the company



Assets + Liabilities + Shareholders' equity



Million Baht	2013	2014	2015
Operation result			
Revenue from sales of electricity and stream	5,568.27	6,942.14	6,696.51
Total Revenue	5,633.43	7,027.37	6,850.69
Earning before finance cost, income tax expense, depreciation and amortization (EBIDA)	3,694.09	3,959.53	3,762.31
Net profit	602.61	882.15	786.12
Profit attributable to equity holder of company	218.88	471.82	411.88
Operating cash flow	3,980.78	3,263.62	4,058.19
Statement of financial position		Million Baht	
Asset	50,481.51	49,327.35	54,566.54
Liabilities	25,067.89	23,223.77	22,754.36
Shareholders' equity	25,413.62	26,103.58	31,812.18
Financial ratio			
EBIDA margin (%)	65.57	56.34	54.92
Net profit margin (%)	10.70	12.55	11.48
Current ratio (times)	1.40	1.87	2.15
Debt to equity ratio (times)	0.99	0.89	0.72
Net debt to equity ratio (times)	0.92	0.82	0.65
Book value per share (Baht)	10.54	2.19*	2.41
Earning per share (Baht)	0.22	0.09*	0.06*

* 2015 Annual Ordinary General Meeting's resolution approved to split par from 5 Baht per share as 1,100 million shares to 1 Baht per shares as 5,500 million shares.

Message from Board Chairman

"Founded in 2011, CK Power Public Company Limited has been operating its business and continuously growing. In 2015, our significant milestone that brings about the potential growth in terms of our results of operations is the registered capital increase by Baht 3,740,000,000 from Baht 5,500,000,000, by issuing 3,740,000,000 new ordinary shares with a par value of Baht 1 each, to be a total registered capital of Baht 9,240,000,000. Such transaction involves the issuance of 1,870,000,000 new ordinary shares for offering to the existing shareholders ("Rights Offering") at the offering price of Baht 3 per share, and for accommodating the offering of warrants for new share subscribers in the amount of 1,870,000,000 shares. The capital increase transaction was successful and the proceeds from such capital increase were utilized to invest in Xayaburi Power Company Limited ("XPCL"), the operator of the 1,285-MW Xayaburi Hydropower Project in the Lao People's Democratic Republic ("Lao PDR"), representing 30 percent of its registered capital, namely 805,830,000 shares, worth a total of approximately Baht 4,344,000,000. As a result, we have become a shareholder in XPCL on June 9, 2015. Such capital increase serves as an essential source of funds for the XPCL project development in the future until completion in 2019 as planned.

Xayaburi Hydropower Project is a large-scale project, which is greatly critical to create value to us. Upon the commercial operation date, the project should generate up to 7,370 million units of electricity. Our investment in this project not only serves as an efficient source of clean energy that will assure the power security for both countries, but also well represents our potential and vision towards becoming a leading power business investor in the region. In 2015, we declared our first dividend payments to shareholders at the rate of Baht 0.10 per share (for a total of 1,100 million shares with a par value of Baht 5 each), highlighting a remarkable rate of return on investment in such projects which have already been commercially operated, and our commitment to shareholders' interests from their investments in the Company.

Our financial performance in 2015 showed total assets of Baht 54,566.54 Million, total liabilities of Baht 22,754.36 Million, total shareholders' equity of Baht 31,812.18, total revenues of Baht 6,850.69 Million, representing a decrease of 2.5 percent from that of 2014, and profit attributable to equity holders of the Company of Baht 411.88 Million, representing a decrease of 12.7 percent from that of 2014.

Other than Xayaburi Hydropower Project, other future projects, which are under development by the Company and progress according to schedule, include the 120-MW Cogeneration Power Project Phase 2 ("BIC-2") by Bangpa-in Cogeneration Limited which started construction since early 2015 and is scheduled for commercial operation in 2017, other projects in Lao PDR, and potential investments in the Republic of the Union of Myanmar which are currently under ongoing feasibility studies on various project development.

“ Xayaburi Hydropower Project is a large-scale project, which is greatly critical to create value to us. Upon the commercial operation date, the project should generate up to 7,370 million units of electricity. ”

Dr. Thanong Bidaya
Board Chairman

We are committed to producing good returns to shareholders through our business operations in strict compliance with the good corporate governance principles and the code of business ethics. We are equally, fairly and transparently accountable to all stakeholders, and also socially and environmentally responsible in every step of our operations.

On behalf of the Board of Directors of CK Power Public Company Limited, management and staff, I would like to thank all shareholders, strategic partners, financial institutions, all public and private sectors for your trust and continued support. We will improve our potential to maximize performance for good and fair returns, sustainable growth, and clean energy for society and Thailand. We will move forward to become a leading company in the regional energy industry.

Board of Directors

Dr. Thanong Bidaya

Position

- **Chairman of the Board of Directors**
- **Independent Director**

Education/Training

- Doctor of Philosophy in Management, Northwestern University, U.S.A.
- Master of Economics, Northwestern University, U.S.A.
- Bachelor of Economics, Yokohama National University, Japan
- Directors Accreditation Program (DAP 25/2004), Thai Institute of Directors Association

Work Experience

CK Power Public Company Limited	- Chairman of the Board of Directors and Independent Director
Thaisri Insurance Public Company Limited	- Chairman of the Board of Directors
Scan-Inter Company Limited	- Chairman of the Board of Directors
Xayaburi Power Company Limited	- Chairman of the Board of Directors
TTW Public Company Limited	- Chairman of the Board of Directors and Independent Director

Mr. Plew Trivisvavet

Position

- **Chairman of the Executive Committee**
- **Director**

Education/Training

- Honorable Doctorate of Engineering (Civil) Kasetsart University
- Honorable Doctorate of Science (Civil Engineering) Thai-Nichi Institute of Technology
- M.Sc. (Electrical Engineering), Osaka University, Japan
- B.Sc. (Electrical Engineering), Osaka University, Japan
- National Defence Course, Class 366
- Director Certification Program (DCP 50/2004), Thai Institute of Directors Association
- Directors Accreditation Program (DAP 18/2004), Thai Institute of Directors Association
- Finance for Non-Finance Directors Program (FND 13/2004), Thai Institute of Directors Association
- Capital Market Academy Leadership Program, Capital Market Academy (CMA Course), Class 4/2007

Work Experience

CK Power Public Company Limited	- Director Chairman of the Executive Committee
Xayaburi Power Company Limited	- Director Chairman of the Executive Committee
TTW Public Company Limited	- Director Vice Chairman of the Board of Directors
Nam Ngum 2 Power Company Limited	- Director Chairman of the Executive Committee
Bangkok Expressway and Metro Public Company Limited*	- Chairman of the Executive Committee - Member of the Nomination and Remuneration Committee
SouthEast Asia Energy Limited	- Director Chairman of the Executive Committee
CH. Karnchang Public Company Limited	- Member of the Nomination and Remuneration Committee - Member of the Corporate Governance and Risk Management Committee - Director and Chairman of the Executive Committee

*Remark : * Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

Mr. Techapit Sangsingkeo

Position
- Chairman of the Audit Committee
- Independent Director
- Director

Education/Training
- Master of Economics, Keio University, Japan, by The Bank of Thailand scholarship
- Bachelor of Economics, Hitotsubashi University, Japan
- Directors Accreditation Program (DAP 34/2005), Thai Institute of Directors Association
- Audit Committee Program (ACP 22/2008), Thai Institute of Directors Association

Work Experience

CK Power Public Company Limited	- Independent Director Chairman of the Audit Committee
Pathum Thani Water Company Limited	- Director
TTW Public Company Limited	- Independent Director - Chairman of the Audit Committee - Chairman of the Risk Management Committee - Member of the Corporate Governance Committee

Mr. Narong Sangsuriya

Position
- Chairman of the Corporate Governance and Risk Management Committee
- Director

Education/Training
- Bachelor of Engineering (Civil), Chulalongkorn University
- Director Certification Program (DCP 54/2005), Thai Institute of Directors Association

Work Experience

CK Power Public Company Limited	- Director - Chairman of the Corporate Governance and Risk Management Committee
Bangpa-in Cogeneration Limited	- Chairman of the Board of Directors
Nam Ngum 2 Power Company Limited	- Director - Executive Director
TTW Public Company Limited	- Director - Chairman of the Executive Committee
CH. Karnchang Public Company Limited	- Member of the Corporate Governance and Risk Management Committee - Member of the Nomination and Remuneration Committee - Executive Director - Director - Senior Executive Vice President: Operation Group
SouthEast Asia Energy Limited	- Director - Executive Director

Dr. Vicharn Aramvareekul

Position
- Chairman of the Nomination and Remuneration Committee
- Independent Director
- Member of the Audit Committee
- Member of the Corporate Governance and Risk Management Committee
- Director

Education/Training
- Doctor of Business Administration, California Coast University, U.S.A.
- Master of Business Administration, Chulalongkorn University
- Bachelor of Business Administration, Major in General Management Sukhothai Thammathirat University
- Director Certification Program (DCP 170/2013), Thai Institute of Directors Association
- Role of the Compensation Committee, (RCC 19/2014) Thai Institute of Directors Association
- 4-year Certification Program "Chemical Risk Assessment Method" from The Oversea Human Resource & Industry Development Association (HIDA), Japan, jointly sponsored by the Department of Industrial Works and Chemical Industry Club, the Federation of Thai Industries

Work Experience

CK Power Public Company Limited	- Chairman of the Nomination and Remuneration Committee - Member of the Corporate Governance and Risk Management Committee - Director and Member of the Audit Committee - Independent Director
Pacific Pipe Public Company Limited	- Chairman of the Audit Committee - Independent Director
Daika (Thai) Inc., Ltd.	- Chairman of the Advisory Board

Mr. Supong Chayutsahakij

Position
- Director

Education/Training
- Honorable Doctorate of Business Administration (Management) Rajabhat Phranakorn University
- Master of Political Science (Politics and Government) Sukhothai Thammathirat Open University
- Master of Business Administration (Management) Sasin Graduate Institute of Business Administration
- Master of Engineering (Electrical), University of Tokyo, Japan
- Bachelor of Engineering (Electrical), University of Tokyo, Japan
- Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association
- Director Certification Program (DCP 8/2001) Thai Institute of Directors Association
- Advanced Certificate Course in Public Economics Management for Executives, Class 1 (2003) King Prajadhipok's Institute
- Advanced Certificate Course in Public Administration and Law for Executives, Class 3 King Prajadhipok's Institute
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 10 King Prajadhipok's Institute

Work Experience

CK Power Public Company Limited	- Director
Xayaburi Power Company Limited	- Director
Bangkok Expressway and Metro Public Company Limited*	- Director - Executive Director - Member of the Nomination and Remuneration Committee
SouthEast Asia Energy Limited	- Director
Nam Ngum 2 Power Company Limited	- Director
Thai-Nichi Institute of Technology	- Chairman of the Institute
Siam Steel International Public Company Limited	- Director - Member of the Audit Committee
Northern Bangkok Expressway Company Limited	- Director - Executive Director

*Remark : * Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

Mr. Chaiwat Utaiwan

Position

- Executive Director
- Director

Education/Training

- Master of Business Administration Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Master of Science (Mathematics and Computer Science) University of Louisville, Kentucky, U.S.A.
- Bachelor of Science (Statistics), Chulalongkorn University
- Director Certification Program (DCP18/2002) Thai Institute of Directors Association
- Role of Chairman Program (RCP 29/2012) Thai Institute of Directors Association
- National Defence Course, Class 20 The National Defence College
- Capital Market Academy Leadership Program, Capital Market Academy (CMA Course), Class 3/2006
- Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations Class 12, Public Director Institute (PDI), King Prajadhipok's Institute
- Top Executive Program in Commerce and Trade (TEPCoT) Class 6, University of Thai Chamber of Commerce
- Bhumipalung Phandin Program for senior executive level program (BPP 1), Chulalongkorn University

Work Experience

CK Power Public Company Limited	- Director - Executive Director
TTW Public Company Limited	- Director - Executive Director - Member of Corporate Governance Committee - Member of Risk Management Committee - Managing Director
Islamic Bank of Thailand	- Chairman of the Board of Directors
Suvarnabhumi Airport Hotel Company Limited	- Chairman of the Board of Directors - Director and Executive Director
Pathum Thani Water Company Limited	- Director
Thai Water Operation Company Limited	- Director

Mr. Prawet Ingadapa

Position

- Independent Director
- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee
- Director

Education/Training

- Master of Business Administration, Chulalongkorn University
- Bachelor of Laws (Honors), Chulalongkorn University
- Barrister-at-Law, Institute of Legal Education of Thai Bar Association
- Director Certification Program (DCP170/2013), Thai Institute of Directors Association

Work Experience

CK Power Public Company Limited	- Member of the Nomination and Remuneration Committee - Member of the Audit Committee - Independent Director
Bangkok Synthetics Co., Ltd. Bangkok Cogenaration Co., Ltd. Bangkok Industrial Gass Co., Ltd. Foamtec International Co., Ltd. (Industry in the group of Dr. Pichit Nithivasin)	- Manager of the Office of Managing Director

Mr. Prasert Marittanaporn

Position
- Executive Director
- Member of the Nomination and Remuneration Committee
- Director

Education/Training
- Master of Business Administration, Kasetsart University
- Bachelor of Accounting, Chulalongkorn University
- Director Certification Program (DCP 54/2005) Thai Institute of Directors Association
- Role of the Compensation Committee (RCC 6/2008) Thai Institute of Directors Association
- Successful Formulation & Execution of Strategy (SFE 6/2010) Thai Institute of Directors Association
- Capital Market Academy Leadership Program, (CMA Course), Class 9/2009 Capital Market Academy

Work Experience

CK Power Public Company Limited	- Member of the Nomination and Remuneration Committee - Executive Director - Director
CH. Karnchang Public Company Limited	- Member of the Corporate Social and Environmental Responsibility Committee - Executive Director - Director - Senior Executive Vice President: Administration Group
Nam Ngum 2 Power Company Limited	- Director
CH. Karnchang-Tokyu Construction Co., Ltd.	- Director
SouthEast Asia Energy Limited	- Director

Dr. Supamas Trivisvavet

Position
- Executive Director
- Director

Education/Training
- Doctor of Philosophy in Public Administration, University of Southern California, U.S.A.
- Master of Public Policy, Duke University, U.S.A.
- Bachelor of Arts, Chulalongkorn University
- Director Certification Program (DCP 106/2008)
- Corporate Secretary Program (CSP 37/2010)
- Developing Corporate Governance Policy,
- Effective Minute Taking (EMT 16/2010),
- Board Reporting Program (BRP 3/2010), Thai Institute of Directors Association

Work Experience

CK Power Public Company Limited	- Executive Director - Director
CH. Karnchang Public Company Limited	- Chief Executive Officer - Executive Director
Bangkhenchai Co., Ltd.	- Director
Bang Pa-in Land Development Co., Ltd.	- Director

Mr. Alvin Gee

Position

- Director

Education/Training

- Bachelor of Science in Finance, Boston College
- Director Certification Program (DCP 165/2012)
  Thai Institute of Directors Association

Work Experience

CK Power Public Company Limited	- Director
SouthEast Asia Energy Limited	- Director - Executive Director - Managing Director
Nam Ngum 2 Power Company Limited	- Director - Executive Director - Managing Director

Mr. Thanawat Trivisvavet

Position

- Member of the Corporate Governance and Risk Management Committee
- Executive Director
- Director
- Managing Director and Company Secretary
- Deputy Managing Director : Management

Education/Training

- Master of Economics, Northwestern University, U.S.A.
- Bachelor of Economics, Duke University, U.S.A.
- Director Certification Program (DCP 116/2009)
  Thai Institute of Directors Association

Work Experience

CK Power Public Company Limited	- Member of the Corporate Governance and Risk Management Committee - Executive Director - Director - Managing Director and Company Secretary - Deputy Managing Director : Management
Xayaburi Power Company Limited	- Director - Executive Director - Managing Director
Nam Ngum 2 Power Company Limited	- Director - Executive Director

Business Policy and Overview

1. Business Overview

CK Power Public Company Limited (the Company or CKP) was founded by CH. Karnchang Public Company Limited Group (CH. Karnchang Group), registered its incorporation on June 8, 2011, with its registered capital of Baht 1,000,000, and with the objective to become the center of CH. Karnchang Group's focus 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 the business of production and distribution of electricity generated from various types of energy. The Company's core revenue is derived from dividends from its investments in its subsidiaries and associated companies. The Company registered its conversion into a public company on February 6, 2013, and its ordinary shares were listed as listed securities, and started trading on the Stock Exchange of Thailand (Stock Exchange) on July 18, 2013, with its registered capital of Baht 5,500 Million, fully paid-up. On April 10, 2015, the Company registered its capital increase to Baht 9,240 Million. At present, the Company's registered and paid-up capital amounts to Baht 7,370 Million.

The Company currently invests in six companies operating the business of production and distribution of electricity in three types of power projects, namely, hydroelectric power project, cogeneration power project, and solar power project, with the following investment percentages in three subsidiaries, namely, SouthEast Asia Energy Limited (SEAN), representing 56 percent, which SEAN invests in Nam Ngum 2 Power Company Limited (NN2) representing 75 percent, Bangpa-in Cogeneration Limited (BIC), representing 65 percent, and Bangkhenchai Company Limited (BKC), representing 100 percent; and in three associated companies, namely, Xayaburi Power Company Limited (XPCL), Chiangrai Solar Limited (CRS), and Nakhon Ratchasima Solar Limited (NRS), in which the Company invests in 30 percent each.

Most of the power projects invested by the Company have commenced their commercial operations. Two projects which remain under construction are the Cogeneration Power Plant Project No. 2 of Bangpa-in Cogeneration Limited (BIC-2), which is expected for commercial operation commencement in 2017, and the Xayaburi Hydroelectric Power Project of Xayaburi Power Company Limited, which is expected for commercial operation commencement in 2019.

2. Vision, Objectives, Goals and Strategies in the Operations

Vision: To be a leading power business company in Thailand and the ASEAN region, with efficient operation.

Mission:
1) To generate an optimal, stable and fair return for shareholders;
2) To be responsible to the environment, community and all stakeholders.

Goals in the Operations: The Company has a policy on investment expansion in the business of production and distribution of electricity generated from various types of energy sources in Thailand and the ASEAN region, with the objective to play a part in building stability in the energy sector for the country from various power projects with the strength of the investment base and cooperation among alliances, as well as to maximize sustainable return to shareholders.

3. Significant Changes and Development

2011

- On June 1, 2011, the Board of Directors' Meeting of CH. Karnchang Public Company Limited (CK) resolved to establish "CK Power Limited" to operate a business as a holding company, in order to restructure the electricity power sector under CK's shareholding to be under the sole umbrella of CKP, in order to accommodate the future expansion of the energy business. The significant changes and improvements in the past were as follows:

2012

- On May 10, 2012, the Company acquired additional 110,112,500 ordinary shares in SouthEast Asia Energy Limited (SEAN) from Bangkok Expressway Public Company Limited (BECL), representing 16.67 percent of its registered capital, and as a result, the Company held a total of 361,168,999 shares in SEAN, or representing 54.67 percent of its registered capital.
- On June 26, 2012, the Company acquired ordinary shares in two companies operating the business of solar power production and distribution from CK, as follows:
  1) 2,342,498 shares in Bangkhenchai Company Limited (BKC), representing 100 percent of its registered and paid-up capital, amounting to Baht 234,250,000, at the price of Baht 225 per share;
  2) 664,500 shares in Nakhon Ratchasima Solar Limited (NRS), representing 30 percent of its registered and paid-up capital, amounting to Baht 221,500,000, at the price of Baht 128.50 per share.
- On August 31, 2012, the Company acquired 8,809,000 shares in SEAN from TEAM Consulting Engineering and Management Co., Ltd., representing 1.33 percent of its registered and paid-up capital, thereby resulting in an increase in the Company's shareholding in SEAN to 369,977,999 shares, or 56.00 percent of its registered and paid-up capital.
- On December 26, 2012, the Company acquired from CK ordinary shares in two companies, which comprised a solar power project and a cogeneration power project, as follows:
  1) 875,250 shares in Chiangrai Solar Limited (CRS), representing 30 percent of its registered and paid-up capital, amounting to Baht 291,750,000, at the price of Baht 122.88 per share;
  2) 63,019,999 shares in Bangpa-in Cogeneration Limited (BIC), representing 46 percent of its registered and paid-up capital, at the price of Baht 12.88 per share.

* *Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

- The Company's capital restructure was optimized by way of a decrease in registered capital in accordance with the resolution passed by the Company's Extraordinary General Meeting of Shareholders No. 2/2012 which was held on November 28, 2012, by Baht 6,133.30 Million from Baht 9,200 Million. The capital decrease was undertaken to return the decreased capital to the shareholders in proportion to their shareholding percentages, and as a result, the Company's registered capital amounted to Baht 3,066.70 Million, divided into 306.67 million ordinary shares, at the par value of Baht 10 each. The Company registered the capital decrease on January 11, 2013.

2013

- On January 2, 2013, the Company acquired additional 26,029,999 shares in BIC, representing 19 percent of its registered and paid-up capital, at the price of Baht 12.88 per share, from Bang Pa-in Land Development Co., Ltd., and as a result, the Company held a total of 89,049,998 shares in BIC, or 65 percent of BIC's registered and paid-up capital, amounting to Baht 1,370 Million.
- On February 4, 2013, the Company's Extraordinary General Meeting of Shareholders No. 1/2013 resolved to approve the increase of its registered capital from Baht 3,066.70 Million to Baht 4,600 Million, by way of the issuance of new 153,330,000 ordinary shares, at the par value of Baht 10 each, for sale to the existing shareholders in proportion to their shareholding percentages, at the price of Baht 40.00 per share; resolved to change the par value from Baht 10 per share to Baht 5 per share; concurrently resolved to increase the Company's registered capital from Baht 4,600 Million to Baht 5,500 Million, by way of the issuance of new 180 million shares, at the par value of Baht 5 each; resolved to allocate the newly issued shares for capital increase for public offering; and resolved to convert the Company into a public company and change its name to CK Power Public Company Limited.
- The Company registered its conversion into a public company and change of its name to CK Power Public Company Limited on February 6, 2013.
- On July 18, 2013, the Company started trading its ordinary shares on the Stock Exchange.

2014

- On April 22, 2014, the 2014 Annual Ordinary General Meeting of Shareholders granted approval for the Company to transfer the share premium in the amount of Baht 170 Million to compensate for the Company's deficit in the Company's separate financial statements.
- The Company's Extraordinary General Meeting of Shareholders No. 1/2014 which was held on October 28, 2014 resolved to grant approval for BIC to execute a connected transaction by signing the Agreement for Engagement of CK, the Company's major shareholder, as EPC Contractor for construction of the BIC-2 Project, with a total contract value not exceeding Baht 4,310 Million. It was scheduled to start the construction on January 1, 2015, for a period of 29 months, which was expected for completion and commencement of the commercial operation in the middle of 2017.

4. Significant Development in 2015

On April 9, 2015, the 2015 Annual Ordinary General Meeting of Shareholders resolved to grant approval as follows:

1) Dividend payment from the operational results for 2014 at the rate of Baht 0.10 per share, totaling Baht 110 Million, whereby the dividend payment to shareholders was due on April 27, 2015, representing the Company's first dividend payment to its shareholders.
2) Acquisition of XPCL's 805,830,000 shares from CK, representing 30 percent of its registered capital, totaling approximately Baht 4,344 Million, whereby the Company made payment for acceptance of the transfer of such shares from CK, and was registered as XPCL's shareholder in replacement of CK on June 9, 2015.

   In this regard, the Company appointed its personnel to hold offices and directors and executives in XPCL as per its shareholding percentage in accordance with the Notification of the Capital Market Supervisory Board No. ThorChor. 28/2551.
3) Decrease in the par value from Baht 5 to Baht 1 per share and increase in the Company's registered capital by Baht 3,740 Million, with a par value of Baht 1 each, thereby resulting in a total registered capital of Baht 9,240 Million. The Company already registered its capital increase and paid-up capital in the amount of Baht 7,370 Million with the Department of Business Development, Ministry of Commerce, on May 29, 2015.
4) Issuance and offering for sale of capital increase shares in the amount of 1,870 million ordinary shares, as well as issuance and offering for sale of warrants to purchase newly issued ordinary shares to accommodate the existing shareholders who subscribed for and made subscription payment of the newly issued ordinary shares in the amount of 1,870 million shares, totaling 3,740 million shares. As at December 31, 2015, there was no shareholder exercising such warrants to purchase the newly issued ordinary shares.
5) Appointment of Mr. Chaiwat Utaiwan as the Company's director.

   In this regard, the Company started trading its capital increase shares on the Stock Exchange on June 4, 2015 and started trading its warrants to purchase newly issued ordinary shares (CKP-W1) on the Stock Exchange on June 9, 2015.

   On June 9, 2015, the Board of Directors' Meeting No. 3/2015 granted approval as follows:
   1) Appointment of Mr. Chaiwat Utaiwan as executive director.
   2) Appointment of Mr. Thanawat Trivisvavet as Managing Director and Company Secretary, effective on July 1, 2015.

5. Shareholding Structure of the Company Group

5.1 Policy on Operation Division of Group Companies

The Company operates its business as a holding company in the business of production and distribution of electricity generated from various types of energy. The Company's core revenue is derived from dividends from its investments in its subsidiaries and associated companies, whereby the Company will send its personnel to work in its subsidiaries and associated companies in order to closely control and monitor the management of various companies.

The Company's subsidiaries and associated companies operate various types of power projects, comprising hydroelectric, cogeneration, and solar power projects.

5.2 Shareholding Structure of the Group

The Company operates its business as a holding company in its business of production and distribution of electricity generated from various types of energy. The total investment value in companies operating the business of production and distribution of electricity is 100 percent, which is in accordance with the criteria for maintaining the status of listed companies by holding companies in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Maintenance of the Status of Listed Companies on the Stock Exchange of Thailand (No. 11) B.E. 2555 (2012). The details of the shareholding structure of the Group are as follows:

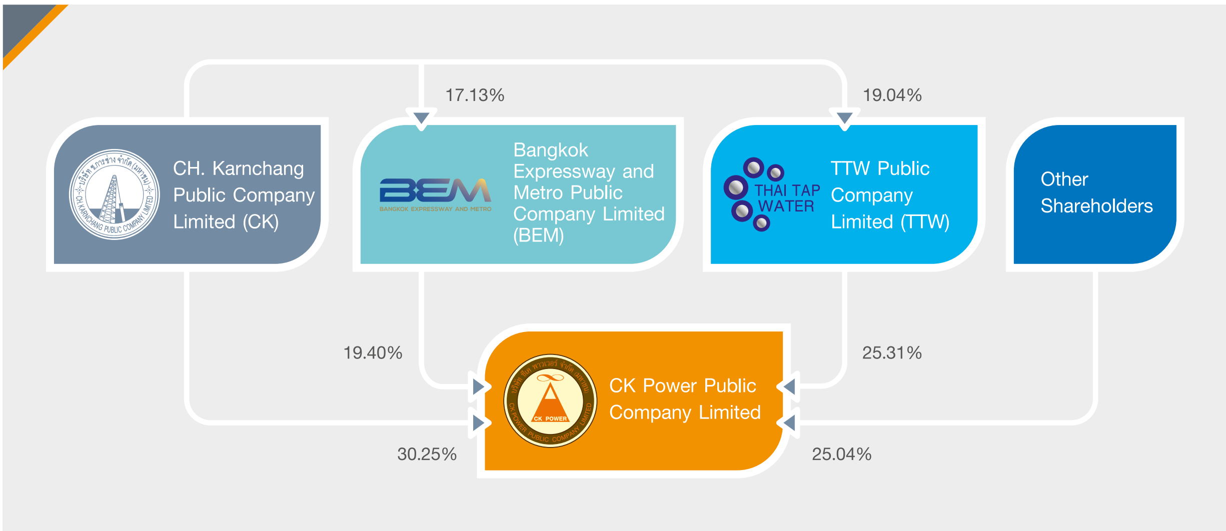
Group of Companies Operating Core Business	Nature of Business	Shareholding Percentage (%)	Other Shareholders
SouthEast Asia Energy Limited	Investment in hydroelectric power production business	56%	• Ratchaburi Electricity Generating Holding Public Company Limited 33.34% • PT (Sole) Co., Ltd. 5.33% • Shlapak Development Company Limited 5.33%
Xayaburi Power Company Limited	Production and distribution of electricity from hydroelectric power	30%	• Natee Synergy Company Limited 25.00% • ELECTRICITE DU LAOS (EDL) 20.00% • Electricity Generating Public Company Limited 12.50% • Bangkok Expressway and Metro Public Company Limited* 7.50% • PT (Sole) Co., Ltd. 5.00%
Bangpa-in Cogeneration Limited	Production and distribution of electricity and steam from the cogeneration power plant	65%	• PTT Public Company Limited 25.00% • Industrial Estate Authority of Thailand 8.00% • Other minority shareholders 2.00%
Bangkhenchai Company Limited	Production and distribution of electricity from the solar power plant	100%	-
Chiangrai Solar Limited	Production and distribution of electricity from the solar power plant	30%	Sonnedix Thailand II Limited 70%
Nakhon Ratchasima Solar Limited	Production and distribution of electricity from the solar power plant	30%	Sonnedix Thailand I Limited 70%
CKP Solar Limited[1]	Development of electricity production business of various types	100%	-
Vis Solis Limited[1]	Development of electricity production business of various types	100%	-
Helios Power Limited[1]	Development of electricity production business of various types	100%	-
Apollo Power Limited[1]	Development of electricity production business of various types	100%	-
Sole Power Limited[1]	Development of electricity production business of various types	100%	-

Remark: [1] *No operation yet.*

* *Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

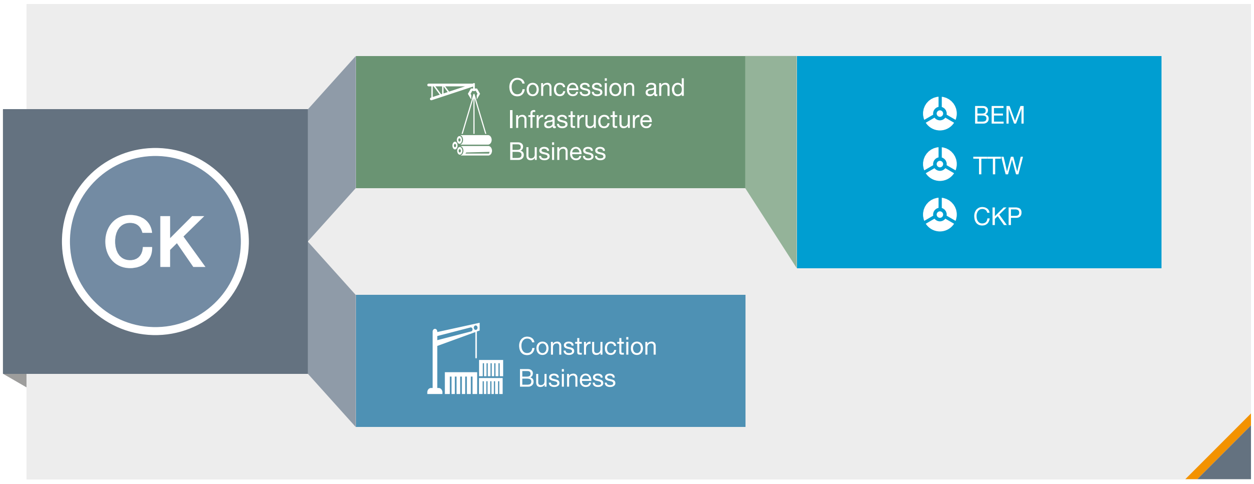
6. Relationship with Business Sectors of Major Shareholders

The Company's shareholding structure and percentages as at June 25, 2015 which was the most recent closing date of the share register were as follows:



The Company's three major shareholders comprise CH. Karnchang Public Company Limited (CK) (30.25 percent), Bangkok Expressway and Metro Public Company Limited (BEM) (19.40 percent), and TTW Public Company Limited (TTW) (25.31 percent), all of which, including the Company, are deemed to be in the CH. Karnchang Group.

CK's original core business is the large-scale project construction business. Subsequently, CK has invested in the concession and infrastructure business, in order to secure its revenue and diversify its business operations. CKP is considered the CH. Karnchang Group's flagship company with respect to energy. In the future, the development of the energy business of CH. Karnchang Group will be conducted via CKP.



* *Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

Nature of Business Operation

The Company operates as a holding company, by investing in companies, both in Thailand and overseas, engaging in the business of production and distribution of electricity. The Company derives core revenue from dividend based on its investment proportion. As at December 31, 2015, the Company has the total installed capacity of the power plants with commercial operation and the projects under construction of 2,159.5 MW, comprising the installed capacity of the power plants with commercial operation of 754.5 MW and the installed capacity of the projects under construction of 1,405 MW.

The Company classifies its investments into three business sectors as follows:

1. Hydro Power Business: SouthEast Asia Energy Limited (SEAN) and Xayaburi Power Company Limited (XPCL);
2. Cogeneration Power Business: Bangpa-in Cogeneration Limited (BIC);
3. Solar Power Business: Bangkhenchai Company Limited (BKC), Chiangrai Solar Limited (CRS), and Nakhon Ratchasima Solar Limited (NRS).

The Company's revenue structure from its investments in such business sectors over the past two years is as follows:

Revenue from Core Businesses	Operated by	Shareholding Percentage (%)	Revenue in 2015 (Million Baht)	% of Total Revenue	Revenue in 2014 (Million Baht)	% of Total Revenue
Revenue from core businesses						
Hydro power plant	SEAN	56	3,883.15	56.61	3,976.45	56.31
Cogeneration power plant	BIC	65	2,654.89	38.71	2,803.12	39.69
Solar power plant	BKC	100	158.47	2.31	162.57	2.30
Total revenue from core businesses			6,696.51	97.63	6,942.14	98.30
Share of profit from joint venrure and associated companies						
Cogeneration power plant	BIC	65	-	-	-	
Solar power plant	CRS	30	21.89	0.32	22.18	0.31
Solar power plant	NRS	30	13.86	0.20	12.49	0.18
Hydro power plant	XPCL	30	(27.18)	(0.39)	-	-
Total share of profit from associated companies			8.57	0.13	34.67	0.49
Other income						
Project management income	Company and Subsidiary		60.59	0.88	56.86	0.81
Other income	Company and Subsidiary		93.59	1.36	28.37	0.40
Total other income			154.18	2.24	85.23	1.21
Total revenue			**6,859.26**	**100.00**	**7,062.04**	**100.00**

1. Nature of Hydro Power Business

The power plants in this sector comprise:
- The Nam Ngum 2 Hydroelectric Power Project;
- The Xayaburi Hydroelectric Power Project.

1.1 Nature of Products or Services of Hydro Power Business

The 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 Nam Ngum 2 Power Company Limited (NN2), which is a company registered in the Lao People's Democratic Republic (Lao PDR) and which is awarded the concession for the development of the Nam Ngum 2 Hydroelectric Power Project from the Government of the Lao PDR.

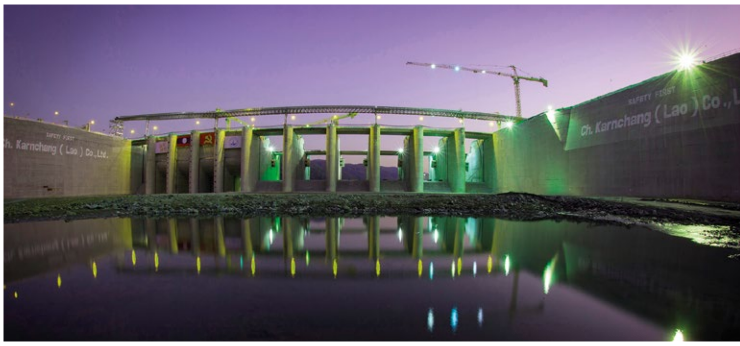
The Nam Ngum 2 Hydroelectric Power Project is located on the Nam Ngum River between Phou Xay and Phou Houat, Ban Houaymo, Muang Hom, Vientiane Province, Lao PDR, 35 kilometers northeast and upstream of the existing Nam Ngum 1 Dam, and 90 kilometers from the capital city Vientiane, Lao PDR. This power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

NN2's revenue from sales of electricity

The Power Purchase Agreement determines the Annual Supply Target of 2,310 GWh (million units) to be purchased by EGAT, divided into:

(a) Primary Energy or PE: 2,218 GWh per year, with the production capacity not exceeding 16 hours per day, the payments for which will be made in Thai Baht and USD.

(b) Secondary Energy or SE: 92 GWh per year. This refers to the electrical energy generated only during August, September and October each year, all payments for which will be made in Thai Baht.



(c) Excess Energy or EE is the excess electricity generated when NN2 finds that the volume of water exceeds the forecast, thereby, in such month, generating electricity in excess of the target designated in (a) and (b) as declared to EGAT in advance. The excess electricity will be considered the Excess Energy. All payments for which will be made in Thai Baht.

In addition, if NN2 is able to generate electricity in excess of the designated target of PE or SE as determined in the Agreement, such Excess Energy may be accumulated in the Reserve Account, which may be utilized in the future in any year in which it cannot generate and sell electricity to EGAT to meet the target as specified in the Power Purchase Agreement.

The Xayaburi Hydroelectric Power Project

The Company holds shares in XPCL, representing 30 percent of its registered and paid-up capital. XPCL is a company registered in the Lao PDR and is awarded the concession for the development and operation of the Xayaburi Hydroelectric Power Project from the Government of the Lao PDR.

The Xayaburi Hydroelectric Power Project is a run-of-river hydropower project on the Mekong river, unlike the Nam Ngum 2 Hydroelectric Power Project, which is a storage dam. In other words, the Xayaburi Hydroelectric Power Project is a run-of-river dam, which is not so high, and the volume of water outflow will be equivalent to the water intake each day.

The Xayaburi Hydroelectric Power Project is located on the Mekong downstream, totally within the boundary of the Lao PDR, approximately 80 kilometers from the southern of Luang Prabang Province, and approximately 160 kilometers from Amphoe Chiang Khan, Loei Province. XPCL has the power production capacity of 1,285 MW, whereby the electricity generated by the production capacity of 1,220 MW will be sold to EGAT under the Power Purchase Agreement for 29 years from the Commercial Operation Date, namely, on October 29, 2019 as specified in such Power Purchase Agreement; and XPCL will sell the electricity from the production capacity of 60 MW to the Electricité du Laos (EdL) under the Power Purchase Agreement between EdL and XPCL.

As XPCL's project, phase 2, is under construction, continuing from phase 1 which was completed in January 2015, the Company therefore has not yet recognized the revenue sharing from investment in XPCL. The construction of the Xayaburi Hydroelectric Power Project would take a total period of approximately eight years. As at December 31, 2015, the construction of the project has progressed 56 percent which proceeds in accordance with the construction plan.

The Xayaburi Hydroelectric Power Project has been designed by the excellent hydroelectric power engineering model in order to avoid, prevent and minimize environmental and social impacts. Such design includes fishery resource preservation, sediment flushing, navigation, and erosion prevention, as well as water quality preservation. In addition, all machinery and equipment for electricity production have been made of state-of-the-art technology by manufacturers with expertise acceptable worldwide. With respect to the project safety, the large-sized spillway gates and flushing gates have been installed, and the project is designed to effectively tolerate earthquake.

1.2 Marketing and Competition in Hydro Power Business

The hydropower project development relies on the suitability of the geographical locations. Neighboring country the Lao PDR has high potential for development of such projects for sale of the generated electricity to Thailand. As at October 2015, the overseas hydropower projects, which sell electricity to EGAT, comprise:

	Projects	Country	Capacity (MW)
1	Theun-Hinboun (including expansion)	Lao PDR	434
2	Houay Ho	Lao PDR	126
3	Nam Theun 2	Lao PDR	948
4	Nam Ngum 2	Lao PDR	597[1]
5	Hongsa	Lao PDR	491

Note: [1] *Based on the statistics of EGAT, the total capacity purchased by EGAT from the Nam Ngum 2 Project at the Delivery Point is 596.6 MW, while the installed capacity of the Nam Ngum 2 Project is at 615 MW.*

In case project developers intend to sell electricity to Thailand by way of a power purchase agreement with EGAT, the types of power plants and power periods of electricity distribution must comply with the current Thailand Power Development Plan 2015 - 2036, which is the long-term plan for power generation. This Plan has determined the foreign power purchases during 2015 - 2036 as follows:

Year	Projects	Fuel Types	Country	Contract Capacity (MW)
2015	Hongsa #1-2	Lignite	Lao PDR	2 x 491
2016	Hongsa #3	Lignite	Lao PDR	491
2017	-	-	-	-
2019	Nam Ngiep 1	Hydro	Lao PDR	269
2019	Xe-Pian - Xe-Namnoy	Hydro	Lao PDR	354
2019	Xayaburi	Hydro	Lao PDR	1,220
2020 - 2025	-	-	-	-
2026	Foreign Power Purchase	N/A	N/A	700
2027	Foreign Power Purchase	N/A	N/A	700
2028	Foreign Power Purchase	N/A	N/A	700
2029	Foreign Power Purchase	N/A	N/A	700
2030	Foreign Power Purchase	N/A	N/A	700
2031	Foreign Power Purchase	N/A	N/A	700
2032	Foreign Power Purchase	N/A	N/A	700
2033	Foreign Power Purchase	N/A	N/A	700
2034	Foreign Power Purchase	N/A	N/A	700
2035	Foreign Power Purchase	N/A	N/A	700
2036	Foreign Power Purchase	N/A	N/A	700
Total				11,016

Currently, the number of potential investors interested in hydropower project development has given rise to competition in project development and power offers. However, hydropower project development requires relatively high investments, involves time-consuming feasibility studies, including more sophisticated construction than other types of power projects, and requires design and construction experiences and expertise. In addition, an environmental impact assessment is mandatory as the construction of a large-sized hydropower plant utilizes huge areas, which may affect the living of local people in the vicinity of project sites, as well as surrounding natural resources. Therefore, a social and environmental impact assessment, including efficient and appropriate mitigation and remedial measures, is absolutely essential. For such reasons, the number of project investors and developers is limited by financial competency, technology, and project development expertise.

The Company is confident in its competitiveness through experience and expertise in large-sized hydropower projects in the Lao PDR. Other than the Nam Ngum 2 Hydroelectric Power Project, there are other hydropower projects under development and construction by the Company Group, as follows:

- Nam Bak Hydroelectric Power Project, with a capacity of 160 MW, is implemented by SEAN, a subsidiary of the Company, which has already signed the Project Development Agreement with the Government of the Lao PDR. The Project is scheduled to be completed for commercial operation in 2018, and all output will be sold to the Electricit du Laos.
- Xayaburi Hydroelectric Power Project, with a capacity of 1,285 MW, is implemented by XPCL, which is under construction and is scheduled for commercial operation in October 2019.

1.3 Supply of Products or Services in Hydro Power Business

Power Generation by Hydropower Plants

The Nam Ngum 2 Hydroelectric Power Project is a storage dam, which impounds water in a reservoir for power generation. The dam is constructed with the water storage level higher than the powerhouse to establish different levels of water to generate high pressure when water is released. The volume of water released from the reservoir down through tunnels towards the powerhouse is controlled at the desired quantity. The immense pressure of water in the tunnels will drive the turbine to spin at high velocity, and the turbine shaft mounted to the shaft of the generator will rotate in the enclosed generator and hence produce electricity.

The powerhouse of the Nam Ngum 2 Hydroelectric Power Project has installed three vertical Francis Turbines (reaction turbine type), which are suitable for hydropower plants with moderate water level such as the Nam Ngum 2 Hydroelectric Power Project. The generators comprise three synchronous generators with a capacity of 205 MW each, thereby bringing the total capacity to 615 MW.

Source of Energy for Power Generation by Hydropower Plants

The Nam Ngum 2 Hydroelectric Power Project relies solely on the water in the Nam Ngum River, which originates from the Xiangkhouang Plateau, with a total length of approximately 354 kilometers. Its reservoir covers approximately 107 square kilometers, with the full water capacity of 4,886 million cubic meters at full supply level of 375 meters FSL.

Despite the fact that the water supply has no cost for power generation, as it is derived from natural sources, hydropower generation is subject to some limitations due to the uncertain and unpredictable volume of water from time to time depending on weather conditions and seasons. According to the feasibility study of the Nam Ngum 2 Hydroelectric Power Project, which takes into account the 50-year rainfall database (during 1954 - 2003), the amount of storm water in the Nam Ngum River is sufficient to feed the dam and for storage for power generation to meet the supply target under the Power Purchase Agreement with EGAT in the respective years.

The volume of water in the Nam Ngum 2 Hydroelectric Power Project in 2014 and 2015 was as follows:

	2015		2014	
	Height (m.MSL)*	Water Volume (cubic meters)	Height (m.MSL)	Water Volume cubic meters
January	373.72	4,771.96	372.33	4,604.72
February	373.93	4,560.22	370.64	4,431.54
March	371.90	4,140.04	368.23	4,190.92
April	367.71	3,390.05	358.93	3.333.79
May	359.58	2,669.52	350.62	2,667.29
June	350.65	2,258.43	343.85	2,192.50
July	344.84	2,829.75	343.89	2,195.29
August	352.76	3,906.65	351.76	2,753.04
September	365.28	4,554.07	367.35	4,104.97
October	371.84	4,735.18	374.30	4,811.22
November	373.58	4,553.05	373.78	4,755.82
December	371.83	4,617.17	373.76	4,749.59

Note: Source: Nam Ngum 2 Power Company Limited
** m.MSL refers to meters above Mean Seal Level.*

2. Nature of Cogeneration Power Business

The power plant in this sector is the Bangpa-in Cogeneration Power Project Phase 1 (BIC-1).

2.1 Nature of Products or Services of Cogeneration Power Business

The Company holds 65 percent of the shares in 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 committed under the Power Purchase Agreement with EGAT 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, BIC is in the process of developing the Bangpa-in Cogeneration Power Project Phase 2 (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. The remainder of electricity and steam will be sold to industrial operators in Bang Pa-in Industrial Estate.

The Power Purchase Agreement between EGAT and BIC-2 scheduled the Commercial Operation Date for June 1, 2017. As at December 31, 2015, the construction of BIC-2 has progressed 18 percent which proceeds in accordance with the construction plan.

Revenue from sales of electricity by BIC-1 to EGAT comprises:

(a) Capacity Payment, which is determined from EGAT's long run avoided capacity cost from purchase of electricity from large commercial fuel power plants, including transmission system cost;

(b) Energy Payment, which is determined from fuel costs for power generation, operation and maintenance costs, and the EGAT's long run avoided energy cost from purchase of electricity from small cogeneration power plants;

(c) Fuel Saving Payment, which is determined based on benefits derived from small power plants' savings from thermal and cogeneration power production.

Revenue from sales of electricity by BIC-1 to industrial operators

The sale price of electricity to industrial operators is generally based on the reference tariff of the Provincial Electricity Authority (PEA) for large general services with discount for certain customers.

Revenue from steam supply of BIC-1

Steam supply agreements for industrial operators are concluded by way of negotiations with the respective customers in the same manner as the power purchase agreements. The steam price is based on the avoided cost basis, which may be adjusted to reflect changes in various indices, including gas prices and Thailand's Consumer Price Index.

2.2 Marketing and Competition in Cogeneration Power Business

The Company's expansion to the cogeneration power business is based on the model of selling most of the electricity to EGAT and selling the remaining electricity and steam to other operators. Revenue based on this model is relatively more steady than the sole distribution of electricity to other industrial operators.

The government's announced intention, since 2002, to purchase electricity from cogeneration power plants (firm type), with a capacity not exceeding 90 MW, has resulted in a great number of power projects of such type. As at December 2015, the status of cogeneration power plants was as follows:

Status	Number of Projects	Installed Capacity (MW)	Sale Volume under Power Purchase Agreements (MW)
Not yet commercially operated	38	4,521.421	3,420.000
Commercially operated	38	4,719.310	3,117.000

Note: The Energy Regulatory Commission of Thailand as at December 2015.

The Thailand Power Development Plan 2015 - 2036 has included new power projects which purchase power from contracted independent power producers. As for the power purchase from small power producers, during 2015 - 2025, the power purchase will be made from 97 SPP Projects, for a total capacity of 5,922 MW, divided into (1) 41 cogeneration projects for a total capacity of 3,660 MW; (2) 25 renewal cogeneration projects for a total capacity of 424 MW; (3) 31 renewable energy projects for a total capacity of 1,838 MW.

The Company is confident in its potential to compete in the cogeneration power project development as evidenced by its experience from previous selections as power producers under the Power Purchase Regulations 2007 (BIC-1) and the Power Purchase Regulations 2010 (BIC-2). Moreover, the Company has continuously made preparations in various aspects essential to project development, namely, its capability for fuel supply, connection with purchasing points, potential customers for electricity and steam, etc.

2.3 Supply of Products or Services in Cogeneration Power Business

Power Generation by Cogeneration Power Plant

The production of electricity by BIC's cogeneration power plant is fueled by natural gas whose combustion creates thermal pressure that rotates the gas turbine. The rotating gas turbine will then spin the power generator to produce electricity. Steam produced by such combustion will pass to the heat recovery steam generator (HRSG) to produce high pressure steam that rotates the steam turbine. Such rotating steam turbine will further spin the power generator to produce electricity accordingly.

Source of Energy for Power Generation by Cogeneration Power Plant

BIC's cogeneration power plant utilizes natural gas and tap water supply as raw materials in the power generation. In this regard, BIC-1 signed a Natural Gas Purchase Agreement with PTT Public Company Limited (PTT) on March 18, 2011 for a period of 25 years and also entered into a Water Purchase Agreement with TTW Public Company Limited (TTW) on February 15, 2011 for a period of 25 years.

3. Nature of Solar Power Business

The power plants in this sector include:

- Solar power plant project of Bangkhenchai Company Limited
- Solar power plant project of Chiangrai Solar Limited
- Solar power plant project of Nakhon Ratchasima Solar Limited

3.1 Nature of Products or Services of Solar Power Business

Solar Power Plant Project of Bangkhenchai Company Limited (BKC)

The Company holds 100 percent of the shares in 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 a premium payment (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.

Solar Power Plant Project of Chiangrai Solar Limited (CRS)

The Company holds 30 percent of the shares in 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 kWh (units) 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.

Solar Power Plant Project of Nakhon Ratchasima Solar Limited (NRS)

The Company holds 30 percent of the shares in 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 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 6 MW, and NRS will receive Adder at the rate of Baht 8 per kWh (units) 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.

Revenues from sales of electricity of BKC, CRS and NRS comprise:

a. The energy charge rate for electricity sold to PEA at the voltage of 11-13 kV must be in accordance with the Notification of the PEA in combination with the "Ft" charge.

b. The Adder will be at the rate of Baht 8 per unit (kWh) for a period of 10 years from the commencement of power purchase with PEA.

3.2 Marketing and Competition in Solar Power Business

Thailand's potential for solar power generation is relatively high due to its geographical location in the region of the equator, which is exposed to higher solar radiation on average than other regions of the earth. Based on the study on the satellite data along with ground surveys by the Department of Alternative Energy Development and Efficiency (DEDE), the majority of the areas which have solar energy potential for Thailand with the yearly average solar radiation intensity of approximately 18.2 MJ/m2 are located in the Northeastern region, while some of the areas are located in the lower Central region. In this respect, Thailand has potentials to generate solar energy up to 10,000 MW (Source: The Department of Alternative Energy Development and Efficiency).

The Alternative Energy Development Plan (AEDP) is one of the five plans of Thailand Integrated Energy Blueprint. AEDP focuses on the development of alternative energy to the full potential in each area, by promoting the power production from refuse derived fuel, biomass and biogas, as well as other renewable energy, such as, wind and solar, etc., and expanding power transmission and distribution systems of all three electricity authorities to accommodate the promotion of alternative energy by zoning, and improving the Smart Grid to enhance the efficiency in the power production from alternative energy, with the target to increase the percentage of power production from alternative energy from the existing 8 percent to 20 percent of Thailand's total electricity demand in 2036, with a total power production from renewable energy of 19,634.4 MW, as follows:

Unit: MW

Year	Solar	Wind	Hydro power	Waste Solid	Biomass	Biogas	Energy Crops	Total*
2014	1,298.5	224.5	3,048.4	65.7	2,541.8	311.5	-	7,490.4
2036	6,000.0	3,002.0	3,282.4	500.0	5,570.0	600.0	680.0	19,634.4

Note: * *Installed capacity*

Thailand Power Development Plan 2015 - 2036 has incorporated the AEDP as one of the assumptions for electricity demand forecast and new capacity during 2015 - 2036.

The National Energy Policy Council (NEPC) approved the promotion of solar power production by accepting power purchase since 2007 onwards. On August 15, 2014, the NEPC resolved to approve the acceptance of solar power purchase, as follows:

1) Approving the acceptance of solar power purchase of three types, as follows:

1.1) Solar Farms

1.1.1) Accepting purchase of remaining power of approximately 576 MW (to reach the target at 2,000 MW), FiT at Baht 5.66 per unit, for a period of 25 years, with the Scheduled Commercial Operation Date by the end of December 2015;

1.1.2) Authorizing the Department of Alternative Energy Development and Efficiency (DEDE) to consider and negotiate with persons submitting project proposals for applying for power sales as usual, who have not yet been considered for acceptance of power purchase, with applications pending consideration of 1,054 MW, and to negotiate to accept purchase of approximately 576-MW remaining power, Feed-in Tariff (FiT) at Baht 5.66 per unit for a period of 25 years, in the same locations per the existing proposal, with the Scheduled Commercial Operation Date by the end of December 2015. Should the results of the negotiations with the existing project proposers indicate that an agreement could not be reached and the acceptance of power purchase not be approved by the end of 2014, it was deemed appropriate to terminate such proposal.

1.2) Solar PV Rooftop

1.2.1) Granting an extension of time for the Scheduled Commercial Operation Date for Solar PV Rooftops as already bound with the government sector in the amount of 130.64 MW from December 2013 to the end of December 2014.

1.2.2) Opening for acceptance of additional purchases of solar power from Solar PV Rooftops in the Small Power Producer program for households not exceeding 10 kilowatts in an amount of 69.36 MW, FiT at Baht 6.85 per unit, with the Scheduled Commercial Operation Date by the end of December 2015.

1.3) Solar Farm for Government Agencies and Agricultural Cooperatives

1.3.1) Requiring change of operation of solar farm projects located in communities to operation of solar farm projects for government agencies and agricultural cooperatives, with an installed capacity not exceeding 5 MW per location, totaling 800 MW, FiT at Baht 5.66 per unit, for a period of 25 years, with the Scheduled Commercial Operation Date by the end of December 2015.

1.3.2) Authorizing the Managing Committee on Power Generation from Renewable Energy Promotion, which was appointed by the National Energy Policy Council, to specify rules and regulations for project selection, and consider accepting power purchase by taking into account the efficiency in power production from solar cells and the accommodating capacity of the transmission system.

2) Approving the FiT for solar power projects in 2014 - 2015, for a period of 25 years, as follows:
   2.1) Solar Farm, with an installed capacity not exceeding 90 MWp, FiT at Baht 5.66 per unit;
   2.2) Solar PV Rooftop
      2.2.1) Household Group, with an installed capacity of 0 - 10 kW, FiT at Baht 6.85 per unit;
      2.2.2) Business/Factory Building Group
         (a) Installed capacity exceeding 10 - 250 kW, FiT at Baht 6.40 per unit;
         (b) Installed capacity exceeding 250 - 1,000 kW, FiT at Baht 6.01 per unit;
   2.3) Solar Farm for Government Agencies and Agricultural Cooperatives, FiT at Baht 5.66 per unit. The Energy Regulatory Commission (ERC) will further issue the regulations on FiT for solar power purchase.
3) Approving that Ministry of Energy, Ministry of Industry, and Ministry of Natural Resources and Environment jointly discuss to determine guidelines and manage and dispose of waste from solar power projects.

Subsequently, on October 22, 2014, the National Energy Policy Council (NEPC) further resolved to approve the acceptance of solar power purchase, as follows:

1) Granting an extension of time for the Scheduled Commercial Operation Date for Solar PV Rooftops contracted with the government sector in the amount of 130.64 MW from December 2014 to the end of June 2015.
2) As for the Solar Farm for Government Agencies and Agricultural Cooperatives, it was deemed appropriate to consult with Energy Saving Company (ESCO) for advice for more efficient project development.
3) Increasing power purchase from Solar Farm from 576 MW for another 800 MW, in order to cover all proposed power volume of 1,054 MW. Should any project fail to produce power in the proposed area, such project is allowed to change the area for power production and distribution in a new area.

With respect to the power purchase from Solar Farm for Government Agencies and Agricultural Cooperatives, the Office of the Energy Regulatory Commission (OERC), has completed the preparation of the Regulations of the Energy Regulatory Commission governing Power Purchase from Solar Farm for Government Agencies and Agricultural Cooperatives B.E. 2558 (2015) (Regulations) and published in the Government Gazette on March 13, 2015, effective on March 14, 2015. Clause 7 of the Regulations specifies that any person intending to be a project owner shall express the intention to participate in the project in accordance with the rules, procedures and conditions as specified by the Managing Committee on Power Generation from Renewable Energy Promotion (Managing Committee). Later on August 13, 2015, the NEPC resolved to acknowledge the draft rules for participation in the project as approved by the Managing Committee and assigned the ERC for further proceedings, as well as approved the extension of time for the Scheduled Commercial Operation Date (SCOD) for the project from within June 30, 2016 to gradually distribute into the grid commercially from time to time. The first SCOD was scheduled to be within September 30, 2016 for areas ready for power transmission, and within June 30, 2018 for the remaining areas. In this regard, the power purchase target shall be adjusted to be clearly specified based on target groups, such as, 400 MW for agricultural cooperatives, and another 400 MW for government agencies, or half of the overall power purchase for each group.

Later on September 17, 2015, the ERC issued the Notification of the Energy Regulatory Commission, Re: Power Purchase from Solar Farm for Government Agencies and Agricultural Cooperatives, and determined the rules for participation in the project, review and selection of Solar Farm for Government Agencies and Agricultural Cooperatives, to be in line with the resolutions of the NEPC on August 13, 2015. The acceptance of power purchase is divided into two phases, as follows:

Phase 1 The Notification of the Power Purchase Acceptance will be issued for areas equipped with power transmission system and potential of other fuels. The Scheduled Commercial Operation Date (SCOD) is scheduled to be no later than September 30, 2016. The target for power purchase in Phase 1 shall not exceed 600 MW, divided into not exceeding 300 MW for government agencies, and not exceeding 300 MW for agricultural cooperatives.

Phase 2 The Notification of the Power Purchase Acceptance will be subsequently issued. The SCOD is scheduled from January 1, 2018 to June 30, 2018.

Any person intending to be a project owner was required to submit an application for participation in the project in Phase 2 within November 1 - 10, 2015, and the ERC would select the qualified projects by drawing lots. It is expected that the ERC would set the date for drawing lots in early 2016.

After the deadline for submission of the applications, there were a total of 618 applicants for power sale proposals, representing the power sale proposals for all areas (except for the Northeastern and Southern regions, which did not open for applications in Phase 1) in the amount of 2,905.50 MW, divided into 1,778.03 MW for government agencies and 1,127.47 MW for agricultural cooperatives.

The Company has prepared its readiness in respect of both areas and selection of high technology in the development of solar power plants in accordance with the conditions for acceptance of power purchase from the government sector, mainly focusing on Solar Farm, which includes Solar Farm for Government Agencies and Agricultural Cooperatives. CKP Solar Limited, in which the Company holds 100 percent of its shares, also submitted the power sale proposal under the Notification of the Energy Regulatory Commission, Re: Acceptance of Power Purchase from Solar Farm for Government Agencies and Agricultural Cooperatives. The characteristics of the project proposed by CKP Solar Limited have been approved, and it is pending the selection process by drawing lots to be organized by the ERC. However, the Company has the intention and readiness to submit additional power sale proposals under such Notification in Phase 2.

3.3 Supply of Products or Services in Solar Power Business

Power Generation by Solar Power Plants

Solar power generation utilizes solar cells to receive solar energy to produce electricity, which is the direct process of conversion of the solar energy into electricity. When the solar energy, in the form of electromagnetic waves carrying energy, contacts the semiconductors, which are capable of absorbing the solar energy spectrum, the semiconductors so exposed to sunlight will convert the solar energy into direct current. However, due to the low electromotive force produced from one solar cell, it is necessary to connect several solar cells in series to boost the electromotive force, for commercial utilization. These connected solar cells in appropriate number and size are called a solar module or solar panel.

The solar power plants of BKC, CRS and NRS produce electricity based on the above process. BKC and NRS employ the thin film photovoltaic module technology while CRS utilizes the multi-crystalline solar cells technology. These solar panels are exposed to sunlight which, once it contacts the panels, will produce electricity. Electricity produced from the panels is a low voltage direct current, which must pass through an inverter for conversion into a low voltage alternating current. The low voltage alternating current will then flow through a transformer to increase its voltage, which will be sent to the transmission system of the PEA for further distribution to customers.

Source of Energy for Power Generation by Solar Power Plants

The major source of energy in support of the solar power plants of BKC, CRS and NRS is sunlight, which is derived free of charge from natural resources. Even though sunlight is a major natural and clean energy source, its utilization is somewhat limited to only the daytime, not to mention the uncertain intensity of solar radiation depending on geography and climate, as well as different seasons.

Prior to selecting locations or sites for such solar power plants, BKC, CRS and NRS conducted studies, which revealed whether the solar radiation intensity of the respective power plant sites was sufficient to produce electricity. BKC's solar power plant, located at Latitude 14.7 °N and Longitude 102.0 °E, has an average solar radiation of 17.62 MJ/m2/day, which is sufficient to design a solar power plant with a capacity of 8 MW.

CRS's solar power plant, located at Latitude 20.17 °N and Longitude 100.02 °E, has an average solar radiation of 16.97 MJ/m2/day, which is sufficient to design a solar power plant with a capacity of 8 MW.

NRS's solar power plant, located at Latitude 15 °N and Longitude 101 °E, has an average solar radiation of 19.00 MJ/m2/day, which is sufficient to design a solar power plant with a capacity of 6 MW.

4. Electricity Industry in Thailand

EGAT is the authority responsible to produce and distribute electricity in response to the electricity demand countrywide through the power generating units, comprising its own power plants combined with power purchases from private power producers, the Lao PDR, and Malaysia. EGAT sells electricity to its consumers, namely, the Metropolitan Electricity Authority ("MEA"), the Provincial Electricity Authority ("PEA") and direct customers (certain industrial factories as specified in the Royal Decrees). EGAT distributes electricity through high voltage stations, and MEA and PEA are responsible for distribution and retail sales to the general public. Electricity purchased from EGAT at the connection points is transmitted to the substations for further distribution to the consumers.

4.1 National Capacity

The combined on-grid capacity as at October 2015 divided by types of power plants is as follows:

Types of Power Plants	Capacity (MW)	percent
EGAT	15,492.63	41.50
Independent Power Producers	13,966.20	37.40
Small Power Producers	5,012.52	13.40
Foreign Power Purchases	2,895.60	7.70
Total	**37,366.95**	**100.00**

Note: Source: EGAT as at December 2015

The combined on-grid capacity from January to August 2015 divided by fuel types is as follows:

Fuel Types	Generating Units (GWh)	percent
Natural Gas	85,674.79	70.00
Lignite	21,397.01	17.50
Hydro	11,215.97	9.20
Fuel Oil	864.66	0.70
Diesel	172.99	0.10
Renewable Energy	2,893.85	2.40
Foreign Power Purchases	96.37	0.10
Total	**122,315.64**	**100.00**

Note: Source: EGAT as at December 2015

4.2 Thailand's Peak Electricity Demand

The peak electricity demand refers to the highest amount of electricity used by consumers altogether on any given day of each year. In 2015, the peak electricity demand took place on June 11, at 14.26 hours, and the peak electricity demand during 2011 to 2015 was as follows:

	Peak Electricity Demand		
Year	MW	Increase	
		MW	%
2011	23,900	-110	-0.45%
2012	26,121	2,221	9.29%
2013	26,598	477	1.83%
2014	26,942	344	1.29%
2015	27,346	404	1.50%

Note: Source: EGAT as at December 2015

4.3 Thailand Power Development Plan

Thailand Power Development Plan 2015 - 2036 (PDP 2015) was considered and approved by the ERC on May 6, 2015, and the NEPC resolved to approve the PDP 2015 in its Meeting No. 2/2015 which was held on May 14, 2015, and after that, the Council of Ministers acknowledged such resolution of the NEPC on June 30, 2015. The PDP 2015 covers the power development plan during the period of 2015 - 2036.

The PDP 2015 was drafted in line with the NEPC's resolution on August 15, 2014, as follows:

1) Priority given to the security of all power components covering the power production, transmission, and distribution systems by zoning;
2) Policy on fuel diversification to reduce the risk of fuel dependency:
   - Reduce fuel dependency on natural gas;
   - Increase the coal fuel power based on clean technology;
   - Foreign power purchase not exceeding 20 percent of the power production capacity;
   - Promote the power production from renewable energy;
   - Allocate for nuclear power plant projects at the end of the PDP 2015;
3) Reserve Margin at not less than 15 percent of the peak electricity demand;
4) Policy on Independent Power Producers (IPP) and Small Power Producers (SPP) to be implemented in accordance with the executed agreements of private power plants.

In addition, the duration of the PDP 2015 is in line with the National Economic and Social Development Plan of the Office of the National Economic and Social Development Board (NESDB), and the PDP 2015 is also one of the five master plans of Thailand Integrated Energy Blueprint of the Ministry of Energy, as follows:

(1) Thailand Power Development Plan (PDP);
(2) Energy Efficiency Development Plan (EEDP);
(3) Alternative Energy Development Plan (AEDP);
(4) Thailand Natural Gas Supply Plan; and
(5) Fuel Management Plan.

The PDP 2015 has forecasted Thailand net total energy demand and peak electricity demand at 326,119 GWh and 49,655 MW, respectively. It is anticipated that during 2014 - 2036, Thailand net total energy demand will increase by an average of 2.67 percent per annum.

Forecasts of the net total energy demand and net peak electricity demand under the PDP 2015 are as follows:

Year	PDP 2015	
	Peak (MW)	Electricity (GWh)
2016	30,128	197,891
2026	40,791	267,269
2030	44,424	291,519
2036	49,655	326,119

The PDP 2015 forecasts that as at the end of 2036, Thailand's net total power production capacity will reach 70,335 MW, 57,459 MW of which accounts for the production capacity of new power plants during 2015 - 2036, divided into types of the power plants, as follows:

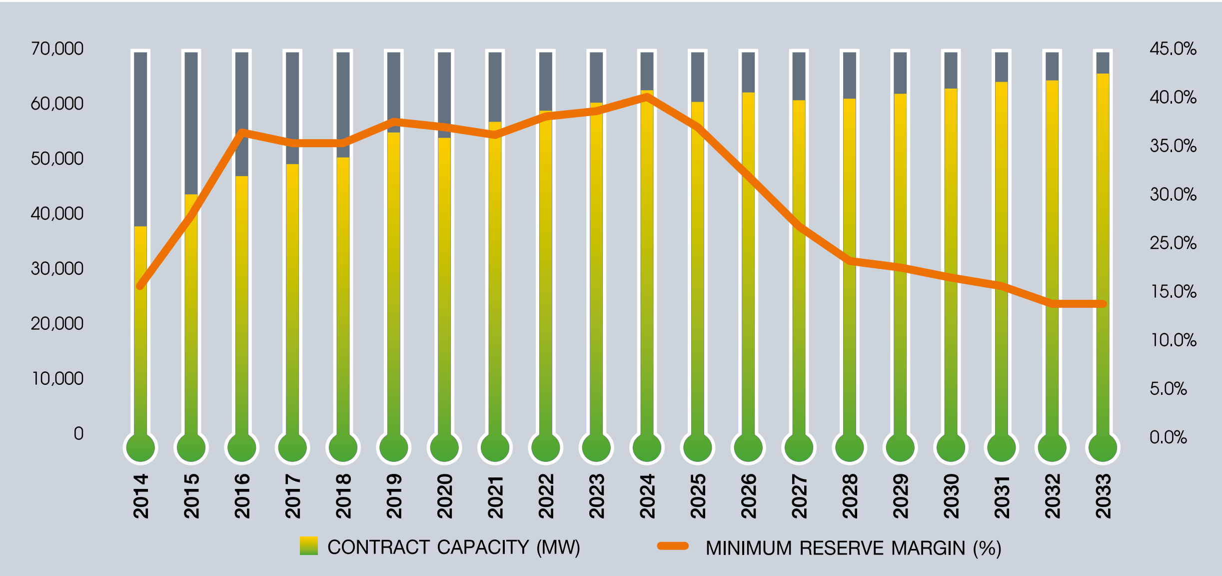
Types of Power Plants	MW	MW
Renewable Energy Power Plant		21,648
- Local	12,105	
- Foreign Power Purchases	9,543	
Pumped Storage Plant		2,101
Cogeneration Power Plant		4,119
Combined Cycle Power Plant		17,478
Thermal Power Plant		12,113
- Coal/Lignite Power Plant	7,390	
- Nuclear Power Plant	2,000	
- Gas Turbine Power Plant	1,250	
- Foreign Power Purchases	1,473	
Total		57,459

With respect to the fuel proportions in the power production in the PDP 2015, on December 15, 2014, the NEPC resolved to approve the principles and guidelines for preparing the PDP 2015, with the projections for fuel proportions, as follows:

Unit: percent

Types of Fuels	2014	2026	2036
Foreign Hydropower Purchase	7	10 - 15	15 - 20
Clean Coal Technology (including Lignite)	20	20 - 25	20 - 25
Renewable Energy (including hydropower)	8	10 - 20	15 - 20
Natural Gas	64	45 - 50	30 - 40
Nuclear	-	-	0 - 5
Diesel/Fuel Oil	1	-	-

Projections for Contract Capacity and Minimum Reserve Margin under the PDP 2015 are as follows:



The roles of the private sector in the power production are in the capacities as (1) Independent Power Producers (IPP), (2) Small Power Producers (SPP), (3) Very Small Power Producers (VSPP), and (4) Foreign Power Purchase Projects. The PDP 2015 has included new power plants which accept power purchase from IPPs, SPPs, and foreign power purchase which have been committed and executed the power purchase agreements with EGAT during 2015 - 2025, as follows:

1) Independent Power Producers (IPP)

There are seven IPP Projects which have executed the power purchase agreements with EGAT during 2015 - 2024, for the total power production capacity of 8,070 MW, as follows:

Project	Power Production Capacity (MW)	SCOD (Year)
Gulf JP UT Co., Ltd., Set 1 and Set 2	1,600	2015
In replacement of Khanom Power Plant, Set 1	930	2016
National Power Supply Co., Ltd. (Nos. 1 - 4)	540	2016 - 2017
Gulf SRC Co., Ltd. (Set 1)	1,250	2021
Gulf SRC Co., Ltd. (Set 2)	1,250	2022
Gulf PD Co., Ltd. (Set 1)	1,250	2023
Gulf PD Co., Ltd. (Set 1)	1,250	2024
Total	8,070	

2) Small Power Producers (SPP)

During 2015 - 2025, power will be purchased from 97 SPP Projects, for the total power production capacity of 5,922 MW, divided into (1) 41 cogeneration projects for a total production capacity of 3,660 MW; (2) 25 renewal cogeneration projects for a total production capacity of 424 MW; (3) 31 renewable energy projects for a total production capacity of 1,838 MW.

On February 16, 2015, the NEPC resolved to approve the principles and guidelines for implementation with the Cogeneration Firm SPP Agreements which will expire during 2017 - 2025, as follows:

Group 1: As for the cogeneration SPPs whose agreements will expire by 2017 - 2018, it is deemed appropriate to renew the agreements for another 3 - 5 years, by purchasing the remaining power from sale to the industrial estate customers into EGAT's system in the minimum volume subject to proper and fair agreements. This is because such SPP group is unable to carry out the construction of new power plants in the existing or adjacent areas within 2 - 3 years. In this regard, the power purchase rate must be adjusted as appropriate and fair to power users, to reflect actual costs from the power plant operations only. Upon a lapse of the renewed period, new power plants may be constructed in the same manner as Group 2, with a term not exceeding 20 years, and the power purchase price will not be higher than that from the IPP power plants.

Group 2: As for the cogeneration SPPs whose agreements will expire by 2019 - 2025, it is deemed appropriate to construct new power plant in the existing or adjacent areas, particularly power plants located in industrial estate, industrial park, or large-sized factory cluster with high demand of electricity, steam or cool water. New power plants must have the production capacity suitable to accommodate the steam demand of the industrial estate customers, with a term not exceeding 20 years, and the power purchase price will not be higher than that from IPP power plants, and the remaining power from sale to the industrial estate customers into EGAT's system shall be purchased in the minimum volume not exceeding 20 percent of the production capacity in accordance with the original agreements subject to proper and fair agreements.

In this regard, the regulations must be adjusted to supervise cogeneration SPPs to produce electricity and steam in line with the purpose for the cogeneration power production with higher efficiency in the use of the primary fuel than newly constructed large-sized power plants to produce electricity only.

3) Very Small Power Producers (VSPP)

During 2015 - 2036, power will be purchased from VSPPs (as per the AEDP) for a total production capacity of 9,735.6 MW, divided into (1) renewable energy for a total production capacity of 9,701 MW, (2) cogeneration system for a total production capacity of 34.6 MW.

4) Foreign Power Purchase Projects

During 2015 - 2019, there are four projects executing power purchase agreements with EGAT, for a total production capacity of 3,316 MW, as follows:

Project	Contract Capacity (MW)	SCOD (Year)
Hongsa Lignite # 1 - 3	3 x 491	2015 - 2016
Xayaburi Hydroelectric Power	1,220	2019
Xe-Pian - Xe-Namnoy Hydroelectric Power	354	2019
Nam Ngiep 1 Hydroelectric Power	269	2019
Total	**3,316**	

5. Rights and Privileges from Investment Promotion

The Company's subsidiaries and associated companies have been granted investment promotion from the Board of Investment (BOI) per the following Promotional Certificates:

	BKC	CRS	NRS	BIC-1
Promotional Certificates Nos.	1089(1)/2555	2071(1)/2554	1300(1)/2554	1565(2)/2554
Dated	January 23, 2012	August 30, 2011	March 11, 2011	May 18, 2011
Business Category	Public Utilities and Basic Services	Public Utilities and Basic Services	Public Utilities and Basic Services	Public Utilities and Basic Services
1. Permission was granted to bring foreign experts or specialists into the Kingdom in the number and for the period of time as the Board of Investment may consider appropriate.	Granted	Granted	Granted	Granted
2. Permission was granted to hold land ownership to the extent as the Board of Investment may consider appropriate.	None	Granted	Granted	None
3. Import duty exemption/reduction for machinery was granted as the Board of Investment may approve.	Exempted (by July 23, 2014)	Exempted (by February 28, 2014)	Exempted (by September 11, 2013)	Exempted (by November 18, 2013)
4. Rights and privileges of corporate income tax exemption was granted for the net profit derived from the promoted business.	8 years	8 years	8 years	8 years (not exceeding Baht 4,934 Million)
5. Period for carrying forward loss during the promoted period to set off against net profits to be derived after the corporate income tax exemption period.	5 years	5 years	5 years	5 years
6. Exemption from including dividend from the promoted business in the calculation for income tax payment.	8 years	8 years	8 years	8 years
7. 50 percent reduction of corporate income tax for the net profit derived from the promoted business.	5 years (from the day after the period in item 6)	5 years (from the day after the period in item 6)	5 years (from the day after the period in item 6)	None
8. Two times deduction of costs of transportation, electricity and water supply.	10 years (from the first day of receiving income from the promoted business)	10 years (from the first day of receiving income from the promoted business)	10 years (from the first day of receiving income from the promoted business)	None
9. Deduction of investment funds in installation or construction of facilities.	25 percent of investments	25 percent of investments	25 percent of investments	None
10. Permission was granted to bring or remit foreign currencies out of the Kingdom.	None	Granted	Granted	None

Risk Factors

The Company realizes the significance of risk management from the perspective of both holding company and electricity production and distribution business. The Board of Directors then appointed the Corporate Governance and Risk Management Committee on January 14, 2013 and authorized it to prepare an annual risk management plan, and to assess and monitor various risks via working groups, comprising executives from every line of work of the Company and its subsidiaries. In this regard, the results of risk assessment will be reported each quarter to the Board of Directors to inform them of the ongoing changes in circumstances which might affect the Company. Moreover, in considering investments in various projects, the Company thoroughly considers risks in each project stage, beginning with project selection, project development, and construction until implementation, by considering technical, financial, legal, environmental and social risks, which might affect the Company's returns on investments.

The significant risks and guidelines for risk management may be summarized as follows:

Risks to Business Operation of the Company and the Group

1. Risks to the Company's Investments

The Company operates its business as a holding company by investing in other businesses and not owning its core business, so the Company's cash flow and operational results depend on dividends derived from the projects invested in by the Company. In 2015, 60.49 percent of revenue under the separate financial statements came from dividend income. Should the businesses whose shares were held by the Company be affected by various risks, the operational results would not meet the goal and it would be impossible to pay dividend as expected. The Company sets out its management guidelines as follows:

Project Selection

The Board of Directors realizes the significance of selection of investment projects and thus has set out a clear policy on investment in other companies operating the business of electricity production and distribution to ensure the acceptable risk management and reasonable returns in line with the Company's long-term strategies. The Business Development Division has the duty to be responsible for analysis of various related factors in support of consideration of project selection, in respect of both return on investment and risk factors, which may include engagement of external consultant or expert to provide specific advice, and to propose investment information to the Board of Directors for approval.

Management of Projects under Construction

The Company's two projects under construction consisted of the Bang Pa-in Cogeneration Power Project Phase 2 (BIC-2), which started construction in early 2015, with the Commercial Operation Date scheduled for June 2017, and the Xayaburi Hydroelectric Power Project (XPCL), which started construction in 2011, with the Commercial Operation Date scheduled for October 2019. The Company expects that the construction would be completed according to schedule. However, the Company did realize that risks from delayed construction and increased construction cost might have a direct impact on its return on investment. As such, the Company executed the Engineering, Procurement and Construction Contract with CH. Karnchang Public Company Limited, with experience in construction of large-scale power projects and experience in construction of all power projects invested by the Company, with satisfactory works, of which the construction was completed according to schedule. Such EPC Contract is on a fixed cost lump sum turnkey basis, it could thus help reduce the risk from construction cost which might increase. Moreover, the Company has taken out insurance to cover damages resulting from natural disasters and regularly followed up progress of construction. These arrangements could ensure that it would be likely to complete the construction according to schedule and that the cost could be controlled.

Monitoring of the Operational Results

The Company sets out clear Control Policy and Governance Mechanisms of the businesses invested by the Company in the Control Policy, and the Company appoints its representatives to serve as directors or executives of its subsidiaries, associated companies, and jointly controlled entities according to their shareholding percentage, and also clearly determines the scope of power to exercise the discretion as the Company's representatives. Moreover, the businesses invested by the Company must regularly report on their respective financial positions and operational results in comparison with the specified goals to the Board of Directors' Meeting on a quarterly basis. The subsidiaries will submit information of new investment projects to the Company and also report on progress of the respective investment projects. Furthermore, the Company's Internal Audit Division will collaborate with its subsidiaries to inspect the internal control systems in terms of sufficient prudence and strict compliance therewith. This enables the Company to closely follow up the financial positions and operational results of the respective businesses as invested in by the Company in order to minimize and manage risks from such investments.

2. Business Risks

The Company's core revenue is dividends derived from three subsidiaries, namely, SouthEast Asia Energy Limited (SEAN), Bangkhenchai Company Limited (BKC) and Bangpa-in Cogeneration Limited (BIC), and one associated company, namely, Xayaburi Power Company Limited (XPCL), and two jointly controlled entities, namely, Chiangrai Solar Limited (CRS) and Nakhon Ratchasima Solar Limited (NRS). Therefore, any changes in the results of operations of the businesses invested by the Company will certainly directly affect the results of operations of the Company in the form of dividend income to be derived by the Company. The following risk factors may have an impact on the results of operations of the businesses invested by the Company:

2.1 Risk in respect of raw materials in electricity production

Raw materials for electricity production are key factors contributing to the capacity of the electricity production, which will affect its ability to generate revenue. In regard to hydroelectric and solar power projects, raw materials in electricity production are at no cost, but somewhat fluctuate, while raw materials for cogeneration power projects include fuel which accounts for 45.41 percent of total cost of sale under the consolidated financial statements for 2015, thereby resulting in risk relating to fuel supply and risk relating to price which may affect its cost.

Hydroelectric Power Plant

The Nam Ngum 2 Hydroelectric Power Project is operated by Nam Ngum 2 Power Company Limited (NN2) and having SEAN as its major shareholder. Therefore, water is the raw material essential for electricity production. The significant source of water in the Nam Ngum River is derived from the storm water catchment area, but it is subject to certain limitations from the uncertain and unpredictable amount of storm water. The risk relating to acquisition of raw materials in the production has been efficiently managed through appropriate design of the dam and reservoir structures, and negotiations on various terms in the Power Purchase Agreement to fairly cover such risk, including an agreement on tariff structure and power purchase guidelines for fair water risk management for both contractual parties. For example, in the event that the Primary Energy (PE) produced by NN2 is lower than the average of 8 hours per day in any month or lower than the average of 10 hours per day in any year, NN2 must pay a fine to the Electricity Generating Authority of Thailand (EGAT) at the rate of 23.7 percent of PE charge multiplied by the shortfall. However, in the hydroelectric power project design and prior to execution of the Power Purchase Agreement with EGAT, NN2 studied the statistics of actual amount of water in the Nam Ngum River over the past 50 years to identify the electricity production capacity, it is thus believed that it would be able to comply with the terms in the Power Purchase Agreement. In the event that the amount of water is less to the extent that the electricity produced by NN2 is lower than the requirement under the Agreement, it may consider declaring such year as a draught year. According to the Power Purchase Agreement, a draught year may be declared twice throughout the entire period of the Agreement, whereby no fine due to electricity production shortfall will be imposed.

Furthermore, should in any year, the amount of water flowing into the project be high such that the project produces electricity in excess of the target of 2,218 GWh (million units) for PE and 92 million units for the Secondary Energy (SE), NN2 may carry forward the Excess Energy to be recognized as revenue for the year in which the amount of water is insufficient to produce electricity to meet the target, and as such, the revenue stream is steady despite the fluctuating amount of water. With respect to this target, no fine will be imposed for failure to produce electricity to meet the target which is merely a projection for each year. According to the actual records in 2015, the amount of water flowing into the project was relatively low, a shortfall of 159.61 million units of electricity was lower than the target in respect of PE, and 51.03 million units in respect of SE. However, NN2 could use all 94.12 million units of PE Account to make up such shortfall. Even if in 2015 the Company failed to meet the target, the overview of the mechanism of such reserve energy could minimize risks relating to revenue fluctuations between a wet year and a dry year. This could be seen from NN2's revenue from sales of electricity in 2015 which was lower than that in 2014 by only Baht 93.30 Million or representing 2.35 percent although the amount of water reduced down to 537 cubic meters or representing 8.47 percent.

However, the Company finds that during the past 2 - 3 years, the monsoon season was delayed due to the El Nino, which affected the electricity production. The Company closely monitors the pattern of changing seasons and coordinates with TEAM Consulting Engineering and Management Co., Ltd., as the water management expert, in order to further plan for proper electricity production.

Cogeneration Power Plant Fueled by Natural Gas

BIC is a small power producer utilizing natural gas as fuel. Should there be a shortage of natural gas or should natural gas suppliers be unable to supply fuel, the plant will not be able to produce electricity and steam. Then, the Company may be unable to comply with the power and steam purchase agreements until it is necessary to purchase the reserve energy for sale to the operators in the industrial estate instead. BIC realizes the significance of the fuel security, and has thus entered into a natural gas purchase agreement for a period of 25 years from COD with PTT Public Company Limited (PTT), on condition that PTT must compensate BIC for its failure to supply natural gas in the volume as specified in the agreement. Furthermore, Global Power Synergy Company Limited (GSPC), an affiliate of PTT, also holds shares in BIC, and as such, it is believed that such shareholding structure will help minimize risk in respect of fuel. Moreover, the tariff structure for electricity sold to EGAT was designed to vary according to the fuel price fluctuations (Pass-through), which will help minimize the risk in respect of fuel price accordingly.

Solar Power Plants

Solar energy is the raw material essential for electricity production of BKC, CRS and NRS, which are the solar power projects. Given that the light intensity directly affects revenue from sales of electricity, therefore, in the selection of solar power plant project locations, appropriate light intensity has been taken into account, based on the information from NASA and Meteonorm software of METEOTEST in support of the selection of project sites, along with regular monitoring and measurement of light intensity in order to assess the sunlight adequacy. The Power Purchase Agreements made with the Provincial Electricity Authority (PEA) are on a non-firm basis, and so, no fine is imposed should these power plant projects be unable to produce electricity due to the sunlight fluctuations.

2.2 Risk in respect of availability of power plants

Risk from the unavailability of equipment of power plant projects other than the shortage of raw materials may occur for many reasons, thereby impairing the efficiency of the electricity production or interrupting the production process, which may cause damage to power plants and danger to personnel and reduce revenue but increase expenses for repair of defective equipment.

Any interruption of the electricity production for any reason other than normal maintenance, without prior notice to power purchasers, may be subject to a fine. In this regard, all projects have a regular preventive management and maintenance policy performed by experienced personnel, including the following measures:

Hydroelectric Power Plant

The management of a hydroelectric power plant requires personnel with considerable experience and expertise given the high value of investment in the hydroelectric power plant. Apart from the control of machinery and equipment in the electricity production to meet the quality and electricity security, the amount of water in the reservoir must be managed to ensure its adequacy for electricity production for distribution in the quantity, quality and stabilization as specified in the Power Purchase Agreement with EGAT. Any water mismanagement or malfunction of the electricity production, including equipment, may result in damage to the dam, generators and related equipment and also have an impact on revenue and results of operations of the project.

NN2 has personnel who have abilities and experience as hydropower plant project managers. Moreover, the Project also entered into an agreement for engagement of EGAT to provide services under the Operation and Maintenance Agreement including major maintenance services, which are of great benefit to NN2, since EGAT is the only agency in Thailand having personnel with experience and expertise in management of hydroelectric power projects for a long time, not to mention the fact that EGAT is the sole power purchaser under the Power Purchase Agreement of NN2. With respect to the preventive maintenance plans, NN2 implements partial overhaul and major overhaul plans every seven years and 14 years, respectively. Moreover, an independent consultant is also engaged to measure the efficiency and stability in various aspects of the hydroelectric power project, whereby the Company regularly follows up relevant reports to enhance the availability of the power plant. In addition, the Company realizes the significance of a body of knowledge in hydroelectric power project management, and the Company plans to further invest in the future, the Company entered into an agreement for knowledge sharing and staff training to enhance its ability in the hydroelectric power project management. The Company believes that such policy is necessary for risk management in operation and direction in expansion of the Company's business in the future.

Cogeneration Power Plants Fueled by Natural Gas

BIC engages personnel having knowledge and experience in cogeneration power plants to carry out repair and maintenance, with inspection of utilization of equipment according to schedules as specified by manufacturers. Moreover, the Company maintains essential spare parts available for repair of equipment of the project in order to prevent any delay from procurement process. In addition, BIC engages GE International Operations, Inc and GE PACKAGED POWER, INC, which are affiliated with GE, as a major gas turbine manufacturer specializing in maintenance of power plants, to provide inspection and maintenance services for BIC's gas turbines, and such agreement covers spare gas turbine to replace the main turbine sent for repair and maintenance in order to prevent any loss of income in such period.

BIC plans to engage additional personnel and provide its staff with training for continual development of their knowledge and ability in order to accommodate the operations of BIC-2, the construction of which will be completed in June 2017, including the future expansion of the cogeneration power project business.

Solar Power Plants

BKC engages ENSYS Co., Ltd. to operate and maintain the project, and engages Conergy (Thailand) Co., Ltd. to maintain the inverter; while CRS and NRS engage Assyce Fotovoltaica (Thailand) Co., Ltd. to operate and maintain their projects. All said companies have experience and expertise in management of solar power plant projects, plans for inspection and maintenance of machinery and equipment to ensure their efficient performance and guarantee the availability of power plant projects in accordance with the agreements. Furthermore, the essential equipment of the projects is under manufacturers' warranty. In addition, the Company has invested in three solar power plant projects which require different technology, the exchange of information among the projects then helps make the management more efficient and helps increase the bargaining power in negotiations with business partners.

2.3 Risk from natural disaster

All power plant projects invested in by the Company manage such risk from natural disaster by selecting the least risky locations to establish the projects and designing the projects to accommodate potential natural disasters. The Nam Ngum 2 Hydroelectric Power Project is located in an area where the highest magnitude of an earthquake in recorded history did not exceed 5.8 on the Richter scale. The Nam Ngum 2 Dam has been designed to accommodate an earthquake up to 8 on the Richter scale, and also was constructed the overflow prevention system, namely, spillway with three gates, each of 15 meters in width and 16.7 meters in height, to drain water up to 6,756 cubic meters per second. The Xayaburi Hydroelectric Power Project is strengthened to accommodate possible earthquake by increasing steel reinforcement in concrete and upsizing steel of the floodgate, with seven spillway gates of 19 meters in width and 23 meters in height each, and four lower level outlet gates of 12 meters in width and 16 meters in height each, to drain water up to 47,500 cubic meters per second. Therefore, it is believed that the durability of the dam structure will be able to accommodate earthquakes, and that the dedicated spillway is sufficient to cope with the volume of overflow water. The three solar power plant projects are constructed on high ground, which is less likely to be flooded and was not affected by the severe floods in 2011. BIC-1 and BIC-2 are located in Phra Nakhon Si Ayutthaya Province, which is a lowland and flood-prone area, and the Bangpa-in Industrial Estate has constructed concrete flood barriers surrounding the estate of six meters in height above sea level, which is higher than the severe floods that occurred, and as a result, it is certain that it will no longer be affected by any flood.

In addition, its subsidiaries and associated companies have taken out insurance to cover potential damage to assets used in the electricity production by way of property damage insurance, business interruption insurance, and public liability insurance.

2.4 Risk from reliance on the major shareholder

The Company was founded by CH. Karnchang Group, with the objective to restructure the group to give a clearer focus, whereby the Company has been designated to invest in the electricity production business. During 2012 - 2015, the Company then acquired investments in power plants under the development and construction by CH. Karnchang Public Company Limited. At present, the acquisition of all such investments has already been concluded, and the Company is in the process of management restructuring to harmonize the management process of the businesses invested by the Company and to open the way for further business expansion. Therefore, it is necessary to temporarily rely on personnel from CH. Karnchang Public Company Limited, as the existing shareholder of the businesses invested by the Company, e.g., agreement for engagement of the internal auditor, agreement for engagement of executives, etc. The Company expects to complete this management restructuring within two years by making clearer scope of duties and responsibilities of various departments and minimizing its reliance on the major shareholder.

3. Financial Risks

3.1 Risk in respect of financial liquidity

Given the Company's ongoing investment plans, the financial liquidity is vital to the uninterrupted operations of the projects under construction and further development of new projects. In addition, the Company's subsidiaries borrowed a large amount of loans from commercial banks for construction of their power plants which required high investments. As at December 31, 2015, the long-term loans in the Company's consolidated financial statements amounted to Baht 21,904.31 Million. The conditions of these loan agreements are rigid, particularly the maintenance of financial ratios and the conditions on dividend payment, as per the details in Item 7.4 Policy on Dividend Payment and Note 18 to Financial Statements, Long-term loans from financial institutions. Failure by the subsidiaries to comply with the conditions of the loan agreements will affect the dividend to be received by the Company accordingly.

As for the short-term liquidity management and the long-term capital structure plan, the Company has prepared the cash flow projections and regularly updates the data, as well as manages the loan agreements and closely coordinates with the lending banks, in order to minimize risks of breaching the conditions of the loan agreements. Moreover, the Company has a policy to manage the excess cash by investing in bank deposits and short-term investments with high liquidity with reliable financial institutions, and arranges for credit availability and maintains the relationships with commercial banks when fund is needed.

3.2 Risk from exchange rate fluctuations

The Company is at risk of its consolidated financial statements' being affected by the fluctuating revenue and expenses of NN2 due to changes in exchange rate between USD and Baht. This is because, according to the Power Purchase Agreement with EGAT, a certain portion of the tariff is denominated in USD. In 2014 and 2015, NN2 derived USD revenue in the amount of USD 54.89 Million and USD 53.27 Million, respectively. Furthermore, NN2 entered into the long-term USD loan agreement in the amount of USD 180 Million to partially finance the construction of the Nam Ngum 2 Hydroelectric Power Project, with the principal repayment in installments until full repayment in 2022.

In 2014 and 2015, NN2's USD revenue, expenses and principal repayment of the long-term loans were as follows:

(Unit : USD Million)	2014	2015
Revenue		
- Revenue from sales of electricity	54.89	53.27
Expenditure		
- Principal repayment	11.70	12.60
- Interest expense	4.44	4.18
- Royalty fee	1.87	1.81
Net	36.88	34.68

By the nature of business operation of NN2, which derives revenue in USD and at the same time incurs expenses in USD, the exchange rate risk has been managed by way of natural hedge.

Since July 2013, NN2 started applying hedge accounting in order to hedge the foreign exchange exposure on a certain portion of its 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 were designated as the hedging instrument. Based on the cash flow hedge accounting principles, the fluctuation of gain and loss on exchange rate could be minimized, whereby the effective portion of the change in the fair value of the cash flow hedging instrument is recognized in other comprehensive income, instead of profit and loss, and then transferred to profit or loss when the hedging item affects profit or loss.

3.3 Risk from interest rate fluctuations

Based on the Company's consolidated statement of financial position as at December 31, 2015, its loans amounted to Baht 21,904.31 Million, all of which were subject to floating interest rate. Therefore, any material changes in the interest rate will have an impact on finance cost of the

Company and its subsidiaries. However, the Company and its subsidiaries manage such risk from interest rate through regular monitoring of the tendency of changes in interest rate, continuing management and improvement of finance cost, and consider making arrangements for hedging agreements by changing from floating interest rate to fixed interest rate as appropriate to market conditions, without any purpose of speculation.

Risks to Investment by Securities Holders

1. Risk from the Company's major shareholders with more than 50 percent shareholding

The Company's major shareholder is CH. Karnchang Group, namely, CH. Karnchang Public Company Limited, TTW Public Company Limited, and Bangkok Expressway and Metro Public Company Limited, holding shares in aggregate of 74.96[1] percent. The shareholding percentage of more than 50 percent allows the major shareholder group to have the power to control almost all resolutions by the shareholders' meetings, whether they be the appointment of directors, or other resolutions requiring the majority of votes of the shareholders' meetings, except for such matters which, by laws or the Company's articles of association, require three-fourths of all votes in the shareholders' meetings. Therefore, other shareholders could not gather votes to check and counterbalance such matters proposed by the major shareholder group. However, CH. Karnchang Public Company Limited, TTW Public Company Limited, and Bangkok Expressway and Metro Public Company Limited, as the Company's shareholders, intend to allow the Company to operate its business to the best interests of and with fairness to all shareholders in the long run. In executing a connected transaction with its major shareholders, approval for such transaction must comply with the applicable rules and provisions of laws, subject to approval of the Board of Directors or the shareholders' meetings, as the case may be, provided that the interested shareholders in any transaction could not vote on such matter. In addition, such three companies are listed companies on the Stock Exchange, they are also required to comply with the rules on disclosure of information memorandum and execution of connected transactions. Moreover, the Company's Board of Directors comprises four independent directors who are knowledgeable, competent and independent, which should serve as an additional inspection mechanism.

2. Management risk in its core subsidiaries due to less than 75 percent shareholding

The Company holds 56 percent of SEAN's registered and paid-up capital, and in 65 percent of BIC's registered and paid-up capital. Despite the fact that the Company's voting right in the shareholders' meeting is more than half, the Company is unable to control all voting rights since certain transactions, e.g., capital increase, capital decrease, business acquisition or takeover, all business sale or transfer, etc., require affirmative votes of not less than three-fourths of the shareholders attending the meeting and having the voting rights. However, considering the shareholding percentage, board composition and authorized directors, as well as control and governance mechanisms, the majority of votes in the board meetings and the shareholders' meetings are under the Company's control. In addition, as for certain major transactions which may require affirmative votes from other groups of shareholders, both in the board meetings and in the shareholders' meetings, the Company believes that such transactions which will be beneficial to business operations will be approved by those other groups of shareholders.

** Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

[1] As at June 25, 2015 which was the most recent closing date of the share register of the Company.

Legal Disputes

As at December 31, 2015, the Company, its subsidiaries and associated companies are not a party in any case, have no legal dispute or case outside the ordinary course of business operations of the Company, its subsidiaries and associated companies, which may give rise to damage or negative material impact on the business operations regardless of whether it is assessable and translated into money.

General Information and Other Significant Information

1. General Information

(1) Information of the Company

Company Issuing Securities	CK Power Public Company Limited or "CKP" for securities trading
Business Operation	Holding company by holding shares in other companies engaging in core business of production and distribution of electricity
Registration No.	0107556000167
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Telephone	02-691-9720-34
Fax	02-691-9723
Registered Capital	9,240,000,000 ordinary shares, 7,370,000,000 shares of which have been paid-up, being the total registered and paid-up capital of Baht 7,370,000,000
Par Value per share	Baht 1
Foreign Limit	49 percent
Free Float	25.63 percent (as at June 25, 2015 which was the most recent closing date of the share register)
Website	www.ckpower.co.th
Board of Directors	directors@ckpower.co.th
Investor Relations	ir@ckpower.co.th

(2) Information of legal entities in which the Company holds 10 percent of shares or more

Company Issuing Securities	SouthEast Asia Energy Limited or SEAN
Business Operation	Investment and development of the Nam Ngum 2 Hydroelectric Power Project
Registration No.	0105547063036
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	660,675,000 ordinary shares, fully paid-up, being the total registered and paid-up capital of Baht 6,606,750,000
Par Value per share	Baht 10
Shareholding Percentage	56 percent

Company Issuing Securities	Nam Ngum 2 Power Company Limited or NN2
Business Operation	Production, distribution, purchase and sale of electricity both inside and outside the country
Head Office	No. 215 Lane Xang Avenue, Ban Xiang Yuen, Chanthabuly District, Vientiane Province, Lao People's Democratic Republic
Power Plant Location	Xaysomboun District, Vientiane Province, Lao People's Democratic Republic
Registered Capital	880,900,000 ordinary shares, fully paid-up, being the total registered and paid-up capital of Baht 8,809,000,000
Par Value per share	Baht 10
Shareholding Percentage	Indirectly 42 percent through SEAN's shareholding

Company Issuing Securities	Bangpa-in Cogeneration Limited or BIC
Business Operation	Production and distribution of electricity and all other types of energy
Registration No.	0105552021486
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Power Plant Location	No. 456 Moo 2, Tambon Khlong Chik, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province
Registered Capital	2,705,000,000 ordinary shares, 63.10 percent of which has been paid-up, being the total registered and paid-up capital of Baht 1,707,050,000
Par Value per share	Baht 10
Shareholding Percentage	65 percent

Company Issuing Securities	Bangkhenchai Company Limited or BKC
Business Operation	Production and distribution of electricity
Registration No.	0105541054485
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Power Plant Location	No. 190 Moo 9, Tambon Khok Thai, Amphoe Pak Thong Chai, Nakhon Ratchasima Province
Registered Capital	2,342,500 ordinary shares, fully paid-up, being the total registered and paid-up capital of Baht 234,025,000
Par Value per share	Baht 100
Shareholding Percentage	100 percent

Company Issuing Securities	Chiangrai Solar Limited
Business Operation	Production, purchase and sale of electricity
Registration No.	0105553149036
Head Office	No. 23/56 Sorachai Building, 17th Floor, Soi Sukhumvit 63, Sukhumvit Road, North Klongton Subdistrict, Wattana District, Bangkok
Power Plant Location	No. 249-250 Moo 6, Tambon Tha Khao Plueak, Amphoe Mae Chan, Chiang Rai Province
Registered Capital	2,917,500 ordinary shares, 95.01 percent of which has been paid-up, being the total registered and paid-up capital of Baht 277,210,000
Par Value per share	Baht 100
Shareholding Percentage	30 percent (a joint venture with Sonnedix Thailand II Limited)

Company Issuing Securities	Nakhon Ratchasima Solar Limited
Business Operation	Production, purchase and sale of electricity
Registration No.	0105553011344
Head Office	No. 23/56 Sorachai Building, 17th Floor, Soi Sukhumvit 63, Sukhumvit Road, North Klongton Subdistrict, Wattana District, Bangkok
Power Plant Location	No. 90-91, Tambon Takhian, Amphoe Dan Khun Thot, Nakhon Ratchasima Province
Registered Capital	2,215,000 ordinary shares, 85.06 percent of which has been paid-up, being the total registered and paid-up capital of Baht 188,420,000
Par Value per share	Baht 100
Shareholding Percentage	30 percent (a joint venture with Sonnedix Thailand I Limited)

Company Issuing Securities	CKP Solar Limited
Business Operation	Development of electricity production business of various types
Registration No.	0105556138728
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	200,000 ordinary shares, 28.75 percent of which has been paid-up, being the total registered and paid-up capital of Baht 5,750,000
Par Value per share	Baht 100
Shareholding Percentage	100 percent

Company Issuing Securities	Helios Power Limited
Business Operation	Development of electricity production business of various types
Registration No.	0105556152585
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	10,000 ordinary shares, 25 percent of which has been paid-up, being the total registered and paid-up capital of Baht 250,000
Par Value per share	Baht 100
Shareholding Percentage	100 percent

Company Issuing Securities	Apollo Power Limited
Business Operation	Development of electricity production business of various types
Registration No.	0105556152534
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	10,000 ordinary shares, 25 percent of which has been paid-up, being the total registered and paid-up capital of Baht 250,000
Par Value per share	Baht 100
Shareholding Percentage	100 percent

Company Issuing Securities	Sole Power Limited
Business Operation	Development of electricity production business of various types
Registration No.	0105556152577
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	10,000 ordinary shares, 25 percent of which has been paid-up, being the total registered and paid-up capital of Baht 250,000
Par Value per share	Baht 100
Shareholding Percentage	100 percent

Company Issuing Securities	Vis Solis Limited
Business Operation	Development of electricity production business of various types
Registration No.	0105556152526
Head Office	No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	10,000 ordinary shares, 25 percent of which has been paid-up, being the total registered and paid-up capital of Baht 250,000
Par Value per share	Baht 100
Shareholding Percentage	100 percent

(3) Reference

Securities Registrar	**Thailand Securities Depository Co., Ltd.** No. 93 Rachadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400 Telephone: 02-229-2800 Fax: 02-359-1262-3
Auditor	**EY Office Limited** No. 193/136-137, 33rd Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone: 02-264-0777 / 02-661-9190 Fax: 02-264-0789-90

(4) Websites relating to the Company

The Company	: www.ckpower.co.th
Board of Directors	: directors@ckpower.co.th
Company Secretary	: compliance@ckpower.co.th
Investor Relations	: ir@ckpower.co.th

2 Other Significant Information

As at December 31, 2015, there is no information which may materially affect the decision of investors.

Information on Securities and Shareholders of the Company

1. Registered Capital and Paid-up Capital

(1) As at December 31, 2015, the Company's registered capital amounted to Baht 9,240,000,000, Baht 7,370,000,000 of which has been paid-up, divided into 9,240,000,000 ordinary shares, at the par value of Baht 1 per share.

(2) The Company has no other shares than ordinary shares.

2. Shareholders

2.1 List of Major Shareholders of the Company

(a) Top 10 major shareholders as at June 25, 2015 which was the most recent closing date of the share register are as follows:

No.	Name	Number of Shares	Shareholding Percentage
1	CH. Karnchang Public Company Limited	2,229,275,478	30.2480
2	TTW Public Company Limited	1,865,644,429	25.3140
3	Bangkok Expressway and Metro Public Company Limited	1,429,950,843	19.4023
4	Mrs. Woraphan Jungsubpaisal	87,686,071	1.1898
5	UOB KAY HIAN (HONG KONG) LIMITED	81,876,409	1.1109
6	Mr. Wichai Ekudomsin	67,500,000	0.9159
7	Mr. Kumpol Virathepsuporn	67,000,000	0.9091
8	Miss Surirat Techakamonsuk	57,000,000	0.7734
9	Mr. Somchai Ekudomsin	53,040,080	0.7197
10	Mr. Sombat Phanichewa	45,710,000	0.6202
	Total	**5,984,683,310**	**81.2033**

Free Float Percentage of the Company

According to the Distribution of Ordinary Shares Report Form of strategic shareholders as at the closing date of the share register for suspension of the share transfer on March 16, 2015, as submitted to the Stock Exchange by the Company, the percentage of non-strategic shareholders was 25.63 percent of all issued and sold shares.

** Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

Shareholding by Directors and Executives

According to the list of shareholders as at December 31, 2015, there were three directors holding shares in the Company as follows:

Name	Position	Shareholding Percentage	
		Number of Shares	% of All Shares
Mr. Plew Trivisvavet (by his spouse)	Chairman of the Executive Committee	2,000,000	0.0271
Mr. Techapit Sangsingkeo	Chairman of the Audit Committee	1,340,000	0.0182
Dr. Vicharn Aramvareekul (including his spouse)	Chairman of the Nomination and Remuneration Committee	2,680	0.0000

Remark: There was no other director and executive holding shares in the Company.

(b) Major shareholders who have substantial influence on the Company's management policy or operations comprise

No.	Name	Number of Shares	Shareholding Percentage
1	CH. Karnchang Public Company Limited	2,229,275,478	30.2480
2	TTW Public Company Limited	1,865,644,429	25.3140
3	Bangkok Expressway and Metro Public Company Limited	1,429,950,843	19.4023
	Total	**5,524,870,750**	**74.9643**

Remarks: - Top 10 shareholders of CH. Karnchang Public Company Limited as at September 10, 2015 which was the closing date of the share register for the right to receive dividend comprise:

No.	Name	Number of Shares	Shareholding Percentage
1	Mahasiri Siam Co., Ltd.	340,412,365	20.10
2	CH. Karnchang Holding Co., Ltd.	175,496,530	10.36
3	CK. Office Tower Co., Ltd.	93,348,212	5.51
4	Bangkok Bank Public Company Limited	38,950,000	2.30
5	Thai NVDR Co., Ltd.	35,624,024	2.10
6	STATE STREET BANK EUROPE LIMITED	28,322,715	1.67
7	Thai Value Focus Equity-Dividend Fund	16,150,100	0.95
8	Mrs. Sophida Trivisvavet	15,383,225	0.91
9	K EQUITY LTF	14,936,822	0.88
10	The Government Pension Fund (EQ-TH)	14,872,867	0.88
	Total	**773,496,860**	**45.66**

** Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

- Top 10 shareholders of TTW Public Company Limited as at August 26, 2015 which was the closing date of the share register for the right to receive dividend comprise:

No.	Name	Number of Shares	Shareholding Percentage
1	Mitsui Water Holdings (Thailand) Company Limited	1,036,500,000	25.98
2	Bangkok Expressway and Metro Public Company Limited	780,789,100	19.57
3	CH. Karnchang Public Company Limited	759,877,400	19.04
4	Thai NVDR Co., Ltd.	192,541,166	4.83
5	Bangkok Life Assurance Public Company Limited	150,648,000	3.78
6	Mr. Min Thienvorn	72,000,000	1.80
7	AIA COMPANY LIMITED - AIA D-PLUS	59,800,000	1.50
8	CHASE NOMINEES LIMITED	46,111,115	1.16
9	AIA COMPANY LIMITED - APEX	38,198,600	0.96
10	STATE STREET BANK EUROPE LIMITED	37,498,224	0.94
	Total	**3,173,963,605**	**79.56**

- Top 10 shareholders of Bangkok Expressway Public Company Limited as at November 20, 2015 which was the closing date of the share register for the right to attend the Joint Shareholders' Meeting comprise:

No.	Name	Number of Shares	Shareholding Percentage
1	CH. Karnchang Public Company Limited	131,920,000	17.13
2	Thai NVDR Co., Ltd.	71,796,624	9.32
3	Hicrete Products & Technology Co., Ltd.	61,954,100	8.05
4	Krung Thai Bank Public Company Limited	38,500,550	5.00
5	Bangkok Bank Public Company Limited	38,321,390	4.98
6	STATE STREET BANK EUROPE LIMITED	24,036,403	3.12
7	Mr. Min Tieanworn	20,000,000	2.60
8	CH. Karnchang-Tokyu Construction Company Limited	18,051,140	2.34
9	Bangkok Life Assurance Public Company Limited	11,126,600	1.45
10	United Overseas Bank (Thai) Public Company Limited	10,891,470	1.41
	Total	**440,923,063**	**57.26**

** Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

2.2 List of Shareholders of Subsidiaries Operating Core Businesses

(a) SouthEast Asia Energy Limited (SEAN)

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	369,977,999	56.00
2	Ratchaburi Electricity Generating Holding Public Company Limited	220,225,000	33.33
3	PT (Sole) Co., Ltd.[2]	35,236,000	5.33
4	Shlapak Development Company Limited[3]	35,236.000	5.33
5	Mr. Nopadol Intralib	1	0.00
	Total	**660,675,000**	**100.00**

Remarks: [1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 12, 2015. In 2015, SEAN's shareholding remained unchanged.*

[2] *Incorporated in the Lao People's Democratic Republic (Lao PDR).*

[3] *Incorporated in Commonwealth of the Bahamas (the Bahamas).*

(b) Nam Ngum 2 Power Company Limited (NN2)

No.	Name	Number of Shares[1]	Shareholding Percentage
1	SouthEast Asia Energy Limited	660,675,000	75.00
2	EDL - Generation Public Company Limited[2]	220,225,000	25.00
	Total	**880,900,000**	**100.00**

Remarks: [1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 12, 2015. In 2015, NN2's shareholding remained unchanged.*

[2] *Incorporated in the Lao PDR and as a subsidiary of Electricité du Laos.*

(c) Bangpa-in Cogeneration Limited (BIC)

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	175,824,998	65.00
2	Global Power Synergy Public Company Limited	67,625,001	25.00
3	Industrial Estate Authority of Thailand	21,640,000	8.00
4	Mrs. Napaporn Poowuttikul	5,410,000	2.00
5	Mr. Nopadol Intralib	1	0.00
	Total	**270,500,000**	**100.00**

Remark: [1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 12, 2015. In 2015, BIC's shareholding remained unchanged.*

(d) Bangkhenchai Company Limited (BKC)

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	2,342,498	100.00
2	Mr. Narong Sangsuriya	1	0.00
3	Mr. Vorapote Uchupaiboonvong	1	0.00
	Total	**2,342,500**	**100.00**

Remark: [1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 31, 2015. In 2015, BKC's shareholding remained unchanged.*

(e) CKP Solar Limited

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	199,940	100.00
2	Mr. Viboon Mongkolpiyathana	20	0.00
3	Mr. Vorapote Uchupaiboonvong	20	0.00
4	Miss Supamas Trivisvavet	20	0.00
	Total	**200,000**	**100.00**

Remark: Currently, CKP Solar Limited has not started its business operation.
[1] *Information as at the date of registration for capital increase from Baht 1 Million to Baht 20 Million on November 4, 2015 as per the resolution of the Extraordinary General Meeting of Shareholders No. 1/2015 which was held on November 3, 2015.*

(f) Helios Power Limited

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	9,997	100.00
2	Mr. Viboon Mongkolpiyathana	1	0.00
3	Mr. Vorapote Uchupaiboonvong	1	0.00
4	Miss Supamas Trivisvavet	1	0.00
	Total	**10,000**	**100.00**

Remark: Currently, Helios Power Limited has not started its business operation.
[1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 30, 2015. In 2015, Helios Power Limited's shareholding remained unchanged.*

(g) Apollo Power Limited

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	9,997	100.00
2	Mr. Viboon Mongkolpiyathana	1	0.00
3	Mr. Vorapote Uchupaiboonvong	1	0.00
4	Miss Supamas Trivisvavet	1	0.00
	Total	**10,000**	**100.00**

Remark: *Currently, Apollo Power Limited has not started its business operation.*

[1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 30, 2015. In 2015, Apollo Power Limited's shareholding remained unchanged.*

(h) Sole Power Limited

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	9,997	100.00
2	Mr. Viboon Mongkolpiyathana	1	0.00
3	Mr. Vorapote Uchupaiboonvong	1	0.00
4	Miss Supamas Trivisvavet	1	0.00
	Total	**10,000**	**100.00**

Remark: *Currently, Sole Power Limited has not started its business operation.*

[1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 30, 2015. In 2015, Sole Power Limited's shareholding remained unchanged.*

(i) Vis Solis Limited

No.	Name	Number of Shares[1]	Shareholding Percentage
1	CK Power Public Company Limited	9,997	100.00
2	Mr. Viboon Mongkolpiyathana	1	0.00
3	Mr. Vorapote Uchupaiboonvong	1	0.00
4	Miss Supamas Trivisvavet	1	0.00
	Total	**10,000**	**100.00**

Remark: *Currently, Vis Solis Limited has not started its business operation.*

[1] *Information as at the 2015 Annual Ordinary General Meeting of Shareholders on March 30, 2015. In 2015, Vis Solis Limited's shareholding remained unchanged.*

2.3 Shareholders' Agreement

As at December 31, 2015, the Company has no shareholders' agreement on any matter affecting the Company's issuance and offering for sale of securities or its management.

3. Issuance of Securities

In 2015, the Company issued the warrants to purchase new ordinary shares by the resolution of the 2015 Annual Ordinary General Meeting of Shareholders which was held on April 9, 2015, per the details as follows:

Name of Warrants:	Warrants to Purchase New Ordinary Shares of CK Power Public Company Limited No. 1 (CKP-W1)
Category and Type of Warrants:	Warrants to purchase new ordinary shares, bearer and transferable type, to be offered for sale to the existing shareholders who subscribed and made subscription payment for the new ordinary shares of the Company to be offered for sale to the Company's existing shareholders in proportion to their respective shareholdings (Rights Offering)
Tenure:	5 years from the date of issuance and offering for sale of the warrants
Issue Date of Warrants:	May 29, 2015
First Date of Trading:	June 9, 2015
Maturity Date of Warrants:	May 29, 2020
Par Value per unit:	Baht 0.00
Exercise Price:	Baht 6.00 per share, except for any change under the conditions on adjustment of the right
Exercise Ratio:	1 unit of warrant per 1 new ordinary share, except for any change of the exercise ratio under the conditions on adjustment of the right
Number of Warrants:	1,870,000,000 units
Number of shares to accommodate the exercise of right:	1,870,000,000 shares, at the par value of Baht 1.00 per share
Number of exercised units[1]:	0.00 unit
Number of units which have not yet been exercised[1]:	1,870,000,000 units
Number of the remaining shares to accommodate the exercise of right[1]:	1,870,000,000 shares

4. Policy on Dividend Payment

4.1 CK Power Public Company Limited

The Company has a policy on dividend payment to shareholders from its separate financial statements at the rate of not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve. In this regard, the rate of such dividend payment may vary from the specified rate subject to the operational results, financial position, liquidity, necessity in current investments, working capital, additional investments, business expansion, conditions and restrictions specified in the loan agreement, and other relevant factors in the management as the Board of Directors and/or the Company's shareholders may deem appropriate. In addition, the Board of Directors may consider approving an interim dividend payment to shareholders when it initially considers that the Company has sufficient profits and cash flows for dividend payment. Such dividend payment shall then be reported to the shareholders' meeting for acknowledgement in the following meeting.

[1] *Information as at December 31, 2015.*

In this regard, since the Company's incorporation in 2011 and registration as a listed company on the Stock Exchange in 2013, the Company made its first dividend payment to shareholders in accordance with the resolution of the 2015 Annual Ordinary General Meeting of Shareholders, by making such dividend payment to the shareholders having the right to receive dividend based on the list of shareholders as at the record date on March 13, 2015, at the rate of Baht 0.10 per share, totaling Baht 110,000,000, or representing 51.34 percent of the net profit as per the separate financial statements, whereby Baht 10,280,115.10 was allocated as legal reserve, and the dividend payment was due and payable on April 27, 2015.

4.2 SouthEast Asia Energy Limited (SEAN)

SEAN has a policy on dividend payment to shareholders from SEAN's separate financial statements at the rate of not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve. In this regard, the rate of such dividend payment may vary from the specified rate subject to the operational results, financial position, liquidity, necessity in current investments, working capital, additional investments, business expansion, conditions and restrictions specified in the loan agreement, and other relevant factors in the management as the Board of Directors and/or SEAN's shareholders may deem appropriate. SEAN's dividend payment requires the consideration and approval by the Company prior to the consideration and approval by shareholders' meeting of SEAN for dividend payment. The Company has started recognizing the dividend income from SEAN since 2013, and received the interim dividend from SEAN for a total of three occasions, as per the following details:

Year	2015[1]	2014[2]	2013[2]
Net Value per share (Baht)	0.37	0.30	0.30
Dividend per share (Baht)	0.36	0.33	0.36
Dividend Payment to Net Value Ratio (percent)	97	1.10	1.00

Remarks: [1] *Dividend payment in 2015 was calculated based on the net profit for the nine-month period.*
[2] *Dividend payments in 2014 and 2013 were calculated based on the net profit as at the end of the year.*

4.3 Nam Ngum 2 Power Company Limited (NN2)

NN2 has a policy on dividend payment to shareholders from NN2's separate financial statements at the rate of not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve. In this regard, the rate of such dividend payment may vary from the specified rate subject to the operational results, financial position, liquidity, necessity in current investments, working capital, additional investments, business expansion, conditions and other relevant factors in the management as the Board of Directors and/or NN2's shareholders may deem appropriate, as well as restrictions specified in the loan agreement. The conditions in the long-term loan agreement specify that NN2 may make the dividend payment only after reserves have been made to fully meet the following requirements:

1.1 Operating Account: The Company must reserve funds for payment of the operating expenses for three months;
1.2 Accrual Account: The Company must reserve funds for payment of the principal and interest in the next installment;
1.3 Debt Service Reserve Account: The Company must reserve funds in the amount equivalent to the principal and interest in the next six months;
1.4 PPA Bond Drawings Sub-Account: The Company must reserve funds in case where the Company is unable to comply with the conditions of the PPA.

The remaining cash after the provision of reserve in the accounts above will be divided into two parts, whereby the first part of 20 percent of the remaining cash will be used for mandatory prepayment to the creditors; and NN2 may use the second part of 80 percent of the remaining cash to make dividend payment, provided that the DSCR shall not be less than 1.10 times; and after the dividend payment, such ratio shall not be less than 1.05 times. NN2's dividend payment requires the consideration and approval by the Company prior to the consideration and approval by shareholders' meeting of NN2 for dividend payment. The Company has started recognizing the dividend income from NN2 since 2013, and received the interim dividend from NN2 for a total of three occasions, as per the following details:

Year	2015[1]	2014[2]	2013[2]
Net Value per share (Baht)	0.55	1.22	1.27
Dividend per share (Baht)	0.40	0.33	0.35
Dividend Payment to Net Value Ratio (percent)	72	27	28

Remarks: [1] *Dividend payment in 2015 was calculated based on the net profit for the six-month period.*
[2] *Dividend payments in 2014 and 2013 were calculated based on the net profit as at the end of the year.*

4.4 Bangpa-in Cogeneration Limited (BIC)

BIC has a policy on dividend payment to shareholders from BIC's separate financial statements at the rate of not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve. In this regard, the rate of such dividend payment may vary from the specified rate subject to the operational results, financial position, liquidity, necessity in current investments, working capital, additional investments, business expansion, conditions and restrictions specified in the loan agreement, and other relevant factors in the management as the Board of Directors and/or BIC's shareholders may deem appropriate, as well as restrictions specified in the loan agreement. The conditions in the long-term loan agreement specify that BIC may make the dividend payment only after reserves have been made to fully meet the following requirements:

1.1 Debt Service Reserve Account: The Company must reserve funds in the amount equivalent to the principal and interest in the next six months;

1.2 Major Maintenance Reserve Account: The Company must reserve funds for unplanned outage and major maintenance.

The remaining cash after the provision of reserve in the accounts above will be used to make dividend payment, provided that the DSCR shall not be less than 1.20 times; and after the dividend payment, such ratio shall not be less than 1.10 times. BIC's dividend payment requires the consideration and approval by the Company prior to the consideration and approval by shareholders' meeting of BIC for dividend payment. The Company has started recognizing the dividend income from BIC since 2014, and received the interim dividend from BIC for a total of two occasions, as per the following details:

Year	2015[1]	2014[2]
Net Value per share (Baht)	0.41	1.41
Dividend per share (Baht)	0.30	0.60
Dividend Payment to Net Value Ratio (percent)	72.99	42.68

Remarks: [1] *Dividend payment in 2015 was calculated based on the net profit for the six-month period.*
[2] *Dividend payment in 2014 was calculated based on the net profit as at the end of the year.*

4.5 Bangkhenchai Company Limited (BKC)

BKC has a policy on dividend payment to shareholders from BKC's separate financial statements at the rate of not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve. In this regard, the rate of such dividend payment may vary from the specified rate subject to the operational results, financial position, liquidity, necessity in current investments, working capital, additional investments, business expansion, conditions and restrictions specified in the loan agreement, and other relevant factors in the management as the Board of Directors and/or BKC's shareholders may deem appropriate, as well as restrictions specified in the loan agreement. The conditions in the long-term loan agreement specify that BKC may make the dividend payment only after reserves have been made to fully meet the following requirements:

1.1 Debt Service Reserve Account: The Company must reserve funds in the amount equivalent to the principal and interest in the next six months;

1.2 Major Maintenance Reserve Account: The Company must reserve funds for unplanned outage and major maintenance.

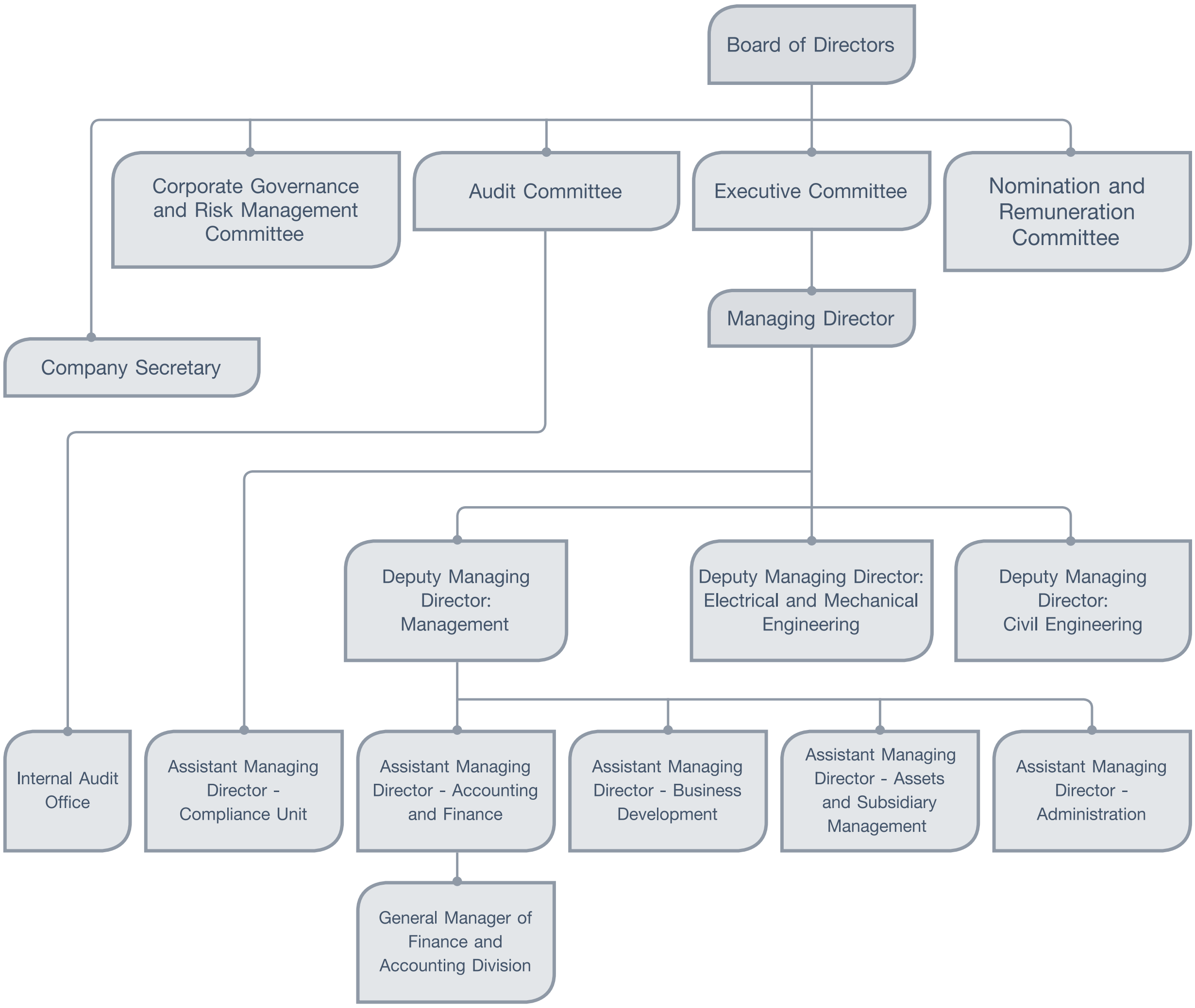
The remaining cash after the provision of reserve in the accounts above will be used to make dividend payment, provided that the DSCR shall not be less than 1.20 times; and after the dividend payment, such ratio shall not be less than 1.10 times. BKC's dividend payment requires the consideration and approval by the Company prior to the consideration and approval by shareholders' meeting of BKC for dividend payment. The Company has started recognizing the dividend income from BKC since 2013, and received the interim dividend from BKC for a total of five occasions, as per the following details:

Year	2015[1]	2014[2]	2013[2]
Net Value per share (Baht)	28	40	36
Dividend per share (Baht)	28	28	28
Dividend Payment to Net Value Ratio (percent)	98	70	77

Remarks: [1] *Dividend payment in 2015 was calculated based on the net profit for the nine-month period.*
[2] *Dividend payments in 2014 and 2013 were calculated based on the net profit as at the end of the year.*

Management Structure

The Management Structure of CK Power Public Company Limited as at December 31, 2015



The Company's management structure consists of the Board of Directors and four subcommittees, namely, the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the management team.

The Company's Board of Directors' structure consists of a total of 12 qualified persons who have knowledge and experience in line with the Company's business strategies, namely, five executive directors, three non-executive directors and four independent directors, one of whom serves as the Chairman of the Board of Directors. Such structure is determined by taking into account the counterbalance and auditability between executive directors and non-executive directors, whereby the ratio of independent directors to all directors is 1:3.

1. Board of Directors of the Company and its Subsidiaries

The Company consists of the Board of Directors and subcommittees, as per the significant details as follows:

1.1 Structure of the Board of Directors

The Board of Directors understands its roles, duties and responsibilities in relation to the Company's management in compliance with the laws, objectives and articles of association of the Company as well as resolutions passed by shareholders' meetings which are legally valid, taking into account the integrity and due care for the interests of the Company and shareholders. The Company's management structure is clear, counterbalancing and auditable.

As at December 31, 2015, the Board of Directors consists of 12 directors, which increased from 2014 by one director, namely, Mr. Chaiwat Utaiwan, who was appointed by the 2015 Annual Ordinary General Meeting of Shareholders as the Company's director, and was also appointed by the Board of Directors' Meeting No. 3/2015 on June 9, 2015 as the Company's executive director and authorized director.

The lists of names of the Board of Directors and the four subcommittees are described as follows:

Name	Position	Term of Office	Number of Meetings in 2015[1]
Dr. Thanong Bidaya	Chairman of the Board of Directors (Independent Director)	3 years and 4 months	6/6
Mr. Plew Trivisvavet	Director Chairman of the Executive Committee (Executive Director)	4 years and 6 months	5/6
Mr. Techapit Sangsingkeo	Director Chairman of the Audit Committee (Independent Director)	3 years and 4 months	6/6
Mr. Narong Sangsuriya	Director Chairman of the Corporate Governance and Risk Management Committee (Non-executive Director)	4 years and 3 months	6/6
Dr. Vicharn Aramvareekul	Director Chairman of the Nomination and Remuneration Committee Member of the Audit Committee Member of the Corporate Governance and Risk Management Committee (Independent Director)	3 years and 4 months	6/6
Mr. Supong Chayutsahakij	Director (Non-executive Director)	4 years and 6 months	5/6
Mr. Chaiwat Utaiwan[2]	Director Executive Director (Executive Director)	8 months	3/6

Name	Position	Term of Office	Number of Meetings in 2015[1]
Mr. Prawet Ingadapa	Director Member of the Audit Committee Member of the Nomination and Remuneration Committee (Independent Director)	3 years and 1 month	6/6
Mr. Prasert Marittanaporn	Director Executive Director Member of the Nomination and Remuneration Committee (Executive Director)	4 years and 6 months	6/6
Mr. Alvin Gee	Director (Non-executive Director)	2 years and 10 months	6/6
Dr. Supamas Trivisvavet	Director Executive Director (Executive Director)	3 years and 4 months	6/6
Mr. Thanawat Trivisvavet	Director Executive Director Member of the Corporate Governance and Risk Management Committee Managing Director Company Secretary (Executive Director)	4 years and 6 months	6/6

Remarks: Information on qualifications of persons holding positions as the Company's directors appears in Attachment 1 - the Company's 2015 Annual Registration Statement (Form 56-1).

[1] Total Number of Meetings/Attendances

[2] The 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 approved to appoint him as the Company's director.

Mr. Chaiwat Utaiwan started to participate in the Company's Board of Directors' Meetings from the Board of Directors' Meeting No. 4/2015 on August 27, 2015.

In the Company's Board of Directors' Meetings, the high ranking executives of the related companies would be required to attend and present relevant information at every Board of Directors' Meeting of the Company. Furthermore, the managing directors of the subsidiaries, namely, SouthEast Asia Energy Limited (SEAN), Nam Ngum 2 Power Company Limited (NN2), Bangpa-in Cogeneration Limited (BIC), and Bangkhenchai Co., Ltd. (BKC), would also participate in the Company's Board of Directors' Meetings in which the financial statements of the operational results for the second quarter of the year and for the end of the year would be considered, in order to report their respective operational results for the first half of the year; overviews of the potential operational results for the second half of the year; difficulties or problems in their business operations in the past; progress in development of future projects of the Company, including other important issues, in order for the Board of Directors to closely follow up and acknowledge the business operations

1.2 The Company's Authorized Directors

The Company's Board of Directors' Meeting No. 3/2015 on June 9, 2015 resolved to approve the change in the Company's authorized directors resulting from the appointment of the Company's additional director, as follows:

1. Mr. Thanawat Trivisvavet and Dr. Supamas Trivisvavet jointly sign and affix the Company's seal, or
2. Either Mr. Thanawat Trivisvavet or Dr. Supamas Trivisvavet and Mr. Plew Trivisvavet or Mr. Supong Chayutsahakij or Mr. Narong Sangsuriya or Mr. Prasert Marittanaporn or Mr. Chaiwat Utaiwan or Mr. Alvin Gee, totaling two directors, jointly sign and affix the Company's seal.

1.3 Independent Directors

As at December 31, 2015, the Company's independent directors who possess the qualifications required by the Capital Market Supervisory Board consist of four directors from a total of 12 directors. The Company has a policy to appoint independent directors who must account for at least one-third of all directors, but not less than three directors. The consideration, selection and appointment of candidates as the Company's independent directors must be conducted based on legal requirements, notifications of the Stock Exchange, and the SEC Office regarding qualifications of independent directors, namely, the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, including its amendments, together with the Articles of Association regarding the qualifications of independent directors. In this regard, the Company determines independent directors' qualifications as follows:

1. Holding not more than one percent of the total number of voting shares of the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, including shares held by any related parties of each independent director (under the rules of Section 258 of the Securities and Exchange Act B.E. 2535 (1992)), whereby such ratio is in accordance with the requirements of the Capital Market Supervisory Board;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiary, associated company, subsidiary at the same level, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
3. Not having or having had any business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years, and not having any benefit or interest, whether directly or indirectly in respect of finance and management of the Company, its affiliated company, associated company, or a person who may give rise a conflict of interests in a manner which may result in a lack of independence;
4. Not being a person having a relationship by blood or by legal registration in the capacity as parent, spouse, sibling or offspring, including spouse of the offspring, director, executive, major shareholder, or controller with any person to be nominated as director, executive or controller of the Company or its subsidiary;
5. Not being a director appointed as representative to safeguard interests of the Company's director, major shareholder or shareholder who is a related party of the major shareholder; and being capable of giving opinions or reporting in a free manner in accordance with the entrusted task irrespective of any benefit that might influence his/her independent opinion;

6. Not being or having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company or legal entity which may have a conflict of interests; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
7. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiary; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiary;
9. Not having any other characteristics preventing provision of independent opinions on the Company's operations.

As at December 31, 2015, the Company had four independent directors who have the qualifications as defined under the Notification of the Capital Market Supervisory Board, as follows:

Name	Position	Appointment Date[1]
Dr. Thanong Bidaya	Chairman of the Board of Directors	August 23, 2012
Mr. Techapit Sangsingkeo	Chairman of the Audit Committee	August 23, 2012
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee Member of the Audit Committee Member of the Corporate Governance and Risk Management Committee	August 23, 2012
Mr. Prawet Ingadapa	Member of the Audit Committee Member of the Nomination and Remuneration Committee	November 8, 2012

Remark: [1] *The first date of appointment as the Company's independent director.*

In this regard, the Company did not appoint any independent director during 2015. All independent directors as listed above neither have any business relationship with nor provide any professional service to the Company.

1.4 The Chairman of the Board of Directors

It is a policy of the Company that the Chairman of the Board of Directors and the Managing Director not be the same person, in order to clearly distinguish between the policy making, and the day-to-day management. The Company clearly separates roles, duties and responsibilities between the Board of Directors and management and also ensures a counterbalance of power in its operations, whereby the Board of Directors determines policies, supervises and monitors the performance of management at the policy level, while management is responsible to manage the Company's various works to comply with the specified policies. In this regard, Dr. Thanong Bidaya, as an independent director, holds the position of Chairman of the Board of Directors, due to his knowledge, ability in line with the Company's business strategies, and experience, and the Company firmly believes that he will be able to lead the Company to accomplish the Company's vision and mission.

1.5 Appointment, Resignation and Retirement from Directorship

The shareholders' meeting appoints directors who have the qualifications and do not have any prohibited characteristic as specified by law, and do not have any characteristic indicating a lack of appropriateness in respect of trustworthiness in management of a business whose shares are held by public shareholders as specified by the SEC Office. In this regard, there must be at least five directors, of whom not less than one-third must be independent directors, and not less than one-half must reside in Thailand.

In case of a vacancy on the directorship position otherwise than retirement by rotation, the Board of Directors may select any person who is qualified as a replacement director at the following meeting with the votes of three-fourths of the remaining number of directors. The replacement director will hold office only for the remaining term of the director whom he or she replaces.

At every annual ordinary general meeting, one-third of the number of directors vacates office. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office, and any director wishing to resign from the Company must submit a resignation letter, unless otherwise specified.

1.6 Scope of powers, duties and responsibilities of the Board of Directors per the details under the Board of Directors' Charter are as follows:

1. To convene the annual ordinary general meeting of shareholders within four months from the end of the Company's accounting period; provided that the Company will submit notices of the Board of Directors' meetings and of the shareholders' meetings, including meeting agenda and supporting documents, at least such period of time in advance as specified in the Company's articles of association;
2. To convene the Board of Directors' meetings at least once every three months, and all Board members should attend to consider passing resolutions on material matters or transactions; such material transactions include acquisition or disposition of assets of the Company or its subsidiaries which may materially affect the Company, acquisition or disposition of material assets, expansion of investment projects, consideration and approval of connected transactions under the SET rules, determination of authority levels and determination of policies on financial management and risk management of the Company, etc.;
3. To arrange for a reliable system for accounting, financial reporting and auditing, as well as to maintain a document filing system which is capable of verification of accuracy, together with efficient and effective internal control, internal audit and risk management;
4. To prepare the financial statements at the end of the Company's accounting period to correctly present the financial position and operational results of the previous year which must be realistic, complete and correct in accordance with generally accepted accounting standards, and have the same audited by the Company's auditor prior to submission to the shareholders' meeting;
5. To set goals, direction, policies and business operation plans as well as budget of the Company, conduct the monitoring and supervision of the management and administration by Management to ensure compliance with the specified policies, plans and budget efficiently and effectively as well as monitoring and supervising the Company, its subsidiaries and associated companies, to ensure compliance with the laws on securities

and exchange, notifications of the Capital Market Supervisory Board, the SET regulations, together with applicable laws relating to the Company's business;

6. To consider, review, examine and approve the business expansion plan, large scale investment projects, including any joint investment with other operators as proposed by the Management;
7. To apply the Control Policy and Governance Mechanisms to its subsidiaries or associated companies, namely:
   7.1 To perform the duties within the scope of duties and responsibilities for directors as specified and approved by the Board of Directors' meeting in connection with the appointment as directors or executives of subsidiaries in accordance with the Company's shareholding in such subsidiaries;
   7.2 To continuously monitor the operational results of the subsidiaries and associated companies to ensure compliance with the operation plans and budget;
   7.3 To ensure that the subsidiaries disclose accurate and complete information to the Company regarding their financial position and operational results, connected transactions and acquisition or disposition of material assets;
   7.4 In case a subsidiary executes a transaction with a connected person, acquires or disposes of assets or executes any other material transactions, the Board of Directors, in particular such directors or any other person approved by resolutions of the Board of Directors' meeting of the Company for appointment as directors or executives of such subsidiary, has a duty to ensure that the subsidiary complies with the mechanisms relating to connected transactions, acquisition and disposition, including material transactions as specified by the Company; provided that the subsidiary will consider and execute such transactions in compliance with the applicable rules on execution of such transactions of similar nature and size as those of the Company which require resolutions of the meeting of the Board of Directors or of shareholders of the Company, as the case may be.
8. To consider and pass a resolution to approve the appointment or replacement of persons as directors and/or executives in subsidiaries or associated companies, in accordance with the Company's shareholding in the subsidiaries or associated companies, and to apply the Control Policy and Governance Mechanisms to the subsidiaries or associated companies, in order to demonstrate that the Company adheres to the governance mechanisms for its subsidiaries under the notifications of the Capital Market Supervisory Board and applicable regulations;
9. To consider specifying the management structure, to have the power to appoint an Executive Committee, Managing Director and other subcommittees as appropriate, e.g., Audit Committee, Nomination Committee, Remuneration Committee, etc., including to determine the scope of power and duties as well as remuneration of the Executive Committee, Managing Director and such subcommittees so appointed in compliance with the rules and notifications of the Capital Market Supervisory Board and/or any other notifications of the relevant authorities, without a manner of empowerment to consider and approve any transaction which may give rise to a conflict of interest or any other benefits, to be executed with the Company or its subsidiaries, except for approval of such transactions in compliance with the policies and rules which have already been considered and approved by the Board of Directors;
10. To authorize one or several directors or any other person(s) to take any action on its behalf, subject to its monitoring and supervision, or may authorize such person(s) to have such powers and for such period of time as it deems appropriate, which may be cancelled, revoked, changed or amended at any time by the Board as appropriate. The said authorization must not be construed to empower such person(s) to consider and

approve any transaction in which he or she or other person(s) may have a conflict or interest or any other conflict of interest, except for approval of such transaction in the ordinary course of business and on the general trading conditions or in compliance with the policies and rules which have already been considered and approved by the Board of Directors, subject to the rules, conditions and procedures as specified in relation to connected transactions and acquisition or disposition of material assets of listed companies under the notifications of the Capital Market Supervisory Board and/or any other notifications of the relevant authorities;

11. To report to the Company on their own interests and their related parties' interests in connection with the business management of the Company or its subsidiaries, subject to the rules, conditions and procedures as specified by the Capital Market Supervisory Board;
12. To be liable to traders of securities of the Company for any damage arising from such disclosure to shareholders or the general public of any materially false information or from omission of any material facts that should have been disclosed, as specified in the laws on securities and exchange, except where such directors and executives can prove that they, in their capacities, were not in a position to verify the genuineness of such information or the omission thereof;
13. To refrain from using internal information of the Company and of its subsidiaries or associated companies, whether available through the performance of duties or by any other means, which gives or may give rise to material impact on the Company, its subsidiaries or associated companies, for personal gain or for others, whether directly or indirectly, and whether with or without consideration;
14. To report to the Company on their relationships and transactions with the Company, its subsidiaries or associated companies in any matter which may give rise to a conflict of interest, and to avoid any transaction which may give rise to a conflict of interest with the Company, its subsidiaries or associated companies.

1.7 Subcommittees

Based on the powers under the Board of Directors' Charter, the Board of Directors appoints four subcommittees to perform the managerial duties as follows:

(1) Executive Committee

As at December 31, 2015, the Executive Committee comprises five members, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2015[1]
Mr. Plew Trivisvavet	Chairman of the Executive Committee	10/10
Mr. Chaiwat Utaiwan[2]	Executive Director	5/10
Mr. Prasert Marittanaporn	Executive Director	10/10
Dr. Supamas Trivisvavet	Executive Director	9/10
Mr. Thanawat Trivisvavet[3]	Executive Director/Managing Director/ Secretary to the Executive Committee	10/10

Remarks: *The Executive Committee has the scope of powers and duties per the details in Item Corporate Governance.*

[1] *Total Number of Meetings/Attendances*

[2] *The 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 approved to appoint him as the Company's director.*
Mr. Chaiwat Utaiwan started to participate in the Company's Board of Directors' Meetings from the Board of Directors' Meeting No. 4/2015 on August 27, 2015.

[3] *The Board of Directors' Meeting No. 3/2015 on June 9, 2015 approved to appoint him as Managing Director and Secretary to the Executive Committee.*

(2) Audit Committee

As at December 31, 2015, the Audit Committee comprises three independent directors, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2015[1]
Mr. Techapit Sangsingkeo[2]	Chairman of the Audit Committee	5/5
Dr. Vicharn Aramvareekul[2]	Member of the Audit Committee	5/5
Mr. Prawet Ingadapa	Member of the Audit Committee	5/5

Remarks: *A member of the Audit Committee shall have a term of office of three years according to the term of office as director. Upon expiration of the term of office, he may be re-appointed under the resolution of the Board of Directors' Meeting. The Audit Committee has the scope of powers and duties per the details in Item Corporate Governance.*

[1] Total Number of Meetings/Attendances

[2] As members of the Audit Committee who are knowledgeable and experienced to review the Company's financial statements.

(3) Corporate Governance and Risk Management Committee

As at December 31, 2015, the Corporate Governance and Risk Management Committee comprises one independent director, one non-executive director, and one executive director, totaling three persons, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2015[1]
Mr. Narong Sangsuriya	Chairman of the Corporate Governance and Risk Management Committee	4/4
Dr. Vicharn Aramvareekul	Member of the Corporate Governance and Risk Management Committee	4/4
Mr. Thanawat Trivisvavet[2]	Member of the Corporate Governance and Risk Management Committee	2/4
Dr. Supamas Trivisvavet[2]	Member of the Corporate Governance and Risk Management Committee	2/4

Remarks: *A member of the Corporate Governance and Risk Management Committee shall have a term of office of three years according to the term of office as director. Upon expiration of the term of office, he/she may be re-appointed under the resolution of the Board of Directors' Meeting. The Corporate Governance and Risk Management Committee has the scope of powers and duties per the details in Item Corporate Governance.*

[1] Total Number of Meetings/Attendances

[2] The Board of Directors' Meeting No. 3/2015 on June 9, 2015 approved to appoint him as member of the Corporate Government and Risk Management Committee in place of Dr. Supamas Trivisvavet, whereby Mr. Thanawat Trivisvavet started to participate in the Corporate Governance and Risk Management Committee's Meetings from the Corporate Governance and Risk Management's Meeting No. 3/2015 on August 10, 2015

(4) Nomination and Remuneration Committee

As at December 31, 2015, the Nomination and Remuneration Committee comprises two independent directors and one executive director, totaling three persons, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2015[1]
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee	2/2
Mr. Prawet Ingadapa	Member of the Nomination and Remuneration Committee	2/2
Mr. Prasert Marittanaporn	Member of the Nomination and Remuneration Committee	2/2

Remarks: A member of the Nomination and Remuneration Committee shall have a term of office of three years according to the term of office as director. Upon expiration of the term of office, he/she may be re-appointed under the resolution of the Board of Directors' Meeting. The Nomination and Remuneration Committee has the scope of powers and duties per the details in Item Corporate Governance.

[1] Total Number of Meetings/Attendances

1.8 Board of Directors of Subsidiaries

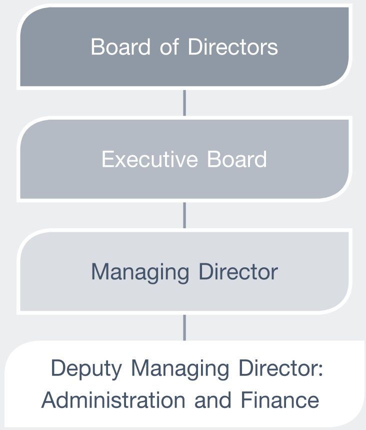
The Company operates its business as a holding company. As at December 31, 2015, the Company has four subsidiaries, namely, SouthEast Asia Energy Limited (SEAN), Nam Ngum 2 Power Company Limited (NN2), Bangpa-in Cogeneration Limited (BIC), and Bangkhenchai Co., Ltd. (BKC), as per the details of their respective management structures, lists of directors and authorized directors as shown below.

In this regard, the Company's four subsidiaries are required to present their respective transactions under notifications of connected transactions or notifications of acquisition or disposition of assets, including transactions which are deemed material which, once executed, will materially affect the financial position and operational results of each subsidiary, to the Board of Directors' Meeting or the Executive Committee's Meetings of the Company (as the case may be) in compliance with the Control Policy and Governance Mechanisms (Control Policy), together with the Board of Directors' Charter of each subsidiary (please see details of the Control Policy in Item 9: Corporate Governance).

Details of Management Structures, Lists of Directors and Authorized Directors of Subsidiaries

(1) SouthEast Asia Energy Limited

The Management Structure of SouthEast Asia Energy Limited as at December 31, 2015



As at December 31, 2015, SEAN's board of directors consists of 10 directors, five of whom are executive directors, per names and number of their meeting attendances listed below:

Name	Position	Number of the Board of Directors' Meetings in 2015[1]	Number of the Executive Board's Meetings in 2015[1]
Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	3/3	
Mr. Plew Trivisvavet[2]	Chairman of the Executive Board	3/3	3/3
Mr. Supong Chayutsahakij[2]	Director	1/3	
Mr. Narong Sangsuriya[2]	Director	3/3	
	Executive Director		3/3
Mr. Prasert Marittanaporn[2]	Director	3/3	
Mr. Peerawat Pumthong	Director	3/3	
Mr. Van Hoang Dau	Director	3/3	
	Executive Director		3/3
Mr. Milton William Shlapak	Director	3/3	
Mr. Somnuk Jindasup	Director	3/3	
	Executive Director		3/3
Mr. Alvin Gee[2]	Director	3/3	
	Executive Director		3/3
	Managing Director		

Remarks: *Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).*

[1] *Total Number of Meetings/Attendances*

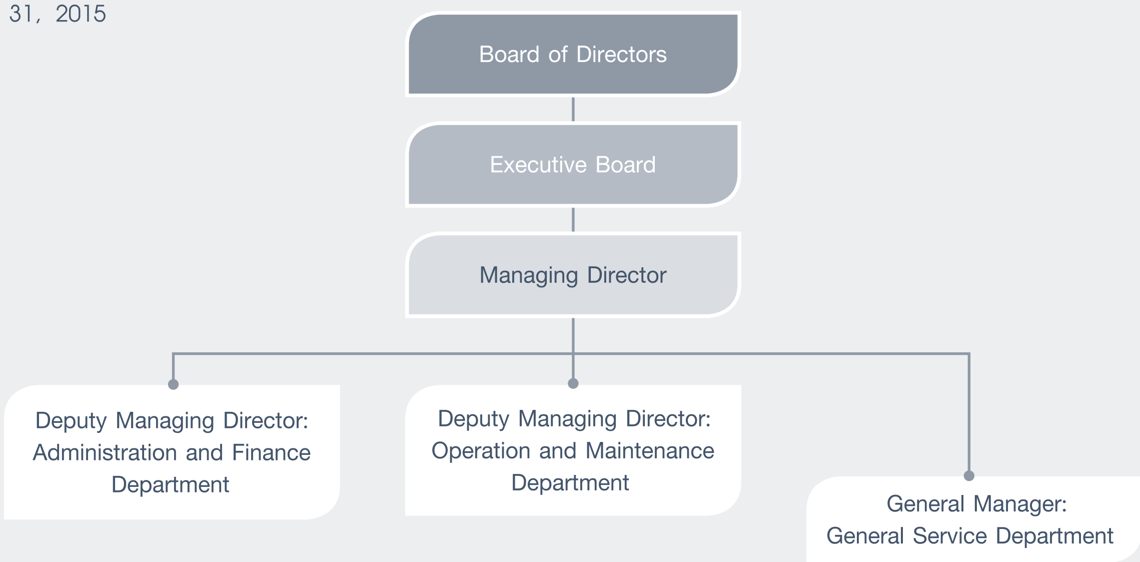
[2] *Directors representing the Company in SEAN in proportion to the Company's shareholding in SEAN at 56 percent.*

Authorized Signatory Directors of SEAN

1. Two of the following four directors, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, Mr. Alvin Gee, jointly sign and affix SEAN's seal; or
2. Either Mr. Plew Trivisvavet or Mr. Narong Sangsuriya or Mr. Prasert Marittanaporn or Mr. Alvin Gee, and another director, totaling two directors, jointly sign and affix SEAN's seal.

(2) Nam Ngum 2 Power Company Limited

The Management Structure of Nam Ngum 2 Power Company Limited as at December 31, 2015



As at December 31, 2015, NN2's board of directors consists of 13 directors, six of whom are executive directors, per names and number of their meeting attendances, as follows:

Name	Position	Number of the Board of Directors' Meetings in 2015[1]	Number of the Executive Board's Meetings in 2015[1]
Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	4/4	
Mr. Plew Trivisvavet[2]	Chairman of the Executive Board	4/4	5/5
Mr. Supong Chayutsahakij[2]	Director	2/4	
Mr. Narong Sangsuriya[2]	Director	4/4	
	Executive Director		5/5
Mr. Prasert Marittanaporn[2]	Director	4/4	
Mr. Thanawat Trivisvavet[2]	Director	4/4	
	Executive Director		5/5
Mr. Peerawat Pumthong	Director	4/4	

Name	Position	Number of the Board of Directors' Meetings in 2015[1]	Number of the Executive Board's Meetings in 2015[1]
Mr. Van Hoang Dau	Director	4/4	
	Executive Director		5/5
Mr. Milton William Shlapak	Director	4/4	
Mr. Bounleua Sinxayvolavong	Director	3/4	
Mr. Bounsalong Southidara	Director	3/4	
Mr. Somnuk Jindasup	Director	4/4	
	Executive Director		5/5
Mr. Alvin Gee[2]	Director	4/4	
	Executive Director Managing Director		5/5

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).

[1] Total Number of Meetings/Attendances

[2] Directors representing the Company in NN2 in proportion to the Company's shareholding in NN2 at 42 percent (indirect shareholding through SEAN in NN2).

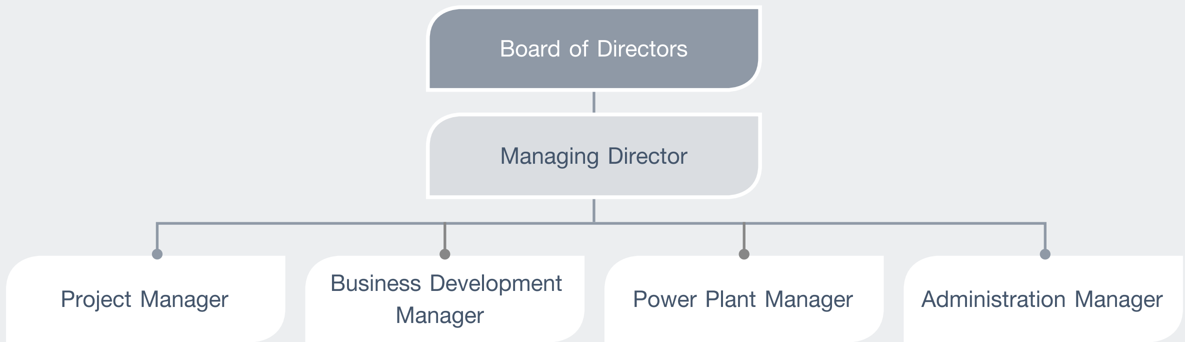
Authorized Signatory Directors of NN2

NN2 is a company incorporated in the Lao People's Democratic Republic (Lao PDR), and no conditions for authorized signatory directors are clearly specified like companies incorporated in Thailand. However, NN2 determines the same criteria for signing to bind the company as SEAN, which is NN2's major shareholder, in its operations as follows:

1. Two of the following four directors, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, Mr. Alvin Gee, jointly sign and affix NN2's seal; or
2. Either Mr. Plew Trivisvavet or Mr. Narong Sangsuriya or Mr. Prasert Marittanaporn or Mr. Alvin Gee, and another director, totaling two directors, and jointly sign and affix NN2's seal.

(3) Bangpa-in Cogeneration Limited

The Management Structure of Bangpa-in Cogeneration Limited as at December 31, 2015



As at December 31, 2015, BIC's board of directors consists of five directors, without any executive director, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2015[1]
Mr. Narong Sangsuriya[2]	Chairman of the Board of Directors	5/5
Mr. Kamphuy Jiraruensak[2]	Director	5/5
Mr. Vorapote Uchupaiboonvong[2]	Director	5/5
Mr. Vuthikorn Satithit	Director	5/5
Mr. Woravudh Anuruxwongsri[2]	Managing Director	4/5

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).

[1] Total Number of Meetings/Attendances

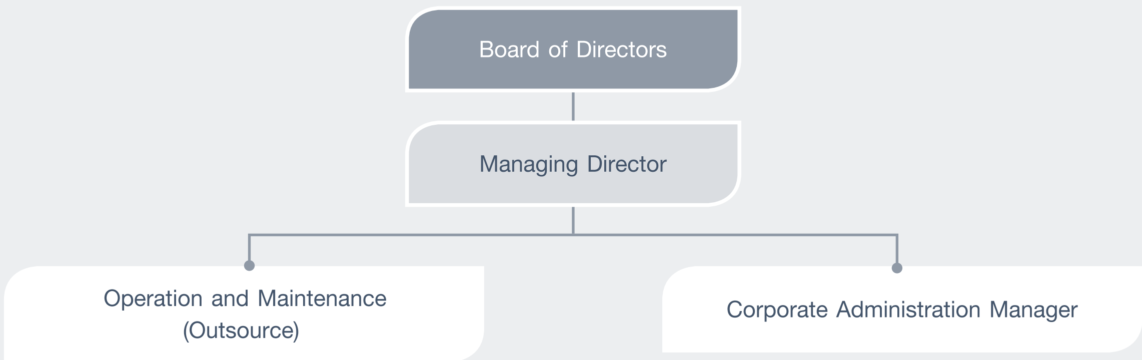
[2] Directors representing the Company in BIC in proportion to the Company's shareholding in BIC at 65 percent.

Authorized Signatory Directors of BIC

Two directors jointly sign and affix BIC's seal.

(4) Bangkhenchai Co., Ltd.

The Management Structure of Bangkhenchai Co., Ltd. as at December 31, 2015



As at December 31, 2015, BKC's board of directors consists of five directors, without any executive director, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2015[1]
Mr. Viboon Mongkolpiyathana[2]	Director	4/4
Mr. Vorapote Uchupaiboonvong[2]	Director	4/4
Dr. Supamas Trivisvavet[2]	Director	4/4
Mr. Somkiat Pattamamongkolchai[2]	Director	4/4
Mr. Sombat Trivisvavet[2]	Managing Director	4/4

Remarks: *Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).*

1 Total Number of Meetings/Attendances

2 Directors representing the Company in BKC in proportion to the Company's shareholding in BKC at 100 percent.

Authorized Signatory Directors of BKC

Two directors jointly sign and affix BKC's seal.

2. Management Team

2.1 CK Power Public Company Limited

(1) The Company's Management Team Structure

The Managing Director is the Company's top executive. As at December 31, 2015, the Company has a total of seven executives, per names and positions, as follows:

Name	Position
Mr. Thanawat Trivisvavet	Managing Director Acting Deputy Managing Director: Administration
Mr. Asa Arthayookti	Deputy Managing Director: Electrical and Mechanical Engineering[1]
Mr. Michael Eric Raeder	Deputy Managing Director: Civil Engineering Acting Deputy Managing Director: Electrical and Mechanical Engineering
Miss Nithawadee Limpodom	Assistant Managing Director - Business Development
Miss Parichat Othayakul	Assistant Managing Director - Compliance Unit
Miss Rujira Chuaybamrung	Assistant Managing Director - Assets and Subsidiary Management
Mr. Warot Saksutjarit	Assistant Managing Director - Administration
Miss Piyanuch Marittanaporn	General Manager of Finance and Accounting Division

Remarks: *- Information on qualifications of persons holding positions as the Company's executives appears in Attachment 1 - the Company's 2015 Annual Registration Statement (Form 56-1).*

- The management structure appears in Item Management Structure - Director.

[1] Held the position until August 31, 2015.

(2) Scope of powers, duties and responsibilities of the Managing Director

1. To supervise and ensure proper operations in compliance with the Company's work rules, and to give final decision on any issues in question, and to seek the Board of Directors' approval for amendment of the work rules;
2. To have power to issue orders, set out criteria, procedures and work practices as appropriate;
3. To authorize other staff as substitute to perform works on his/her behalf, provided that the Managing Director shall remain responsible for all actions taken by such substitute;
4. To jointly set out policies, strategies and goals with the Board of Directors for compliance and management to ensure that the operational results achieve such goals;
5. To manage and administer works in all respects in accordance with the vision, missions, policies and strategies;
6. To take care of personnel in various divisions to ensure they can efficiently and effectively perform in line with plans, strategies and goals of each division, and to regularly facilitate personnel development;
7. To develop the organization to ensure its satisfactory operational results and performance, and to regularly and continuously improve its operations to ensure the organization's sustainable growth;
8. To follow up, inspect, supervise and report the Company's overall operational results to the Board of Directors quarterly;
9. To follow up, inspect, and supervise the operational results of subsidiaries and/or associated companies as invested in by the Company to ensure the good operational results in accordance with goals and report on such results to the Board of Directors quarterly as well as seeking opportunities to improve performance;
10. To conduct studies on investment opportunities in new projects taking into account technical and financial feasibility in support of decision-making;
11. To supervise and monitor the business operations and/or day-to-day administration of the Company;
12. To proceed with or manage works in compliance with policies, action plans and budget as approved by the Board of Directors and/or the Executive Committee;
13. To determine policies, business plans, including business strategies, and annual budget of the Company for submission to the Executive Committee and seek approval thereof from the Board of Directors.

2.2 Executives of Subsidiaries

As at December 31, 2015, executives of four subsidiaries which engage in core businesses, namely, SouthEast Asia Energy Limited (SEAN), Nam Ngum 2 Power Company Limited (NN2), Bangpa-in Cogeneration Limited (BIC), and Bangkhenchai Co., Ltd. (BKC), per names and positions, are as follows:

(1) SouthEast Asia Energy Limited

Name	Position
Mr. Alvin Gee	Managing Director and Deputy Managing Director: Administration and Finance
Mr. Rajesh Razdan[1]	Mechanical Systems General Manager

Remarks:
- *Information on qualifications of persons holding positions as the Subsidiaries' executives appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).*
- *SEAN operates the business as a holding company by holding shares in NN2 and most of its staff were already transferred to the Company.*
- *The management structure appears in Item Management Structure - Director.*

[1] Mr. Rajesh Razdan was an executive in SEAN until August 31, 2015 and was transferred to CK Power Public Company Limited to serve as Mechanical Systems General Manager from September 1, 2015 onwards.

(2) Nam Ngum 2 Power Company Limited

Name	Position
Mr. Alvin Gee	Managing Director and Deputy Managing Director, Administration and Finance Department
Mr. Yoshihiro Kawasaki	Deputy Managing Director, Operation and Maintenance Department
Mr. Sakchai Chaiyawan	General Manager: General Service Department

Remarks: - *Information on qualifications of persons holding positions as the Subsidiaries' executives appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).*
- *The management structure appears in Item Management Structure - Director.*

(3) Bangpa-in Cogeneration Limited

Name	Position
Mr. Woravudh Anuruxwongsri	Managing Director
Mr. Chumphon Vessabutra	Project Manager
Mr. Dhotsaporn Thipvoratham	Business Development Manager
Mr. Kitpoj Srasomsap	Power Plant Manager
Miss Natsucha Khwanthong	Administration Manager Acting the Accounting and Finance Manager

Remarks: - *Information on qualifications of persons holding positions as the Subsidiaries' executives appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).*
- *The management structure appears in Item Management Structure - Director.*

(4) Bangkhenchai Co., Ltd.

Name	Position
Mr. Sombat Trivisvavet	Managing Director
Miss Saranpat Suwannawat	Corporate Administration Manager

Remarks: - *Information on qualifications of persons holding positions as the Subsidiaries' executives appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).*
- *Bangkhenchai Co., Ltd. entered into a management service agreement with the Company and entered into an operation and maintenance agreement with ENSYS Co., Ltd., an outsourced operation and maintenance contractor. Then, the personnel performing duties are from the Company's staff and those of the outsourced contractor.*
- *The management structure appears in Item Management Structure - Director.*

3. Company Secretary

The Board of Directors' Meeting No. 3/2015 on June 9, 2015 considered approving the appointment of Mr. Thanawat Trivisvavet, Managing Director, to hold offices as Company Secretary, as proposed by the Nomination and Remuneration Committee's Meeting, with powers, duties and responsibilities as described in the Securities and Exchange Act B.E. 2535 (1992) (and its Amendment), and concurrently as Secretary to the Executive Committee to monitor activities of the Board of Directors and coordinate arrangements to ensure compliance with the resolutions of the Board of Directors, per the details of duties and responsibilities as follows:

1. To convene meetings and prepare and keep the following documents:
   (1) The register of directors;
   (2) The notices of directors' meetings, minutes of meetings of the Board of Directors and an annual report of the Company;
   (3) The notices of shareholders' meetings and minutes of shareholders' meetings;
   (4) The report on interest filed by directors or executives; to perform other matters.
2. To provide advice to directors relating to relevant legal provisions, rules, requirements, and regulations;
3. To ensure the Company's compliance with laws, the Company's articles of association, relevant regulations and good corporate governance principles, as well as coordinating to ensure compliance with resolutions of the Board of Directors or resolutions of the shareholders with efficiency;
4. To ensure disclosure of information and report on information memoranda to the regulatory units;
5. To contact and communicate with shareholders and the relevant regulatory units;
6. To promote training in various courses and provide information useful for directors.

The details of qualifications of the person who holds the position of Company Secretary are described in Attachment 1 - the Company's 2015 Annual Registration Statement (Form 56-1).

4 Remuneration for Directors and Executives

The Company sets out the criteria for determination of remuneration for its directors and subcommittee members for submission to the shareholders' meeting for consideration and approval, and the policy on appropriate remuneration for its executives, as follows:

4.1 Remuneration for Directors of the Company

(1) The Nomination and Remuneration Committee is a subcommittee which considers related rules, regulations and criteria, including results of the board self-assessment in the previous year, for scrutinizing remuneration, comprising remuneration for directors, annual reward (bonus) for directors, subcommittees, and Managing Director. Its consideration is based on the remuneration policy, together with performance in the previous year, along with the operational results of the Company and dividend paid to shareholders. The remuneration will then be proposed to the Board of Directors' Meeting for consideration and approval or for submission to the shareholders' meeting for further consideration and approval. In this regard, remuneration rates will be reviewed yearly to ensure appropriateness under the Company's policy and operational results;

(2) Remuneration shall be reasonable for and in line with the scope of duties and responsibilities of each director, e.g., Chairman of the Board of Directors, chair of each subcommittee and members of the Executive Committee, members of the Audit Committee, members of the Nomination and Remuneration Committee, and members of the Corporate Governance and Risk Management Committee, who shall be eligible for additional remuneration for such position, and bonus which is a special remuneration;

(3) Remuneration shall be comparable to that of other companies in the same industry, with comparable experience, including benefits expected from each director, and sufficient to attract and retain knowledgeable and qualified directors to perform duties for the Company;

(4) The Nomination and Remuneration Committee considers remuneration rates for directors and Managing Director from those items in the Thai Directors Compensation Survey for Listed Companies for consideration and determination of remuneration rates for directors and Managing Director which will then be proposed to the Board of Directors' Meeting for consideration and approval or for further submission to the ordinary general meeting of shareholders, as the case may be;

(5) Elements of remuneration are clear, transparent and easy to understand.

In 2015, the 2015 Annual Ordinary General Meeting of Shareholders approved remuneration for directors in the amount not exceeding Baht 5,000,000 and 2014 annual reward in the amount not exceeding Baht 2,800,000, per the details of actual payments as follows:

1. Office Remuneration[1]

Position	Number (person)	Remuneration[1, 2] (Baht per person)	Total Amount (Baht)
Chairman of the Board of Directors	1	600,000.00	600,000.00
Chairman of the Executive Committee	1	100,000.00	100,000.00
Chairman of the Audit Committee	1	100,000.00	100,000.00
Chairman of the Corporate Governance and Risk Management Committee	1	100,000.00	100,000.00
Chairman of the Nomination and Remuneration Committee	1	100,000.00	100,000.00
Directors[3]	11	300,000.00	3,300,000.00
Executive Directors[4]	4	40,000.00	142,410.96
Members of the Audit Committee	2	40,000.00	80,000.00
Members of the Corporate Governance and Risk Management Committee	2	40,000.00	80,000.00
Members of the Nomination and Remuneration Committee	2	40,000.00	80,000.00
Total			**4,607,410.96**

Remarks: [1] *The Company has fixed such office remuneration since 2013 onwards.*
[2] *The Company made payment to its directors according to term of office in 2015.*
[3] *The 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 approved to appoint Mr. Chaiwat Utaiwan as the Company's director.*
[4] *Details of payment of remuneration for directors appear in Item Management Structure: Office Remuneration for Executive Directors.*

2. 2014 Annual Reward[1]

Position	Number (person)[2]	Annual Reward (Baht per person)[2]	Total Amount (Baht)
Chairman of the Board of Directors	1	500,000.00	500,000.00
Chairman of the Executive Committee	1	300,000.00	300,000.00
Chairman of the Audit Committee	1	200,000.00	200,000.00
Chairman of the Corporate Governance and Risk Management Committee	1	200,000.00	200,000.00
Chairman of the Nomination and Remuneration Committee	1	200,000.00	200,000.00
Directors and subcommittee members	5	200,000.00	850,000.00
Directors	2	200,000.00	400,000.00
Total	**12**		**2,650,000.00**

Remarks: [1] *The 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 considered approving payment of annual reward for directors in 2014 for the first year.*
[2] *The Company made payment to directors holding their positions throughout the year and directors resigning from their positions during the year, by taking into account term of office by each director.*
[3] *Mr. Sompodh Sripoom resigned during 2014, and remuneration was then paid according to his term of office.*

In this regard, the total remuneration of the Company's directors and subcommittee members over the past three years (2013 - 2015) is detailed as follows:

Details/Year	2015[1]	2014	2013	2012
Remuneration for directors	4,607,410.96	4,445,000.00	4,700,000.00	3,525,000.00
Annual reward[2]	-	2,650,000.00	-	-
Total	**4,607,410.96**	**7,095,000.00**	**4,700,000.00**	**3,525,000.00**

Remarks: [1] *The Company will consider the 2015 annual reward for directors in the 2016 Annual Ordinary General Meeting of Shareholders.*
[2] *The 2015 Annual Ordinary General Meeting of Shareholders considers remuneration for directors for 2013 - 2015 at the same rate every year, namely, remuneration in the amount not exceeding Baht 5,000,000.*
[3] *The Company considered paying the annual reward based on the Company's operational results and dividend payment to shareholders, and the Company made payment of the annual reward to its directors in 2014 for the first year.*

3. Remuneration for directors for 2015

(1) Monetary remuneration

For the year ended December 31, 2015, the 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 considered approving remuneration for directors and subcommittees for 2015 in the form of office remuneration in the total amount not exceeding Baht 5,000,000, as per the following details:

Unit: Baht

Name of Director	Office Remuneration for 2015						2014 Annual Reward	Total
	Position	Board of Directors	Executive Committee	Audit Committee	Corporat Governance and Risk Management Committee	Nomination and Remuneration Committee		
Dr. Thanong Bidaya	Chairman of the Board of Directors	600,000.00	-	-	-	-	500,000.00	1,100,000.00
Mr. Plew Trivisvavet	Chairman of the Executive Committee	-	100,000.00	-	-	-	300,000.00	
	Director	300,000.00	-	-	-	-		700,000.00
Mr. Techapit Sangsingkeo	Chairman of the Audit Committee	-	-	100,000.00	-	-	200,000.00	
	Director	300,000.00	-	-	-	-		600,000.00
Mr. Narong Sangsuriya	Chairman of the Corporate Governance and Risk Management Committee	-	-	-	100,000.00	-	200,000.00	
	Director	300,000.00	-	-	-	-		600,000.00
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee	-	-	-	-	100,000.00	200,000.00	
	Director	300,000.00	-	-	-	-		
	Member of the Audit Committee	-	-	40,000.00	-	-		
	Member of the Corporate Governance and Risk Management Committee	-	-	-	40,000.00	-		680,000.00
Mr. Supong Chayutsahakij	Director	300,000.00	-	-	-	-	200,000.00	500,000.00
Mr. Chaiwat Utaiwan[1]	Director	225,000.00	-	-	-	-	-	
	Executive Director		22,410.96	-	-	-	-	247,410.96

Name of Director	Position	Office Remuneration for 2015					2014 Annual Reward	Total
		Board of Directors	Executive Committee	Audit Committee	Corporat Governance and Risk Management Committee	Nomination and Remuneration Committee		
Mr. Prawet Ingadapa	Director	300,000.00	-	-	-	-	200,000.00	
	Member of the Audit Committee	-	-	40,000.00	-	-	-	
	Member of the Nomination and Remuneration Committee	-	-	-	-	40,000.00	-	580,000.00
Mr. Prasert Marittanaporn	Director	300,000.00	-	-	-	-	200,000.00	
	Executive Director	-	40,000.00	-	-	-	-	
	Member of the Nomination and Remuneration Committee	-	-	-	-	40,000.00	-	580,000.00
Dr. Supamas Trivisvavet	Director	300,000.00	-	-	-	-	200,000.00	
	Executive Director	-	40,000.00	-	-	-	-	
	Member of the Corporate Governance and Risk Management Committee[2]	-	-	-	20,000.00	-	-	560,000.00
Mr. Alvin Gee	Director	300,000.00	-	-	-	-	200,000.00	500,000.00
Mr. Thanawat Trivisvavet	Director	300,000.00		-	-	-	200,000.00	
	Executive Director	-	40,000.00	-	-	-	-	
	Member of the Corporate Governance and Risk Management Committee[3]	-	-	-	20,000.00	-	-	560,000.00
Mr. Sompodh Sripoom[4]	Director	-	-	-	-	-	50,000.00	
	Executive Director	-	-	-	-	-	-	50,000.00
Total		3,825,000.00	242,410.96	180,000.00	180,000.00	180,000.00	2,650,000.00	7,257,410.96

Remarks:

[1] *Mr. Chaiwat Utaiwan was appointed by the 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 as director and was appointed by the Board of Directors' Meeting No. 3/2015 on June 9, 2015 as executive director. The Company considered paying his remuneration according to his term of office in each position.*

[2] *Dr. Supamas Trivisvavet was a member of the Corporate Governance and Risk Management Committee from January 1 to June 30, 2015.*

[3] *Mr. Thanawat Trivisvavet was appointed by the Board of Directors' Meeting No. 3/2015 on June 9, 2015 as member of the Corporate Governance and Risk Management Committee since July 1, 2015.*

[4] *Mr. Sompodh Sripoom resigned from the directorship and management during 2014 and the Company considered his 2014 annual reward according to his term of office in 2014.*

(2) Other remuneration

- None -

4.2 Remuneration for executives of the Company

(1) Monetary remuneration

The Company sets out a policy on reasonable remuneration for executive directors and executives of the Company, and the Nomination and Remuneration Committee and the Executive Committee have the duty to consider screening and reviewing the appropriateness in line with their duties and responsibilities and the Company's operational results, in comparison with other companies in the same industry and similar size. The remuneration will then be proposed to the Board of

Directors' Meeting to consider approving remuneration for Managing Director and to propose the same to the ordinary general meeting of shareholders for consideration and approval of remuneration for executive directors. It is noted that executive directors do not receive any remuneration other than office remuneration as executive director, as per the details in the table of remuneration for directors and subcommittees in Item 8.4.1, Clause 3 (1).

In 2015, the Company paid the 2015 annual monetary remuneration to executive directors and executives, comprising office remuneration, salary, bonus, in the total amount of Baht 31,444,470.

(2) Other remuneration

The Company provides for the provident fund for all staff and executives, excluding executive directors. The staff and executives pay savings at the rate of five percent of their salaries and the Company pays contributions at the same rate of five percent to the fund. In 2015, the Company paid contributions to the provident fund for all seven executives in the total amount of Baht 1,266,304.

4.3 Remuneration for directors and executives of subsidiaries

In 2015, the Company has four subsidiaries which operate core businesses, namely, SouthEast Asia Energy Limited (SEAN), Nam Ngum 2 Power Company Limited (NN2), Bangpa-in Cogeneration Limited (BIC), and Bangkhenchai Co., Ltd. (BKC), in which the Company sent its personnel to serve as executives with the duty to supervise, monitor, manage power projects, as well as report to the Company on progress and operational results by means of execution of the Management Service Agreement as appropriate for the Company to be assured of its ability to supervise and monitor its subsidiaries whose shares are held by the Company as if such subsidiaries were the Company's genuine work units. In this regard, such staff will be paid salary by the Company, per the details of remuneration for directors and executives of such four subsidiaries as follows:

1. SouthEast Asia Energy Limited

(a) Remuneration for directors

(1) Monetary remuneration

SEAN's board of directors concurrently holds office as directors in NN2. Therefore, the board of directors' meeting of SEAN resolved to grant approval for the board of directors and executive board of SEAN to only receive office remuneration as directors and executive directors in NN2.

(2) Other remuneration

\- None -

(b) Remuneration for executives

(1) Monetary remuneration

Remuneration for executives of SEAN for 2015 consists of remuneration for executive directors and remuneration for executives, totaling Baht 8,639,910. It is noted that executive directors of SEAN receive office remuneration as executive directors in NN2.

(2) Other remuneration

SEAN provides for the provident fund for all staff and executives, excluding executive directors. The staff pay savings at the rate of five percent of their salaries and SEAN pays contributions at the same rate of five percent to the fund. In 2015, the company paid contributions to the provident fund for all two executives in the total amount of Baht 88,168.

2. **Nam Ngum 2 Power Company Limited**

(a) Remuneration for directors

(1) Monetary remuneration

For the year ended December 31, 2015, the 2015 Annual Ordinary General Meeting of Shareholders on March 12, 2015 considered approving remuneration for directors and subcommittees for 2015 in the form of office remuneration in the total amount not exceeding Baht 12,420,000, as per the following details:

Unit: Baht

Name of Director	Position	Office Remuneration for 2015		Bonus 2014	Total
		Board of Directors	Executive Board		
Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	700,000.00	-	1,000,000.00	1,700,000.00
Mr. Plew Trivisvavet	Chairman of the Executive Board	-	620,000.00	800,000.00	1,420,000.00
Mr. Supong Chayutsahakij	Director	300,000.00	-	400,000.00	700,000.00
Mr. Narong Sangsuriya	Director	300,000.00	-	400,000.00	
	Executive Director	-	120,000.00	200,000.00	1,020,000.00
Mr. Prasert Marittanaporn	Director	300,000.00	-	400,000.00	700,000.00
Mr. Thanawat Trivisvavet	Director	300,000.00	-	400,000.00	
	Executive Director	-	120,000.00	200,000.00	1,020,000.00
Mr. Peerawat Pumthong	Director	300,000.00	-	400,000.00	700,000.00
Mr. Van Hoang Dau	Director	300,000.00	-	400,000.00	
	Executive Director	-	120,000.00	200,000.00	1,020,000.00
Mr. Milton William Shlapak	Director	300,000.00	-	400,000.00	700,000.00
Mr. Bounleua Sinxayvolavong	Director	300,000.00	-	400,000.00	700,000.00
Mr. Sisavath Thiravong[1]	Director	-	-	59,198.08	59,178.08
Mr. Bounsalong Southidara[2]	Director	300,000.00	-	340,821.92	640,821.92
Mr. Kriengrit Jiajanpong[3]	Director	-	-	221,369.86	
	Executive Director	-	-	110,684.93	332,054.79
Mr. Somnuk Jindasup[4]	Director	300,000.00	-	178,630.14	
	Executive Director	-	120,000.00	89,315.07	687,945.21
Mr. Alvin Gee	Director	300,000.00	-	400,000.00	
	Executive Director	-	120,000.00	200,000.00	1,020,000.00
	Managing Director	-	-	-	
Total		**4,000,000.00**	**1,220,000.00**	**7,200,000.00**	**12,420,000.00**

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's 2015 Annual Registration Statement (Form 56-1).

[1] Mr. Sisavath THIRAVONG held such position from March 23, 2012 to February 23, 2014.

[2] Mr. Bounsalong SOUTHIDARA holds such position from February 24, 2014 until the present.

[3] Mr. Kriengrit Jiajanpong held such position from September 12, 2013 to July 21, 2014.

[4] Mr. Somnuk Jindasup holds such position from July 22, 2014 until the present.

(2) Other remuneration

- None -

(b) Remuneration for executives

(1) Monetary remuneration

Remuneration for executives for 2015 consists of remuneration for executive directors and remuneration for executives. The details of remuneration for executive directors appear in the table of remuneration for directors of NN2 mentioned above while remuneration for executives of NN2 consists of office remuneration for three executives in the total amount of Baht 14,982,081.39.

(2) Other remuneration

NN2 was incorporated in the Lao People's Democratic Republic (Lao PDR) which does not set out any criteria relating to provident fund, thus NN2 does not provide for a provident fund for its staff and executives.

3. Bangpa-in Cogeneration Limited

(a) Remuneration for directors

(1) Monetary remuneration

For the year ended December 31, 2015, the 2015 Annual Ordinary General Meeting of Shareholders on March 12, 2015 considered approving remuneration for directors for 2015 in the total amount not exceeding Baht 1,320,000.

Unit : Baht

Name of Director	Position	Office Remuneration for 2015	Bonus for 2014	Total
Mr. Narong Sangsuriya	Chairman of the Board of Directors	360,000.00	-	360,000.00
Mr. Kamphuy Jiraruensak	Director	240,000.00	-	240,000.00
Mr. Vorapote Uchupaiboonvong	Director	240,000.00	-	240,000.00
Mr. Vuthikorn Satithit	Director	240,000.00	-	240,000.00
Mr. Woravudh Anuruxwongsri	Director and Managing Director	240,000.00	-	240,000.00
Total		**1,320,000.00**		**1,320,000.00**

(2) Other remuneration

- None -

(b) Remuneration for executives

(1) Monetary remuneration

There is no executive director in BIC, remuneration for executives for 2015 then is remuneration for executives, consisting of salary and bonus. There are five executives in BIC. The total remuneration is Baht 13,230,730.

(2) Other remuneration

BIC provides for the provident fund for all staff and executives, excluding executive directors. The staff pay savings at the rate of five percent of their salaries and BIC pays contributions at the same rate of five percent to the fund. In 2015, the company paid contributions to the provident fund for all five executives in the total amount of Baht 14,982,081.39.

4. Bangkhenchai Co., Ltd.

(a) Remuneration for directors

(1) Monetary remuneration

For the year ended December 31, 2015, the 2015 Annual Ordinary General Meeting of Shareholders on March 31, 2015 considered approving remuneration for directors for 2015 in the total amount not exceeding Baht 300,000.

Unit : Baht

Name of Director	Position	Office Remuneration for 2015	Bonus for 2014	Total
Mr. Viboon Mongkolpiyathana	Director	60,000.00	-	60,000.00
Mr. Vorapote Uchupaiboonvong	Director	60,000.00	-	60,000.00
Dr. Supamas Trivisvavet	Director	60,000.00	-	60,000.00
Mr. Somkiat Pattamamongkolchai	Director	60,000.00	-	60,000.00
Mr. Sombat Trivisvavet	Director and Managing Director	60,000.00	-	60,000.00
Total		**300,000.00**		**300,000.00**

(2) Other remuneration

- None -

(1) Monetary remuneration

There is no executive director in BKC, remuneration for executives for 2015 then is remuneration for executives, consisting of salary and bonus. There are two executives in BKC. The total remuneration is Baht 702,960.

(2) Other remuneration

BKC is the Company's subsidiary whose 100 percent of shares are held by the Company, therefore, BKC's executives are personnel from the Company and BKC does not provide for a provident fund. However, such personnel will obtain benefits and privileges under the provident fund from the Company.

5. Personnel

5.1 Number of Personnel and Remuneration of the Company and its Subsidiaries

As at December 31, 2015, the Company has a total staff of 142 persons, some of whom are staff performing duty for the Company and staff performing work for its subsidiaries via the Management Service Agreements between the Company and its subsidiaries.

In 2015, the Company paid staff remuneration in the amount of Baht 97,433,736.84, namely:

(1) Salary, based on performance of each staff;

(2) Bonus, based on the Company's operational results;

(3) Contribution to the provident fund paid by the Company at the rate of five percent of each staff's salary to the provident fund.

Company	Number of Personnel[1]	Remuneration[2]
CK Power Public Company Limited	54	64,699,055.00
SouthEast Asia Energy Limited	11	18,623,322.31
Nam Ngum 2 Power Company Limited	33	32,942,238.86
Bangpa-in Cogeneration Limited	54	56,593,964.68
Bangkhenchai Co., Ltd.[3]	-	-
Total	**152**	**172,858,580.85**

<u>Remarks</u>: [1] *The total number of personnel from the executive level downward, with the number of executive level personnel per the details in Item Management Structure - Executive.*

[2] *The total remuneration for personnel from the executive level downward, with the remuneration for executive level personnel per the details in Item Management Structure - Remuneration.*

[3] *Bangkhenchai Co., Ltd. engages ENSYS Co., Ltd. to operate and maintain its solar power plant.*

5.2 Personnel Management of the Company and its Subsidiaries

The Company and its subsidiaries are considering the human resource management restructuring for the Company to formulate a mechanism to closely and more efficiently control and set out its management direction of each subsidiary as if they were the Company's work units, whereby the Company will be able to manage personnel to perform their duties which cover works for both the Company and all subsidiaries. In 2015, some staff were transferred from certain subsidiaries to the Company as appropriate, as part of the human resource management restructuring procedure. In 2015, the Company and its subsidiaries have no any significant change in number of staff.

Since the Company's incorporation, the Company has no any labor dispute over the past years.

5.3 Personnel Development Policy

Management of the Company and its subsidiaries realizes the significance of improvement of skills and capabilities of both staff operating in respect of various power plants and support staff, as all staff are like smallest mechanisms that drive the Company to the direction set out by management. It is also aware that the sustainable development and growth of the Company and its subsidiaries start from competent personnel in terms of theory, knowledge, capabilities and experiences which can be applied into practice without compromising the development of ethics and sense of accountability towards their own duties, colleagues and society. This is for staff of the Company and its subsidiaries to serve as the Company's potential units to move the Company and its subsidiaries forward with management's encouragement and support. In doing this, the Company sets out the personnel development policy in various key aspects as follows:

(1) Development of Competency

The Company and its subsidiaries encourage their staff to attend valuable training courses, which will enhance staff's knowledge and skills in their work performance, from external experts, both local and overseas courses. As for local training courses, the human resource departments will select and propose training courses to executives in each unit, and welcome staff to propose any interesting training courses to the Company for consideration and support. In this regard, the Company and its subsidiaries fix annual budget for staff's training courses according to their work positions. In 2015, the Company and its subsidiaries continued to support their staff to attend various training courses. As for overseas training courses, the respective units will consider proposing as appropriate and necessary overseas courses to the respective executive board's meetings to consider sending their staff to attend training, in respect of which the Company sent its staff for training to enhance their knowledge over the past years.

The Company and its subsidiaries are considering attendance to training for improvement of staff competency should be included as one of the key performance indicators for staff's annual performance evaluation. The Company is certain that it will be able to encourage staff to continuously participate in training and develop their capabilities and competency required for their work performance.

(2) Career Advancement Opportunity

The Company is considering its management restructuring for more clarity. Such restructuring not only secures staff's career advancement in their line of work, but also promotes highly capable and competent staff to become executives. The Company is also setting up a performance evaluation system based on Key Performance Indicators (KPIs), which will be used for staff performance evaluation of the Company and its subsidiaries with concrete results, including evaluation of staff's ability and work behavior. Such system will be effectively instrumental in development of staff competency, in order to develop the Company's personnel to become decent and competent citizens. As the Company and its subsidiaries are a business group, staff from one group company may thus have an opportunity to pursue their career path and growth in another group company, as another channel to secure staff's confidence and career.

(3) Determination of Succession Plan

The Company realizes the significance of continued operations for sustainable growth of the Company and its subsidiaries and for development of competent personnel to promptly succeed any resigned or retired staff. The Company has a policy to recruit quality personnel within the organization for appointment as successor before external recruitment. The Company uses the performance evaluation mechanism based on KPIs to consider staff's abilities and work behavior, as one of the factors for selection and promotion of personnel to executive positions, which will be incorporated in the succession plan.

(4) Work Safety

The Company's subsidiaries which operate core businesses as electricity producers have developed their management systems in accordance with the quality management system (ISO) so that various power projects invested by the Company meet international standards, and maintain a safe working environment as well as staff safety in each project. All power projects invested by the Company have received the quality management system certifications, namely:

- The Nam Ngum 2 Hydroelectric Power Project operated by Nam Ngum 2 Power Company Limited has received the ISO 9001 : 2008 standard certification from AJA Registrars Ltd. The certificate has been granted to the operation and maintenance of the Nam Ngum 2 Hydroelectric Power Project under the scope of Electricity Generating and Distribute by Hydro Power Plant, which is regarded as the Electricity Generating Authority of Thailand's first overseas project that received the ISO 9001 : 2008 certification.
- The Cogeneration Power Project No. 1 of Bangpa-in Cogeneration Limited has received the ISO 9001 : 2008, the ISO 14001 : 2004 and the ISO 18001 : 2007 standard certifications from Bureau Veritas Certification (Thailand) Ltd. The certificates have been granted to the Electricity and Stream Supply systems.
- Solar power project of Bangkhenchai Co., Ltd. has received the ISO 9001 : 2008 standard certification from SGS (Thailand) Limited.

(5) Anti-corruption

The Company gives priority to anti-corruption in every step of its operating procedures by setting out its anti-corruption policy in operating procedures in the Corporate Governance Policy and the Control Policy and Governance Mechanisms (Control Policy), such as, guidelines for handling inside information and insider trading control, policy on execution of transactions with major shareholders, directors, executives and their connected persons, together with guidelines for consideration of execution of connected transactions, including requirements relating to business ethics and code of ethics, and a whistleblower guide when any corruption is found. In this regard, the Company has disclosed such policies to the public on the Company's website for transparency and review.

(6) Staff Benefits

The Company and its subsidiaries provide both permanent staff and employees with benefits as required by law, and additional benefits as appropriate, and monitor to ensure effective and fair enforcement of such criteria on consideration of staff benefits, and review to update staff benefits according to changes in economic and social conditions as appropriate. The Company has no any material labor dispute over the past years.

Corporate Governance

The Board of Directors is confident that the good corporate governance serves as an important factor to reflect the efficient, transparent, and auditable management systems and also as an important factor to promote the Company's overall success as a socially responsible organization. These will help build the trust and confidence on the part of shareholders, investors, stakeholders and all related parties. The Company has adhered to and complied with the good corporate governance principles through operations of the Board, the management and staff by setting out the Company's corporate governance policy in accordance with the Principles of Good Corporate Governance of the Stock Exchange of Thailand (Stock Exchange), regulations of the Securities and Exchange Commission (SEC Office), and the Capital Market Supervisory Board, and in line with the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) to accomplish the Company's vision and mission with sustainability.

1. Corporate Governance Policy

To ensure clarity, transparency, auditability in accordance with the Principles of Good Corporate Governance, the Board of Directors sets out the corporate governance policy in writing, and reviews the Company's corporate governance policy to ensure that it is appropriate in compliance with the regularly amended Principles of Good Corporate Governance of the Stock Exchange, and discloses such policy on the Company's website in order to communicate the Company's business commitment to good corporate governance to the public, and also internally communicate such corporate governance policy to staff to be aware of the essence of the corporate governance policy.

In this regard, the Company's corporate governance policy covers the significant matters under the Principles of Good Corporate Governance of the Stock Exchange, comprising five main categories, namely, Rights of Shareholders, Equal Treatment for Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board of Directors, per the detail as follows:

1.1 The Rights of Shareholders

The Company recognizes and realizes the significance of various fundamental rights of shareholders, i.e., right to purchase, sell or transfer shares, right to accept profit sharing of the business, right to access adequate information and news of the business, right to attend meetings to exercise the voting right at shareholders' meetings for appointment or removal of directors, appointment of auditors, and any matters which have an impact upon the Company, such as allocation of dividends, determination or amendment of the Articles of Association and the Memorandum of Association, capital decrease or increase, etc.

In addition to the aforesaid fundamental rights, the Company also proceeds with various matters which support and facilitate shareholders' exercise of the rights in key issues as follows:

(1) <u>Access to Information on Shareholders' Meetings and Information Memorandum of the Company</u>

The Company sends the invitation letter to attend a shareholders' meeting and supporting documents to shareholders at least seven days or 14 days (as the case may be) in advance. Such invitation letter contains clear details on the agenda, various documents in support of the agenda, together with opinions of the Board of Directors, proxy forms as specified by the Ministry of Commerce, and the list of independent directors, as an option for shareholders to appoint a proxy to attend the meeting, including map of the meeting venue. The Company will also prepare the minutes of the shareholders' meeting, which contain correct and complete information, including questions of shareholders, within 14 days from the meeting completion date and submit the minutes of the shareholders' meeting to relevant authorities within the specified period of time, and disclose such minutes on the Company's website. In addition, the atmosphere of the meeting is also recorded as video clips to be available on the Company's website in order for the shareholders who are unable to attend the meeting to be equally informed and view the atmosphere of the shareholders' meeting. The Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) are bilingual (Thai and English) to facilitate all shareholders' access to information. Form 56-1 was submitted to the SEC Office prior to the due date on March 31, 2015 and the Annual Report was submitted in the form of CD to shareholders within 120 days from the ending date of the accounting period, together with the invitation letter to attend the annual ordinary general meeting of shareholders since March 25, 2015, along with hard copies of the Annual Report at the request of the shareholders. Moreover, the Annual Report has been disclosed on the Company's website after submission of the Annual Report to the shareholders to facilitate the shareholders' easy and timely access to information on the Company's operational results. In this regard, the Company sets policy to require the Board of Directors and executives to attend shareholders' meetings, particularly chairpersons of various subcommittees, to jointly clarify matters or answer questions raised by shareholders in each meeting. The Company also allows shareholders to have equal rights to make inquiries and offer opinions and suggestions, all of which are greatly appreciated and welcomed by the Company for consideration and further actions as appropriate.

In 2015, the Company issued ordinary shares for capital increase for offering to the existing shareholders in proportion to their shareholding Rights Offering as well as issued and offered warrants to purchase the Company's ordinary shares for capital increase which were offered to the existing shareholders who subscribed for and made subscription payment of the Company's ordinary shares for capital increase. The Company equally treated all shareholders who would be allocated the rights to subscribe for ordinary shares for capital increase and such warrants. The Company prepared and submitted notice of right of subscription for ordinary shares for capital increase to the shareholders whose names were listed as at April 27, 2015, which was the record date. To facilitate the delivery of such documents by post, the Company offered to deliver such documents to the shareholders via a variety of channels, and upon receipt of any notice from the shareholders who did not receive the documents and upon the end of the subscription period, the Company sent the subscription results via email to the shareholders who subscribed for ordinary shares for capital increase, and installed software for checking the subscription rights on the Company's website as an alternative for the shareholders to ensure the transparency in the allocation and for verification. The subscription for and allocation of such ordinary shares for capital increase were organized successfully.

(2) Participation in Shareholders' Meetings

The Company held the meeting at the Company's head office which was situated in the convenient location for shareholders' commute to attend the meeting by various modes of transportation, and arranged for a reception for shareholders at the meeting venue. The Company used a computerized registration system which could instantly process results as soon as each meeting agenda item ended. Such system rendered it convenient with the collected voting results being precise and auditable. The legal advisors were assigned to verify the counting of votes, and representatives of shareholders were also present to witness the counting of votes in each agenda item throughout the meeting time. The votes required for each agenda item and the actual votes of such agenda item were clearly displayed after the end of collection of votes during the meeting. Moreover, shareholders were allowed to ask questions to the directors in the course of the meeting so that shareholders attending the meeting would effectively participate in the meeting, which would build up confidence in the counting of votes and encourage shareholders to regularly participate in meetings.

(3) Participation in Management

The Company advised the shareholders to propose any agenda items and nominate candidates for selection as independent director via the news system of the Stock Exchange of Thailand and on the Company's website at least three months before the end of 2015 in order to allow retail shareholders to share their opinions with the Company. Moreover, the Company allows the shareholders to inquire about operational results, ask questions or request any documents directly with the Company throughout the year via the Company's email at ir@ckpower.co.th.

1.2 The Equal Treatment for Shareholders

The Company has a policy to ensure equal and fair treatment and protection of rights of all shareholders, both Thai and foreign shareholders, major and minor shareholders, by various means as follows:

(1) Provision of Information in Support of Shareholders' Meetings

The Company allows retail shareholders to propose any agenda items in advance prior to the shareholders' meeting and nominate candidates for appointment as directors in advance in the last quarter of each year. In 2015, the Company notified retail shareholders to propose any agenda items of the shareholders' meeting in advance or nominate candidates for appointment as directors during the period from October 1 to December 30, 2015. Meetings are conducted in accordance with the Articles of Association and the Principles of Good Corporate Governance, which will be clearly notified to the shareholders in the invitation letter to attend each shareholders' meeting sent to the shareholders by registered mail, publicized on the Company's website, disclosed via the Stock Exchange's website, as well as advised to the shareholders again prior to starting each shareholders' meeting. Furthermore, the Company conducted each shareholders' meeting in accordance with agenda items as notified in the invitation letter. Full details of each item on the agenda must be provided, together with adequate supporting information. Furthermore, any items which have not been made known to shareholders in advance may not be added to the agenda, especially for such matters on which shareholders must take time to consider relevant information prior to making a decision.

(2) Participation in Shareholders' Meetings and Management

Refer to Items 9.1.1 (2) and (3).

(3) Prevention of Insider Trading

The Board of Directors imposes measures against insider trading by related persons, including directors, executives, staff, and employees, as well as their spouses and minor children, and also imposes punishments for disclosure or use of the Company's information for personal gain in accordance with the corporate governance policy relating to insider trading. Directors and executives of the Company acknowledge the duty to report to the SEC Office on their holdings of securities in the Company, including those of their spouses and minor children, as well as on any changes in such securities holdings. In this regard, the Company will give written notice of a silent period of the Company's securities at least one month prior to the date of approval of the financial statements and at least one day after approval of the financial statements, in each quarter, in order for directors and executives to refrain from trading the securities during such period, in compliance with the regulations on insider trading. The Company also quarterly reports to the Corporate Governance and Risk Management Committee's Meeting and the Board of Directors' Meeting on change in holding of the Company's securities by directors or executives.

(4) Interests of Directors and Executives

- Report on Conflicts of Interest of Directors

  The Company requires its directors and executives to report their personal interests and disclose their and their related persons' directorships or executive positions in other legal entities. This is to ensure that directors have available information in support of their consideration and approval of execution of transactions of the Company and its subsidiaries with accuracy and transparency in compliance with the relevant rules and regulations. In this regard, the Company Secretary keeps such reports on conflicts of interest of the directors and executives.

- Interested Directors' Participation in Meetings

  The Board of Directors sets out a policy to prohibit its directors and executives who are connected persons or interested persons in relation to any agenda items from participating in the meeting and voting on such items, whereby such directors and executives are allowed to be present at the meeting only for presentation of information. Considering an interested person or connected person is based on such report on conflicts of interest, together with facts, to truly comply with the Principles of Good Corporate Governance.

(5) Execution of Connected Transactions

- Transactions in Ordinary Course of Business or Transactions in Support of Ordinary Course of Business with General Commercial Terms and Remuneration based on Assets or Reference Value

  In the absence of any rules for restriction on value of execution of transactions in ordinary course of business or in support of ordinary course of business with general commercial terms, to ensure that the execution of a transaction of high value will be duly approved by the Board of Directors' Meeting of the Company, the Board of Directors' Meeting of the Company has then resolved to grant approval in principle for management, namely, the Executive Committee's Meeting or management, as the case may be, to have the power to consider approving execution of transactions in ordinary course of business or in support of ordinary course of business with general commercial terms in compliance with the SEC Office's Letter No. SEC.Jor.(Wor) 38/2551 dated July 16, 2008 Re: Guidelines for Compliance with Section 89/12 (1) of the Securities and Exchange Act (No. 4) B.E. 2551 (2008).

- Connected Transactions of other Categories

  The Company delegates to the Executive Committee the duty to consider scrutinizing and proposing such connected transactions to the Audit Committee's Meeting for consideration of justifications and benefits to be derived by the Company from execution of such transactions, for submission to the Board of Directors' Meeting for consideration and approval or further proposal to the shareholders' meeting, as the case may be, subject to the rules regarding transaction size pursuant to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies on Connected Transactions B.E. 2546 (2003) and the Notification of the Capital Market Supervisory Board No. TorChor.21/2551 Re: Rules on Connected Transactions.

  In this regard, executive directors or directors who are connected persons or interested persons in any such agenda item will be prohibited from participating in and voting at the Executive Committee's Meeting or the Board of Directors' Meeting during the consideration of such agenda item. The Company discloses the execution of transactions under the requirements of such two Notifications and in the Company's Annual Registration Statement Form.

1.3 The Role of Stakeholders

The Company realizes the significance of the rights of all groups of stakeholders, both inside, such as executives and staff of the Company and its subsidiaries, and outside, such as shareholders, traders, financial institution lenders, communities adjacent to power projects and society as a whole, and ensures fair treatment of all related parties. Any inquiries or complaints can be submitted directly to directors or the Company Secretary via email as disclosed on the Company's website and in the Annual Registration Statement Form. The Company attends to the rights of the stakeholders as follows:

1. Rights of Stakeholders

   Shareholders

   The Company realizes its role as a business entity committed to generating long-term profit with good and steady returns to shareholders' utmost satisfaction, and subject to an obligation as a member of society to operate its business responsibly to ensure its sustainable growth.

   The Company thus sets its management structure to take into account all groups of stakeholders by way of transparent and reliable disclosure of clear and correct information to shareholders in support of their decisions to invest in the Company. In addition, shareholders have the opportunity to participate in and examine the Company's operations through various channels at all times.

   In 2015, the Company issued and offered ordinary shares for capital increase to its existing shareholders in proportion to their shareholding Rights Offering, whereby the Company presented information on allocation of ordinary shares for capital increase and warrants to purchase the ordinary shares for capital increase to the existing shareholders in proportion to their shareholding, and already announced the results of allocation of ordinary shares for capital increase and warrants to purchase ordinary shares for capital increase, which shareholders might review such results via the application installed on the Company's website. All steps of the procedures were taken by an expert financial advisor, namely, Finansa Securities Ltd., and an underwriter, namely, Finansia Syrus Securities Public Company Limited.

   Staff

   The Company regards all of its staff as important and instrumental in facilitating the organization's sustainable business operations and development to the future. The Company thus focuses on the continuing development of competency, knowledge, abilities and skills of staff. The Company attends to staff safety and hygiene at workplace, both headquarters and project sites, as per the following details:

   (1) Personnel structure and job descriptions are clear. Staff appointment, transfer and reward program are transparently, equally and fairly based on overall performance of each staff, with fair and appropriate remuneration for staff according to staff competency. Currently, the Company is in the process of corporate restructuring to determine positions and allocate works and responsibilities as well as design a performance assessment system based on Key Performance Indicators (KPIs) so that the criteria for consideration and evaluation is clear, substantial, and explicable in terms of basis and reasons for each staff's performance assessment, which will be announced and applied to staff performance assessment. The Company firmly believes that the clear measurement system will motivate staff's self-development in work performance and greatly assure staff of their career advancement, resulting in the organization's efficient operational results as a whole and development in the long

run. In this regard, the Company adopts a policy on payment of remuneration to staff by taking into consideration the organization's operational results, together with average remuneration rates in the electricity industry of similar size, and each staff's knowledge, ability and performance in the previous year.

(2) The Company provides a working environment and hygiene at workplace that ensures the quality of life and work safety for all staff of the Company and its subsidiaries, including visitors. The Company treats all staff members equally and fairly. In this regard, the Company is responsible to regularly maintain a working environment to ensure the safety of life and property for staff, and strictly complies with the labor laws. Staff privacy is well respected, whereby their personal data, such as salary, medical treatment records, family background, will not be disclosed to any third party or unrelated persons, except for such information required to be disclosed to relevant third parties under the provisions of laws.

(3) Staff are encouraged to attend a wide range of training courses, selected by the human resource department, that benefit and support staff's work responsibility and develop staff's knowledge, ability, competency, attitude and mindfulness. Staff also have the opportunity to propose any interesting and useful courses to the Company's consideration and approval, subject to the annual budget for staff training.

(4) The Company builds working environment and corporate culture to encourage all staff to participate in the Company's activities, help each other, and respect seniority and rights of one another, as well as promote awareness of the concepts and values of quality systems, which will strengthen relationships and unity among staff of the Company and its subsidiaries.

(5) The Company supervises and monitors its staff to strictly comply with laws and the Company's work rules, and enjoins staff not to risk violating the laws, whether criminal or civil. The Company also prevents any infringement of copyrights or intellectual property, whether with or without intent, and supports staff to follow the code of business conduct and perform duties in good faith without any involvement in corruption, all of which have been examined and reminded in written form and by public announcement.

<u>Financial Institution Lenders</u>

The Company gives priority to its financial creditability and strictly complies with the conditions of the credit facility agreements by controlling and monitoring the financial management of the Company and its subsidiaries to meet the clear objectives of money utilization. The Company discloses reports on various forms of financial activities with transparency. Over the past years, the Company has paid debt according to schedule without delay or default, nor has the Company ever negotiated for debt rescheduling, and as such, the financial institution lenders supporting the Company's projects can rest assured of the financial stability of the Company and its affiliated companies.

<u>Trade Competitors</u>

The Company adheres to fair competition rules and applicable laws, meets standard competition practices, and avoids any dishonest means to discredit competitors.

<u>Traders</u>

As the Company operates its business as a holding company, holding shares in other companies engaging in business of production and distribution of electricity from hydropower, solar power, and cogeneration system, therefore, direct customers of its subsidiaries and associated companies whose shares are held by the Company are the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authority

(PEA), as government agencies which purchase the electricity, with the people as indirect customers of the Company. The Company aims at bringing maximum benefits from the efficient distribution of electricity, which not only meets customers' satisfaction, but also facilitates the national economic and social development. In furtherance of the vision to be a leading power business company in Thailand and ASEAN region with the efficient operation, the Company implements policies and reviews and monitors the operational results of the companies invested by the Company on a monthly basis to ensure the satisfactory performance and the full capacity and uninterrupted distribution of electricity to the EGAT and the PEA in accordance with the power purchase agreements. Currently, all projects of the subsidiaries have passed certifications of ISO standards. The Company also realizes the significance of the government sector's energy balance policy to reduce utilization of electricity generated by consumable fuels and promote more utilization of renewable energy, which will result in the sustainable energy security for communities, society and the country.

Communities and Society

The Company is grateful to the country and is aware of its role as part of Thai business sector and a member of society with the duty to operate business based on the corporate social and environmental responsibility for the purpose of sustainable development of the organization in parallel with the national development. The Company thus adopts diversified policies on power project implementation to strengthen the energy sector for the country, and focuses on eco-friendly power projects as well as devotes its full efforts to ensure the efficient distribution of electricity to the country, with an aim to be instrumental in developing and moving the country forward in cooperation with all parties concerned.

Other than taking into account social benefits from the Company's business operations, the Company also continues to support social and environmental activities, in particular such activities in communities adjacent to various power projects invested by the Company, so as to promote the development of nearby communities and participatory awareness of social responsibility and public mind.

2. Protection of Rights and Roles of Stakeholders

The Company arranges for a whistleblower guide for any failure to comply with its code of conduct, any illegal acts or any conduct which may reflect fraud, dishonesty or misconduct of personnel in the Company and its subsidiaries, including any flaws in the internal control system caused by both staff and other stakeholders, as well as a whistleblower protection mechanism. The whistleblower guide allows for reports on such information to be made to the executives and the Board of Directors. Any staff finding a violation of law or non-compliance with the code of conduct may inquire or file a complaint with the Company Secretary at compliance@ckpower.co.th, the Audit Committee and the Board of Directors at directors@ckpower.co.th. or the Investor Relations at ir@ckpower.co.th. The Company provides protection measures, confidentiality policy and restricted access to such information and disclosure to the persons concerned only, in order to make the complainant feel safe and secure. The whistleblower or complainant may choose to disclose their identity or to remain anonymous. The Company may, if applicable, provide special protection measures if the process is likely and can be expected to cause any difficulty or unsafety, and the whistleblower or complainant will receive damage alleviation or compensation as appropriate and fair from the Company or persons causing damage under the Company's management mechanism and the rules of laws.

The Company incorporates various forms of anti-corruption in the Corporate Governance Policy (CG Policy), as per the details in Item 10: Corporate Social Responsibility.

3. Respect of Human Rights

   All directors, executives and staff of the Company and its subsidiaries will be duly treated by the Company in accordance with the human rights and civil rights under the Constitution and laws. Furthermore, the Company and its subsidiaries set out employment guidelines for both permanent staff and employees for strict compliance with the labor employment standards and requirements under the labor laws so that the workplace is safe and hygienic as appropriate. In addition, they are expected to treat others respectfully in terms of human rights, including their honor and dignity. The Company and its subsidiaries provide channels for communication, suggestion and grievance on matters relating to work for the purpose of organization development and good relationship for work cooperation. At the same time, the Company also opens channels for whistle-blowing and complaints between the Company and third parties for any problems or improvements needed in the Company's business operations, together with suggestions for development of management and supervision of the Company and its subsidiaries. Over the past years, the Company has never received any report on or encountered any labor dispute or violation of human rights.

4. Respect of Intellectual Property Rights or Copyrights

   The Company has a policy to strictly respect intellectual property rights or copyrights by prohibiting the Company's personnel from using any copyrighted work or information for gain or taking any act in a manner risking infringement of intellectual property or copyrights, and requiring that all programs installed in the Company's computers for work operations must be legally copyrighted only.

5. Environmental Responsibility and Utilization of Resources

   With the mission to generate optimal and steady returns and to be responsible for the environment, communities and all parties concerned, other than the Company's selective investments in eco-friendly renewable energy projects, the Company also realizes the significance of the mostly effective and productive utilization of resources in every step of its business operations, and implements policies and fosters a sense of environmental protection awareness for staff of the Company and its subsidiaries, as well as ensures that the Company's power projects, which have commenced commercial operation, and which are under construction, strictly comply with environmental laws and regulations, including ISO standard requirements, in parallel with environmental rehabilitation for sustainable balance and growth.

   Currently, more than 90 percent of the Company's power projects are renewable energy projects, namely, hydropower projects and solar power projects. In this regard, the Company is committed to continuing development of renewable energy project of various categories. In 2015, the Company jointly supported solar farm projects for government agencies and agricultural cooperatives.

1.4 Disclosure and Transparency

The Company is aware of the significance of accurate, complete, transparent and timely disclosure of both financial and general information, including material information which may affect prices of the Company's securities, in accordance with the rules of the SEC Office and the Stock Exchange, which may influence the decision-making on the part of its investors and stakeholders, and ensures equal access to such information for all parties concerned, as per the details of disclosure and transparency as follows:

1. Channels for Disclosure

   The Company regularly discloses the periodic operational results in accordance with the rules of the SEC Office and the Stock Exchange via numerous channels, namely, websites of the SEC Office and the Stock Exchange, and the Company's website at www.ckpower.co.th, which will be always kept updated. In addition, the number of visitors to the Company's website has been monitored for further improvements and to facilitate shareholders' more convenient search for information, the Company prepares relevant documents and presentations of significant information available in Thai and English, namely:

- The Company's general information, comprising company background, vision and mission, investment portfolio, organization chart, Board of Directors and subcommittees, etc.
- Financial highlights, comprising financial reports, stock information, stock news, analyst coverage, etc.
- Corporate governance, comprising corporate governance policy, annual registration statement, annual report, whistleblower guide, social and environmental responsibility activity news, etc.

Other than disclosure via the websites and documents as mentioned above, the Company did submit the invitation letter to attend the meeting or various documents within the periods required for the shareholders' meeting or the SEC Office's or the Stock Exchange's requirements for submission of documents to shareholders, that is, the Company submitted Form 56-1 to the SEC Office before the due date on March 31, 2015 and the Annual Report in the form of CD to shareholders within 120 days from the end of the accounting period. In 2015, the Company submitted the invitation documents to attend the meeting, including the Annual Report in the form of CD before the meeting, and also delivered the printed Annual Report to the concerned shareholders, as well as disclosed the Annual Report on its website after delivery of the Annual Report to shareholders for shareholders' easy and ready access to information on the Company's operational results. In addition to those documents required under the requirements of the SEC Office and the Stock Exchange, the Company also provides information on movements and discloses the Company's operational results via a variety of printed media, including roadshows organized by the Stock Exchange.

In this connection, the Company provides channels for disclosure and explanation on company information to ensure all parties' equal and instant access to the Company's information from the Company's central unit, namely, Investor Relations, which is responsible for contact and communication with financial institution investors, shareholders, including analysts.

2. Preparation and Submission of Financial Reports

The Board of Directors acknowledges its responsibility for the accurate, complete, justifiable, and transparent information in financial reports, which can prevent any fraud and unusual conduct. The Company's financial statements are thus prepared in accordance with generally accepted accounting standards in Thailand and comply with applicable laws and notifications, subject to the selected accounting policies and regular compliance, with an exercise of discretion with due care, including adequate disclosure in the notes to the financial statements. In this regard, the Audit Committee is required to meet with the auditor, without management, at least once a year. The Board of Directors appoints the Audit Committee, comprising three independent directors, to perform the duty to audit the financial reports, related party transactions, and internal control system, and the Audit Committee will report directly to the Board of Directors on the financial statements for such period. Over the past years, this policy has been implemented continuously and additional meetings will be held in any quarter when material transactions will be executed. In 2015, the Company appointed the auditor from EY Office Limited, which has knowledge and expertise in this field, as the Company's auditor, without conflict of interest with the Company which will cause a lack of independence in auditing the Company's financial statements. Moreover, the Company also releases the Management Discussion and Analysis relating to the financial position, operational results, and significant financial changes during the preceding quarters for shareholders and investors on a quarterly basis, together with disclosure via SET Portal of the Stock Exchange along with submission of financial statements, and on the Company's website. The Company has disclosed the quarterly and annual financial statements in advance before the due date of disclosure, and has no record of being ordered to revise the financial statements.

In this regard, the Board of Directors reviews the internal control system to ensure the efficiency via the Audit Committee to reasonably assure that accounting records are correct, and complete and adequately monitor its assets; to detect any flaw; and to prevent any fraud or unusual conduct.

3. Criteria for Trading Securities of Directors and Executives

The Company requires its directors and executives to refrain from trading securities of the Company at least one month before the date of approval of financial statements and at least one day after approval of the financial statements, whereby the Company will give written notice to its directors and executives to refrain from trading securities of the Company in each quarter. Moreover, the Company requires staff authorized to have access to the Company's significant information, which may affect movement of securities price, to refrain from trading such securities or to wait until the public receives information and has adequate time to review such information as appropriate to ensure compliance with the requirements for prevention.

1.5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

1.1 The Board of Directors comprises qualified persons who have knowledge, abilities and experience on an executive level from various organizations and from a diverse variety of professions, namely, economics, administration, engineering and law, which are in line with the Company's business strategy to be a leading power business company in Thailand and ASEAN region with the efficient operation. The Board of Directors' advisors, who are knowledgeable and specialize in different areas, namely, accounting, finance, administration, and engineering, are appointed for useful consultation on technical and administrative matters for the Company and its subsidiaries. Therefore, they can efficiently apply their experience, knowledge and abilities to develop and determine policies and directions of the Company's business operations to ensure the utmost benefits to the Company and shareholders. The Board of Directors plays a key role to introduce policies and sustain the corporate image, along with supervision, monitoring, inspection, follow-up on work performance of the management and assessment of the Company's operational results according to plan.

1.2 The Board of Directors is composed of a total of 12 directors, comprising five executive directors and seven non-executive directors, with four independent directors (including the Chairman of the Board of Directors) who represent not less than one-third of the total number of directors. Such structure gives rise to a counterbalance of votes on consideration of various matters. Furthermore, the Board of Directors appoints four subcommittees to help supervise and monitor the Company's business, namely, the Executive Committee, the Audit Committee, the Corporate Governance and Risk Management Committee, and the Nomination and Remuneration Committee.

1.3 Directors shall have a term of service for three years. Directors who retire by rotation may be re-appointed. At every annual general meeting, at least one-third of the number of directors shall vacate their office. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office.

1.4 The Chairman of the Board of Directors and the Managing Director are not the same person to distinguish between the corporate governance policy making and the day-to-day management, whereby the Board of Directors clearly determines powers and duties of the Chairman of the Board. The Chairman of the Board of Directors is an independent director as defined by the Stock Exchange and has no any relationship with management.

2. Roles, Duties and Responsibilities of the Board of Directors

2.1 The Board of Directors ensures that the corporate governance policy is set and regularly reviewed at least once a year in the Board of Directors' Meeting, and communicates the corporate governance policy to all personnel in the organization for their full and proper compliance.

2.2 The Company requires the Board of Directors to comply with the code of best practice for directors of listed companies in accordance with the guidelines of the Stock Exchange. The Board of Directors must acknowledge and understand their roles, duties and responsibilities, and perform the duties in accordance with the laws, business objectives, the Articles of Association of the Company, together with resolutions of shareholders' meetings, with integrity, in the best interests of the Company and shareholders.

2.3 The Board of Directors determines policies, business goals, business plans and budget of the Company, and also supervises and monitors to ensure the efficiency and effectiveness of the management's operations in compliance with the specified policies, action plans and budget to ensure the utmost benefits of the Company and shareholders.

2.4 The Board of Directors arranges for the Board of Directors' performance assessment, which covers various matters under the Board Self-Assessment Form issued by the Stock Exchange to guide the listed companies in their respective board self-assessment in line with the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand.

2.5 To efficiently supervise and monitor its subsidiaries and associated companies in which the Company invests as if they were business units of the Company, the Company then sets the Control Policy and Governance Mechanisms for those businesses in which the Company invests, for use as a mechanism for supervision and monitoring of those subsidiaries and associated companies. This is to ensure that the subsidiaries and associated companies adopt management and internal control systems in material matters in compliance with the rules of the SEC Office and the Stock Exchange in the same manner as the Company.

2.6 The Company requires the Board of Directors to regularly meet every three months, and all directors are requested to attend such meetings. In the past, more than 85 percent of all directors attended each meeting, and all directors managed to attend meetings to jointly consider significant agenda items. In 2015, 90 percent of all directors attended every meeting.

2.7 The Company gives top priority to information to be used by the Board of Directors in support of its consideration. It then has set out in the Company's Corporate Governance Policy the period of delivery of each meeting's supporting documents to directors at least seven days prior to the meeting date, except for any urgent matters. However, the supporting documents must be delivered to directors in advance prior to the meeting date in order for them to have adequate time to study them.

Other than the Principles of Good Corporate Governance and best practices of the Stock Exchange, the Company also determines policies and work rules and regulations to promote its good corporate governance, as follows:

(1) Conflict of Interest Policy

The Company realizes the significance of transparent consideration of various transactions which are useful for the Company, and then adopts a policy to prevent any transactions which may give rise to a conflict of interests or represent related party transactions, as follows:

- Directors and executives must inform the Company of their relationships or connected transactions in any business which may give rise to a conflict of interests, and the Company will prepare a report on interests of such directors or executives accordingly;
- Any connected transaction with directors which may give rise to a conflict of interest with the Company must be avoided. Any connected transaction which is necessary to be executed must be proposed to the Audit Committee to consider providing an opinion prior to seeking the Board of Directors' approval in accordance with the Principles of Good Corporate Governance and to ensure compliance with the rules as specified by the Stock Exchange and the SEC Office;
- Executives and staff must comply with the Articles of Association and the code of business ethics of the Company, which is considered a significant matter for strict compliance, in order to ensure all stakeholders' trust in the Company's reliability, and which is made known to all staff of the Company to ensure their understanding and compliance accordingly.

(2) Requirements Relating to Ethics and Code of Conducts

To ensure good practices for directors, executives, and staff of the Company so that they conduct themselves under the appropriate guidelines to professionally operate the business, and fulfill their moral, economic and social responsibilities as a whole in support of the good corporate governance system mainly based on integrity, fairness and transparency, business ethics and code of conduct have been determined as standard framework for business operations; and for compliance by directors, executives, staff and all parties concerned. The desirable behavior in various aspects includes:

1. Desirable behavior to the Company's business operations, requiring that the Company operate its business legally for the benefit of the economic, social and environmental systems; treat all parties concerned fairly and refrain from taking advantage of them; disclose information; treat its staff properly; create values that focus on the organization's interests rather than personal interests; and implement a whistleblower guide.
2. Desirable behavior of the Board of Directors, requiring that directors perform their duties with honesty, integrity, fairness, prudence and due care; completely separate their personal dealings from the Company's dealings; keep the Company's information confidential and refrain from disclosing it except with the Company's permission; strictly adhere to and observe the laws, rules and regulations of the relevant regulatory agencies; refuse to receive any money or gift and refrain from abusing their directorships to seek personal gain.

3. Desirable behavior of management, requiring that executives conduct themselves morally and make any decision in good faith, with due care, honesty, integrity in the best interests of the Company, customers, shareholders and staff; and demonstrate their commitment to ethics; and treat staff politely and deal with their subordinates with fairness; and respect staff's rights and opinions.
4. Desirable behavior of staff, requiring that staff must strictly comply with the Company's work rules and regulations; perform works with honesty, integrity, perseverance, diligence and improve their productivity; have a positive attitude, respect seniority and hierarchy; act morally and refrain from engaging in disgraceful conduct; and refrain from disclosing confidential information they have access from work; cooperate with and help others; perform work in the best interests of the organization; and effectively use resources at their optimum.
5. Desirable behavior to customers, requiring that staff provide customers with good services and integrity, and maintain efficient performance for the customers' utmost satisfaction, resulting in social development as a whole.
6. Desirable behavior to traders, requiring that staff treat traders with integrity and equality.

(3) Internal Control System

The Company is aware of the significance of the internal control system at the management and operating levels, and then clearly determines the scope of powers, duties and authorities in writing, supervises, monitors and maximizes the use of assets, as well as separates the duties and responsibilities for approval, recording of accounting transactions and information memorandum, and storage and care of assets, to ensure an appropriate counterbalance and audit system. Moreover, the Company also implements an internal control relating to financial system by way of financial reporting to the executives in charge. In addition, the Company and its subsidiaries plan to employ the same auditor for convenient control and management of accounting and finance, whereby the Company's auditor must be rotated every five years.

The Company sets out clear and measurable business goals. The management must review and compare the actual operational results with the specified goals; assess external and internal risk factors found in the operations; analyze contributing factors and determine measures to follow up events which cause such risk factors, including measures to minimize risks and delegation to relevant units to regularly follow up such risks, the results of which must be reported to the Board of Directors.

(4) Risk Management

The Board of Directors appoints the Corporate Governance and Risk Management Committee to have the duties to consider approving the Company's risk management and acknowledge its subsidiaries' risk management, as well as follow up and acknowledge the risk management plans of the Company and its subsidiaries, including the duty to report to the Board of Directors' Meeting on problems in respect of key risks and progress of remedial actions for such risks.

(5) Remuneration for Directors and Executives

The Company fixes remuneration for directors and executives at the rate which is comparable to remuneration for directors and executives of other companies of similar size in the same sector. Such rate is based on information from the report on compensation survey for directors of listed companies prepared by the Thai Institute of Directors Association and the Company's operational results, by considering such rate sufficient to retain the qualified directors and executives. Such rate also takes into consideration their experiences, duties, scope of roles and responsibilities. In this regard, remuneration for directors must be considered and scrutinized by the Nomination and Remuneration Committee's Meeting for submission to the Board of Directors' Meeting to consider granting approval in case of remuneration for the Managing Director or for submission to the Board of Directors' Meeting to consider scrutinizing the same for submission to the shareholders' meeting to consider granting approval in case of remuneration for directors

(6) Development of Directors and Executives

The Board of Directors has a policy to promote, support, and facilitate training and learning for personnel responsible for the Company's corporate governance system, including directors, Audit Committee members, executives, Corporate Secretary, in order to ensure regular and continued improvement of their performance, i.e., relevant programs organized by the Thai Institute of Directors Association (IOD).

(7) Report of the Board of Directors

The Board of Directors is responsible for the Company's financial statements. The Audit Committee is authorized to review the financial report and ensure that the financial report is of good quality and accuracy in accordance with generally acceptable accounting standards, and with transparent and adequate disclosure of the Company's material information. The Accounting Division and/or the auditor jointly meet and propose the financial report to the Board of Directors every quarter. The Board of Directors is responsible for the Company's financial statements, including financial information memoranda (report on responsibilities of the Board of Directors towards financial report) as appears in the Annual Report, that such financial statements are prepared in accordance with the accounting standards and are audited and certified by the Company's auditor, and that the material information and news, both financial and non-financial, is completely and regularly disclosed based on the facts.

In this regard, the Board of Directors considers it important to regularly meet for review of the Company's vision, mission or strategies to approve the execution of material transactions in order to fix the direction for its business operations.

3. Subcommittees

The Board of Directors has established four subcommittees to closely follow up and supervise the operations, and regularly report on the results to the Board of Directors, comprising the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Risk Management Committee. The Board of Directors determines the duties and responsibilities of each subcommittee per the details in Item 9.2.

4. Board and Committee Meetings

Name	Attendances/Total Number of Meetings in 2015				
	Board of Directors	Executive Committee	Audit Committee	Corporate Governance and Risk Management Committee	Nomination and Remuneration Committee
Dr. Thanong Bidaya	6/6				
Mr. Plew Trivisvavet	5/6	10/10			
Mr. Techapit Sangsingkeo	6/6		5/5		
Mr. Narong Sangsuriya	6/6			4/4	
Dr. Vicharn Aramvareekul	6/6		5/5	4/4	2/2
Mr. Supong Chayutsahakij	5/6				
Mr. Chaiwat Utaiwan	4/6[1]	5/10[2]			
Mr. Prawet Ingadapa	6/6		5/5		2/2
Mr. Prasert Marittanaporn	6/6	10/10			2/2
Dr. Supamas Trivisvavet	6/6	9/10		2/4[3]	
Mr. Alvin Gee	6/6				
Mr. Thanawat Trivisvavet	6/6	10/10		2/4[3]	

Remarks: [1] *The 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 resolved to approve the appointment of Mr. Chaiwat Utaiwan as director. Mr. Chaiwat Utaiwan started to attend the Board of Directors' Meeting No. 3/2015 on June 9, 2015 onwards.*

[2] *The Board of Directors' Meeting No. 3/2015 on June 9, 2015 resolved to approve the appointment of Mr. Chaiwat Utaiwan as executive director. Mr. Chaiwat Utaiwan started to attend the Executive Committee's Meeting No. 6/2015 on July 7, 2015 onwards.*

[3] *The Board of Directors' Meeting No. 3/2015 on June 9, 2015 resolved to approve the appointment of Mr. Chaiwat Utaiwan as member of the Corporate Governance and Risk Management Committee. Mr. Chaiwat Utaiwan started to attend the Corporate Governance and Risk Management Committee's Meeting No. 3/2015 on August 10, 2015 onwards.*

(1) Board of Directors' Meetings

The Company gives prior notice of annual schedule and main agenda of the Board of Directors' Meetings as well as the Company's annual meeting plan, to directors and executives so that directors can manage their time to attend the meetings. Pursuant to the Articles of Association, the Board of Directors must hold a meeting every three months. In this regard, the Board of Directors appoints and authorizes the Executive Committee to have the power to consider approving significant matters under the scope of power of the Executive Committee and as delegated by the Board of Directors, and monitor management's performance. To closely and efficiently supervise its subsidiaries' operations as if they were business units of the Company and to allow the Board of Directors to clearly acknowledge and inquire about their operations, including obstacles in the power projects of its subsidiaries, the Executive Committee then requires managing directors of its subsidiaries to report directly to the Board of Directors' Meeting on operational results and future action plans, obstacles from project implementation so that its subsidiaries closely adopt managerial guidelines from the Board of Directors.

The Company sends the invitation letter to attend the Board of Director's Meeting, together with agenda and supporting documents to directors and executives at least seven days prior to the meeting date, except for urgent or confidential agenda items which will be sent on the day preceding the meeting date, in order for the Board of Directors to have sufficient time to study such information before attending the meeting.

In 2015, the Company's Board of Directors convened six meetings to consider a variety of material matters, and a meeting with non-executive directors, without management, in order for non-executive directors to independently share their views and to efficiently follow up management's performance. The Chairman of the Board of Directors attended and presided over all meetings. In 2015, there were items on execution of connected transactions, in respect of which directors who were interested persons as listed in the invitation letter and the agenda delivered by the Company to all directors and executives in advance, were aware of their rights and duties, and they then requested to be excused from attending such meetings and voting on such items to ensure compliance with the Company's corporate governance policy and the Principles of Good Corporate Governance for Listed Companies.

(2) <u>Subcommittees' Meetings</u>

- <u>Executive Committee</u>

  In 2015, the Executive Committee convened 10 meetings to consider scrutinizing matters relating to management before proposing them to the Board of Directors, and consider approving various matters in relation to management under the power as delegated to it by the Board of Directors.

  Last year, executive directors attended meetings which formed the quorum over 90 percent of all meetings.

  Executive directors have strictly complied with the Principles of Good Corporate Governance not attending the meeting in any items which they are connected persons or interested persons.

- <u>Audit Committee</u>

  In 2015, the Audit Committee convened five meetings to review the quarterly financial statements and justifications of execution of connected transactions by management, in order to approve or scrutinize execution of transactions for submission to the Board of Directors' Meeting for further consideration and approval of execution of transactions, as well as to acknowledge the internal audit results, whereby there was one meeting with the auditor, without management. Last year, Audit Committee members attended all meetings which formed the quorum.

- <u>Corporate Governance and Risk Management Committee</u>

  In 2015, the Corporate Governance and Risk Management Committee convened four meetings to follow up and assess results of risk management of the Company and its subsidiaries, including compliance with the Company's good corporate governance.

In 2015, the Corporate Governance and Risk Management Committee resolved to approve change in the Company's risk management plan and set out risk management plan of each of its subsidiaries by deleting the operational risk from the Company's risk management plan, so that the subsidiaries as real operators of their respective power projects will monitor and report on risks to the Company. The Company's risk management plan will focus on risk management in respect of investment funds and returns received by its subsidiaries. The Company and its subsidiaries manage risks in four steps as follows:

(1) Each subsidiary's risk management team, comprising its executives and responsible officials in various fields, has the duty to identify risks and causes arising from technical and financial arrangements so as to detect any obstacles in its operations and follow up progress of remedial actions for such risks on a quarterly basis for further reporting or seeking approval as appropriate to the board of directors of each subsidiary.

(2) Each subsidiary's board of directors reports to the Company's risk management team on each subsidiary's risk management results for acknowledging any remedial actions and approving significant matters.

(3) The team presents reports on each subsidiary's risk management and the Company's risk management to the Corporate Governance and Risk Management Committee's Meeting to consider granting approval on a quarterly basis.

(4) The Corporate Governance and Risk Management Committee reports to the Board of Directors' Meeting on risk management of the Company and its subsidiaries. Should there be any risk materially affecting the Company's operations, the Corporate Governance and Risk Management Committee will propose such issue to the Board of Directors' Meeting to consider granting approval for the persons concerned to take appropriate actions.

In this regard, the Company and its subsidiaries set out the 2016 annual risk management plan for submission to the Corporate Governance and Risk Management Committee's Meeting for consideration and approval for use in support of the 2016 annual risk management of the Company and its subsidiaries. The Board of Directors applies such risk management plan in support of consideration and review of the vision, mission or strategies of the Company.

According to the risk management at the subsidiary level in 2015, Nam Ngum 2 Power Company Limited, as one of the Company's subsidiaries, requested approval for adding one key operational risk, in order to enable the Company to become more clearly aware of problems and obstacles in technical management.

- <u>The Nomination and Remuneration Committee</u>

In 2015, the Nomination and Remuneration Committee convened two meetings, with the details of material matters for consideration as follows:

(1) To nominate qualified candidates for appointment as directors in place of those who retire by rotation and as new directors and Managing Director;

(2) To consider scrutinizing the 2015 annual remuneration for directors and the 2014 annual reward for submission to the Board of Directors' Meeting to consider approving the same for further submission to the 2015 Annual Ordinary General Meeting of Shareholders for consideration and approval; and remuneration for Managing Director for submission to the Board of Directors' Meeting for consideration and approval, taking into account the board assessment forms in determining such remuneration.

In this regard, the Nomination and Remuneration Committee's Meeting met to review the criteria for nomination of candidates for appointment as directors and Managing Director and additionally require that candidates for directors must be qualified and skillful in the field as required for and in line with the Company's managerial and business strategies.

5. Board Self-Assessment

The Board of Directors has a policy to require all directors to assess the overall performance of the Board of Directors at least once a year. In 2015, the Board of Directors' Meeting used the Board

Self-Assessment Form issued by the Stock Exchange in the performance assessment of the Board of Directors as proposed by the Corporate Governance and Risk Management Committee.

6. Remuneration for Directors and Executives

Remuneration for Directors	The Company establishes a clear and transparent policy on remuneration for directors and the Managing Director in line with duties and responsibilities of each director as chairman or member of subcommittee, subject to review by the Nomination and Remuneration Committee. The remuneration is at the same level as the companies of similar size in the same industry and sufficient to appreciate and retain the qualified directors.
Remuneration for Managing Director	The Nomination and Remuneration Committee considers remuneration of the Managing Director in line with the Company's operational results and performance of the Managing Director, for submission to the Board of Directors' Meeting for consideration and approval each year.
Remuneration for Executives	Remuneration for executives, excluding the Managing Director, is in accordance with the principles and policies determined by the Board of Directors, taking into account the Company's operational results and performance of each executive.

The amounts of remuneration for executives appear in Item 8.4.2.

7. Development of Directors and Executives

(1) Training for Directors and Executives

The Company has a policy to support and sponsor training and learning for its directors and executives on a regular basis to ensure their improved performance and recognition of their roles, duties and responsibilities as the Company's directors. To this effect, all directors have successfully passed the Director Certification Program (DCP) organized by the Thai Institute of Directors Association (IOD). In addition, the Company regularly sends directors to participate in training or seminars organized by the SEC Office or the Stock Exchange.

The Company provides cooperation in respect of information to external agencies for the purpose of development of corporate governance of listed companies.

(2) Orientation for New Directors

The Company arranges for orientation for newly-appointed directors and management provides briefings of the business overview for the new directors to understand the business and performance of duties as directors. The Board of Directors by the Managing Director Office provides new directors with the company profile documents, comprising, company background, listed company director's handbook, the Principles of Good Corporate Governance, power and duties of the Board of Directors, previous operational results, and projects in the development plan, including schedules of committees/subcommittees' meetings; and also jointly meets to clarify and answer questions to new directors. Furthermore, the Company encourages new directors to participate in training courses organized by the Thai Institute of Directors Association (IOD). In 2015, the Annual Ordinary General Meeting of Shareholders appointed one new director.

8. Succession Plan

The Company prepares a succession plan for the positions of Managing Director and the high level executives and in the primary line, taking into account the performance, potentials and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions for succession in the absence of the Managing Director or executives in the key positions to perform duties.

The Company sets out a succession plan for the high level executives of the Company, particularly executives and work positions in the primary line, by emphasizing the nomination of internal personnel, and promotion is considered every year under the specified criteria for development of personnel with good performance and competency for advancement to a higher position in accordance with the staff's line of command. The executive who has been determined to succeed to an office must not only be qualified and experienced in the appropriate field, but must also have attended the additional necessary training courses as appropriate to ensure smooth and continued succession. In this regard, successors are to be nominated as follows: the Executive Committee considers selecting successors at the Managing Director level for submission to the Nomination and Remuneration Committee's Meeting to consider scrutinizing such nominees; the Managing Director considers selecting successors at the Deputy Managing Director level for submission to the Executive Committee's Meeting to further consider approving appointment of Deputy Managing Director(s); and the Managing Director considers selecting successors at the Assistant Managing Deputy level for further appointment.

As for human resource management at the mid-level management and lower positions, the Company sets up a human resource management system with sufficient allocation and follows up the assessment in respect of nomination process for qualified and knowledgeable persons as required, with appropriate and fair remuneration, determination of duties and responsibilities, performance of personnel, performance standard, personnel development and efficient communication.

2. Subcommittees

The Board of Directors has established four subcommittees to closely follow up and supervise the operations, and regularly report on the results to the Board of Directors, comprising the Executive Committee, the Audit Committee, the Corporate Governance and Risk Management Committee, and the Nomination and Remuneration Committee. The Board of Directors appoints and determines the duties and responsibilities of each subcommittee. As at December 31, 2015, the Company had four subcommittees, per names and details of the scope of power, duties, and responsibilities, as follows:

(1) Executive Committee

In 2015, the Board of Directors' Meeting No. 3/2015 on June 9, 2015 resolved to approve the appointment of Mr. Chaiwat Utaiwan, the Company's director, as executive director. Therefore, as at December 31, 2015, the Company has five executive directors. Details of the persons who serve as Chairman of the Executive Committee and executive directors, together with their attendances to the Executive Committee's Meetings, appear in Item 8.1.4 (1).

The Board of Directors appoints the Executive Committee to set out the business direction to meet the strategies and goals as specified by the Board of Directors and to ensure smooth administration. The Executive Committee's scope of power and duties under the Executive Committee's Charter specified by the Board of Directors is as detailed below:

Scope of powers, duties and responsibilities of the Executive Committee per the details under the Executive Committee's Charter is as follows:

1. The Executive Committee has powers, duties and responsibilities to manage matters in relation to the ordinary course of business and management of the Company; scrutinize and set out policies, business plans, budget, management structure, with managerial powers of the Company; and set out criteria for business operation in line with the economic conditions, for submission to the Board of Directors' Meeting for consideration and approval and/or endorsement, including review and follow up of the Company's operational results in accordance with the specified policies;
2. To propose goals, policies, business plans, including business strategies and annual budget of the Company, business expansion, financial plans, human resources management policies as well as to consider and screen the proposals of Management for submission to the Board of Directors for consideration and approval;
3. To monitor and supervise the Company's business operations to ensure compliance with policies, action plans, and budget as approved by the Board of Directors;
4. To consider approving operations in the ordinary course of business, together with operations in support of the ordinary course of business of the Company on an arm's length basis, but not exceeding budget as approved by the Board of Directors or approved in principle by the Board of Directors' resolution, subject to the rules of the Office of the Securities and Exchange Commission, including the Stock Exchange of Thailand in relation to connected transactions (connected transactions) and acquisition or disposition of assets (acquisition or disposition transactions);
5. To have power to authorize one or several persons to take any action, subject to supervision of the Executive Committee, or such person(s) may be authorized to have such powers and for such period of time as the Executive Committee may deem appropriate, and such authorization may be cancelled, revoked, changed or amended as appropriate at any time by the Executive Committee; provided that the said authorization must not empower person(s) or appoint substitute(s) to enable such person(s) authorized by the Executive Committee to approve any transaction in which he or she or other person(s) may have a conflict or interest or any other conflict of interest, to be executed with the Company or its subsidiaries and/or associated companies, except for approval of such transaction in the ordinary course of business and on an arm's length basis in compliance with the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or the relevant authorities, subject to approval in principle by the Board of Directors;
6. To consider profit and loss of the Company, proposals for payment of interim or annual dividends for submission to the Board of Directors' consideration or screening and proposing such matters to the shareholders' meeting for approval;
7. To consider approving the interim dividend of subsidiaries;
8. To consider approving any related party transactions in which no member of the Executive Committee has an interest under the same general commercial terms as those an ordinary person would agree with a general counterparty under the same circumstances, on the basis of commercial negotiation without any influence between the Company and its subsidiaries, directors, executives or other parties concerned, as well as to take

necessary steps in relation to such transactions, and to consider authorizing any persons to proceed with such matters under the scope of such authorization from time to time. The Executive Committee must report to the Board of Directors' Meeting on such transactions that are of a material high value on a quarterly basis or as required by the Board of Directors;

9. To perform any other functions as assigned by the Board of Directors from time to time.

(2) Audit Committee

The Board of Directors appoints members of the Audit Committee, comprising three independent directors holding the position of members of the Audit Committee, who have qualifications under the regulations as specified by the SEC Office. The Audit Committee's duty is to inspect and control the Company's operations to ensure compliance with the regulations of the relevant regulatory agencies for submission to the Board of Directors for consideration and acknowledgement. In this regard, members of the Audit Committee are Mr. Techapit Sangsingkeo and Dr. Vicharn Aramvareekul, who have adequate knowledge and experience in accounting to review the reliability of the Company's financial statements. The Board of Directors sets out the Audit Committee's Charter to determine duties, qualifications, appointment and term of office of members of the Audit Committee. Members of the Audit Committee have a term of office for three years according to the term of directorship office. Upon expiration of the term of office, he/she may be re-appointed by the resolution of the Board of Directors' Meeting. Details of the persons who serve as Chairman of the Audit Committee and members of the Audit Committee, together with their attendances to the Audit Committee's Meetings, appear in Item 8.1.7 (2).

The Audit Committee's scope of powers and duties under the Audit Committee's Charter is as detailed below:

Scope of powers, duties and responsibilities of the Audit Committee per the details under the Audit Committee's Charter is as follows:

1. To review to ensure that the Company's financial reports are accurate and adequate;
2. To consider approving the quarterly financial statements for submission to the Board of Directors for acknowledgement in the following Board of Directors' Meeting;
3. To review to ensure that the Company's internal control and internal audit systems are suitable and efficient, consider the independence of the internal audit unit and provide opinions on consideration for appointment, transfer, termination of employment of head of the internal audit unit or any other unit responsible for the internal audit;
4. To review to ensure the Company's performance in compliance with the laws on securities and exchange, requirements of the Stock Exchange of Thailand and the laws relating to the Company's business, and review to ensure the Company's subsidiaries' performance in compliance with the regulations specified in the Control Policy and Governance Mechanisms;
5. To consider, select, submit for appointment of a person who is independent to serve as the Company's auditor, and propose remuneration of such person as well as meeting with the auditor without the Management Team at least once a year;
6. To consider connected transactions or transactions which may involve a conflict of interest, including transactions on acquisition or disposition of assets of the Company and its subsidiaries in compliance with the laws and requirements of the Stock Exchange of Thailand, together with the Control Policy and Governance Mechanisms, in order to ensure that such transactions are justified and of the utmost benefit to the Company;
7. To prepare reports of the Audit Committee to be disclosed in the Company's Annual Report, which reports must be signed by the Chairman of the Audit Committee and be comprised of at least the information as required by the Stock Exchange of Thailand;

8. To perform any other activities as assigned by the Board of Directors and approved by the Audit Committee;
9. To report on any matters that it deems should be made known to shareholders and general investors under the scope of duties and responsibilities as assigned by the Board of Directors;
10. To regularly report to the Board of Directors on the Audit Committee's activities;
11. Should it be found or should there be any doubt that any transaction or action may materially affect the Company's financial position and operational results, the Audit Committee must report to the Board of Directors for improvement and correction within the period of time as the Audit Committee deems appropriate. Types of transactions or actions to be reported are as follows:
    11.1 Report on occurrence of a conflict of interest;
    11.2 Fraud or unusual events or material defects of the internal control system;
    11.3 Violation of the laws on securities and exchange, requirements of the Stock Exchange of Thailand or laws applicable to the Company's business. Should the Audit Committee report to the Board of Directors on any matter having a material effect upon the financial position and operational results, it discusses such matter with the Board of Directors and Management. If it is deemed that any improvement and correction is required, and upon the lapse of the specified period of time, should the Audit Committee find that no such correction has been effected without any reasonable grounds, any member of the Audit Committee may report on such finding to the SEC Office and/or the Stock Exchange.

(3) Corporate Governance and Risk Management Committee

In 2015, the Board of Directors' Meeting No. 3/2015 on June 9, 2015 resolved to approve the appointment of Mr. Thanawat Trivisvavet as member of the Corporate Governance and Risk Management Committee to meet the Company's managerial strategies and efficiently manage risks. The Corporate Governance and Risk Management Committee comprises one executive director, one non-executive director and one independent director, totaling three persons, with the duty to set out the business direction and to suitably and timely monitor and manage ongoing risks of the Company and its subsidiaries. Members of the Corporate Governance and Risk Management Committee have a term of office for three years according to the term of director office. Upon expiration of the term of office, he/she may be re-appointed by the resolution of the Board of Directors' Meeting. Details of the persons who serve as Chairman of the Corporate Governance and Risk Management Committee and members of the Corporate Governance and Risk Management Committee, together with their attendances to the Corporate Governance and Risk Management Committee's Meetings, appear in Item 8.1.7 (3).

The Corporate Governance and Risk Management Committee's scope of powers and duties determined by the Board of Directors is as detailed below:

Scope of powers, duties and responsibilities of the Corporate Governance and Risk Management Committee is as follows:

<u>Corporate Governance</u>

1. To determine and propose policies and directions of operations in respect of the good corporate governance of the Company, including the code of business ethics, to the Board of Directors for consideration and approval for further compliance at all levels;
2. To supervise and monitor the business operation of the Company and performance of the Board of Directors, Management and personnel of the Company to ensure compliance with Clause 1;

3. To evaluate and review policies, directions, code of ethics, and best practices or practical guidelines in respect of the good corporate governance of the Company to ensure compliance with the international practices and recommendations of various agencies, as well as to propose the same to the Board of Directors for further consideration and approval;
4. To follow up on movements, tendencies, as well as to compare performance in respect of the good corporate governance of the Company with the practices of other leading companies;
5. To oversee and support performance in compliance with the corporate governance policy to ensure continual effectiveness and appropriateness to the Company's business;
6. To give advice to the Company, the Board of Directors, Management and working groups on the matters relating to the good corporate governance;
7. To report on the corporate governance of the Company to the Board of Directors on a regular basis, and immediately report to the Board of Directors for consideration in case there is any matter materially affecting the Company, as well as to provide opinions on the practices and suggestions for improvement and correction as appropriate;
8. To disclose information relating to the good corporate governance of the Company to related parties and in the Annual Report, subject to the Board of Directors' prior approval;
9. To establish any working group as it deems appropriate.

Risk Management

1. To determine policies and scope of risk management operations of the Company, as well as to give advice to the Board of Directors and Management on risk management;
2. To oversee and support the risk management to ensure successful implementation by emphasizing the significance of and taking into account risk factors in support of the decision making as appropriate;
3. To consider the Company's material risks in line with the Company's business, e.g., in terms of investment, finance, security, laws, rules and regulations, by suggesting measures to prevent and minimize risks to stay at an acceptable level, as well as to follow up, evaluate and improve the working plans for minimizing risks on a continual basis as appropriate to the condition of the business operation;
4. To report on risk assessment results and operations for minimizing risks to the Board of Directors on a regular basis, and promptly report to the Board of Directors for consideration in case there is any matter materially affecting the Company;
5. To establish any working group as it deems appropriate.

(4) Nomination and Remuneration Committee

To ensure that the nomination of candidates to hold key positions is efficient and that consideration of remuneration for directors and executives is transparent, verifiable and fair, to meet international standards comparable or similar to that of the companies of similar size in the same industry, the Board of Directors appoints the Nomination and Remuneration Committee, comprising two independent directors and one executive director, to have the duty to nominate candidates qualified to perform duties in key positions and propose remuneration rates for directors and Managing Director to the Board of Directors' Meeting to consider approving or scrutinizing the same for submission to the shareholders' meeting. Members of the Nomination and Remuneration Committee have a term of office for three years according to the term of director office. Upon expiration of the term of office, she/he may be re-appointed by the resolution of the Board of Directors' Meeting. Details of the persons who serve as Chairman of the Nomination and Remuneration Committee and members of the Nomination and Remuneration Committee, together with their attendances to the Nomination and Remuneration Committee's Meetings, appear in Item 8.1.7 (4).

The Nomination and Remuneration Committee's scope of powers and duties determined by the Board of Directors is as detailed below:

Scope of powers, duties and responsibilities of the Nomination and Remuneration Committee is as follows:

1. To consider, select and propose to the Board of Directors qualified persons to hold office as the Company's directors for further nomination to the shareholders' meeting, or to the Board of Directors for appointment;
2. To consider, select and propose to the Board of Directors qualified persons to hold office as committee members for appointment;
3. To consider and determine criteria on consideration for remuneration for directors and the Managing Director;
4. To consider, determine and propose to the shareholders' meeting remuneration for directors for approval;
5. To consider and review rates of salary and other remuneration for directors for submission to the Board of Directors for approval; and to perform any other matters as assigned by the Board of Directors.

3. Nomination and Appointment of Directors and Top Management

3.1 Appointment of Directors

The Nomination and Remuneration Committee screens qualified persons under the criteria of the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 in respect of qualifications, work experience and without any prohibited characteristics, for proposal to the Board of Directors' Meeting for consideration and approval for submission to the shareholders' meeting for consideration and approval of appointment of new directors.

The appointment of directors to replace the directors retiring by rotation is subject to approval of the shareholders' meeting on an individual basis. The voting criteria under the Articles of Association are as follows:

1. Each shareholder shall have one vote for every one share.
2. Each shareholder may vote to elect one or several persons as directors, but it shall not exceed the number of directors to be elected at that time.
3. In case a shareholder exercises his or her votes to elect more than one person as director, the shareholder may exercise all his or her votes to each such person and may not allot his or her votes to any person in any number.
4. The candidates receiving the highest number of votes in descending order shall be elected as directors to the fill number of directors to be elected at that time. If there is a tie for the last to be elected and this exceeds the said number of directors to be elected at that time, the Chairman of the meeting shall cast the final vote to fill the number of directors to be elected at that time.

In this regard, the Company will submit information on directors who have been considered and approved by the Board of Directors' Meeting to shareholders for consideration, together with the notice of the shareholders' meeting, comprising education backgrounds, work experience, directorships in other companies, including the number of meetings attended by such person as a director.

In case of a vacancy on the Board otherwise than by rotation, the Nomination and Remuneration Committee shall propose any person who is qualified and not subject to any prohibition under the laws to the Board of Directors' Meeting for consideration and appointment by the votes not less than three-fourths of the remaining number of directors. The replacement director shall hold office only for the remaining term of the director whom he or she replaces.

The Company takes into account the rights, importance and participation of non-strategic shareholders and equitable, transparent and fair treatment towards shareholders. The Board of Directors allows minority shareholders as non-strategic shareholders to propose any persons to be elected as independent directors and to propose agenda items for the Company's ordinary general meeting of shareholders via the information system of the Stock Exchange and the Company's website during October 1 to December 30, 2015.

3.2 Appointment of Independent Directors

The Board of Directors sets out the Audit Committee's Charter specifying that the Board of Directors has the power to appoint directors qualified as independent directors pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, including its amendments, together with the Articles of Association regarding the qualifications of directors.

For the purpose of appointment of directors, independent directors accounting for at least one-third of all directors are appointed, with a minimum of three independent directors. The consideration, selection and appointment of candidates as the Company's independent directors must be conducted based on legal requirements, notifications of the Stock Exchange, and the SEC Office regarding qualifications of independent directors, namely, the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, including its amendments, together with the Articles of Association regarding the qualifications of independent directors. As at December 31, 2015, the Company had a total of four independent directors, which is not less than one-third of all directors. Details of qualifications and names of independent directors appear in Item 8.1.3.

In this regard, it is a policy of the Company that the Chairman of the Board of Directors be an independent director, and the Chairman of the Board of Directors and the Managing Director not be the same person to clearly distinguish between the corporate governance policy making and the day-to-day management, with an aim to ensure a counterbalance of power in its operations, transparency, auditability under the Principles of Good Corporate Governance.

3.3 Appointment of Managing Director and Top Management

In respect of nomination and appointment of the Managing Director, who is the Company's top management, the Nomination and Remuneration Committee will nominate any qualified director who is not an independent director to the Board of Directors' Meeting for consideration and appointment as Managing Director, and also fix remuneration, based on the remuneration rates of top management in the electricity production and distribution businesses of similar scale. The Managing Director's performance will be yearly evaluated to support the Board of Directors' consideration and approval of the proposed remuneration for the Managing Director.

The Deputy Managing Directors will be nominated by the Managing Director to the Executive Committee for consideration and appointment, while management at the Assistant Managing Director level downwards is subject to consideration and appointment by the Managing Director.

4. Supervision of Operations of Subsidiaries and Associated Companies

To ensure that the Company, as a holding company, has operated its business in compliance with laws and relevant regulations of regulatory agencies as well as in line with the Principles of Good Corporate Governance of the Stock Exchange, together with appropriate return on investment to shareholders, the Board of Directors imposes policy and regulations regarding rules for supervision and control of subsidiaries, with the following essence:

4.1 Written Control Policy on Management

The Company sets out the Corporate Governance Policy (CG Policy) and the Control Policy and Governance Mechanisms (Control Policy) in writing, with the aim of ensuring that the companies supervise their businesses in accordance with the rules specified by various regulatory agencies in the same manner as the Company, as a company listed on the Stock Exchange, does. Furthermore, to ensure that such supervision becomes more practicable in subsidiaries, the Company requires its subsidiaries invested by the Company to set out written Subsidiaries' Charters, the essence of which is in line with the Control Policy. It requires its subsidiaries to adopt the specified rules for compliance therewith like the respective articles of associations of subsidiaries. The essence of such policy is as follows:

(1) **Representative Directors and/or Management in Subsidiaries in which the Company Invests**

The Company's Board of Directors' Meeting will elect persons to hold the positions as directors and/or executives in subsidiaries according to the Company's shareholding percentage in each subsidiary. The Company is certain that the aforesaid policies and charters will be instrumental in controlling and directing the management of those businesses in which the Company invests as if they were business units of the Company, which is in accordance with the rules specified in the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551, together with any other related rules. It can be assured that such policies and charters will be a mechanism for transparent and auditable management systems of subsidiaries and associated companies in order to actually protect the interests in the Company's investments.

(2) **Guidelines for Voting in Shareholders' Meetings**

The Company sets out guidelines for voting by the Company's representatives in the shareholders' meetings of its subsidiaries and associated companies to ensure consistency with the policy of the Board of Directors' Meeting of the Company and the policy of the Company.

(3) **Control and Direction for Management and Investment**

The Company requires its subsidiaries and associated companies to notify the Company of execution of material connected transactions and transactions on acquisition or disposition of assets, together with other transactions which are material to its subsidiaries' operations, whereby the subsidiaries' execution of such transactions is subject to the Company's prior approval in order to enable the Company to control and guide its subsidiaries' business directions.

In the event that any of its subsidiaries and associated companies sets out an investment expansion plan or conduct a feasibility study of a new project, the investment plan, schedule, project development, and report on progress and detailed investment plan must be presented to the Company to assess such project's feasibility, fund utilization plan and closely follow up progress, including potential problems and obstacles which may occur from project development.

(4) **Financial Control**

The Company requires its subsidiaries and associated companies to have a duty to submit their respective monthly operational results and quarterly financial statements reviewed by their certified public accountants, documents in support of the preparation of the financial statements of the subsidiaries and associated companies, to the Company, and allow the Company to use such information in support of the preparation of the consolidated financial statements or report on operational results of the Company. They also have a duty to forecast their operational results and comparative summary between planned and actual operational results on a quarterly basis, and to monitor their operational results to ensure compliance with the plans for reporting to the Company; and to report on any financial issues which are material to the Company upon finding or request by the Company for inspection and reporting purposes.

In this regard, the Company requires its subsidiaries to arrange for auditor rotation if the existing auditor has conducted his/her duties of reviewing or auditing and giving opinions on its financial statements for five consecutive accounting years. Such auditor rotation shall proceed in accordance with the following rules:

(a) A new auditor from the same audit firm as the existing auditor may be appointed.

(b) The auditor who has vacated his/her position by rotation may be appointed as the Company's auditor only upon a lapse of at least two accounting years from the date on which such auditor has vacated his/her position.

(5) Compliance with the Principles of Good Corporate Governance

Directors and executives of the subsidiaries must perform the duties with responsibility, due care and integrity and comply with the laws, objectives, articles of association of the subsidiaries or associated companies as well as resolutions of their boards of directors and resolutions of the shareholders' meetings, including the board of directors' charters of the subsidiaries; and have a duty to disclose accurate and complete information regarding financial position and operational results, related party transactions of the subsidiaries, as well as acquisition and disposition of material assets, to the Company within a reasonable time designated by the Company.

4.2 Detailed Essence of the CG Policy and the Control Policy can be summarized as follows:

1. Control Policy on Management of Subsidiaries and Associated Companies

The Company appoints and sends persons who have qualifications, roles, duties and responsibilities, without any untrustworthy characteristics, and who have been considered and appointed by the Board of Directors' Meeting, to be the Company's representatives to serve as directors, executives or controllers in subsidiaries and associated companies in accordance with the Company's shareholding percentage, as follows:

1.1 The scope of power and duties of the respective board of directors of subsidiaries is in accordance with the Subsidiaries' Charters and the Company's Control Policy. Transactions which are deemed material by the Company's representative, namely, consideration of execution of connected transactions; consideration of execution of transactions on acquisition or disposition of assets; and any transactions outside the annual budget or transactions which are not in the ordinary course of business of the subsidiary and which, once executed, will materially affect the Company's operational results, are subject to written approval or resolution of the Board of Directors or shareholders, as the case may be, prior to the subsidiaries' resolutions approving execution of such transactions. In this regard, any arrangements must be considered under the transaction size as calculated in accordance with the rules specified in the Notifications on Acquisition or Disposition.

1.2 The Company's representative must exercise the voting right in the respective shareholders' meetings of subsidiaries and associated companies on various matters under the assignment and in line with the Company's business operation policy.

1.3 In the case of a capital increase which does not maintain the existing shareholding percentages of the shareholders and will result in a decrease in the Company's direct and indirect shareholding ratio in the subsidiary, in any tier, by 10 percent of the subsidiary's registered and paid-up capital or which will result in a decrease in the Company's direct and indirect shareholding ratio in the subsidiary, in any tier, to be less than 50 percent of the subsidiary's registered and paid-up capital or any other arrangements which will result in a decrease in the Company's direct and indirect shareholding ratio in the subsidiary, in any tier, by 10 percent of such subsidiary's registered and paid-up capital or which will result in a decrease in the Company's direct and indirect shareholding ratio in the subsidiary, in any tier, to be less than 50 percent of the subsidiary's registered and paid-up capital; execution of any other transaction which is not in the ordinary course of business of the subsidiary or dissolution of the subsidiary; upon calculation of the size of the subsidiary's business to be dissolved in comparison with the size of the Company under the Notifications on Acquisition or Disposition, such transactions must be subject to consideration and approval of the Company's shareholders' meeting.

1.4 Directors and executives of the subsidiaries, including their related persons, have a duty to report to the boards of directors of the subsidiaries on their relationships and transactions with the subsidiaries in a manner which may give rise to a conflict of interests, and to avoid any transactions which may give rise to a conflict of interests with the subsidiaries. The subsidiaries' boards of directors have a duty to report to the Company on such matters.

1.5 Directors, executives, staff, employees or any authorized persons of the subsidiaries and associated companies, including their spouses and underage children, are prohibited from using internal information of the Company and of the subsidiaries or associated companies, whether available through the performance of duties or by any other means, which has or may have a material adverse effect on the Company, the subsidiaries or associated companies, for personal gain or for the gain of others, whether directly or indirectly, and whether with or without consideration.

2. <u>Control Policy on Financial Matters of Subsidiaries and Associated Companies</u>

To enable the Company to actually control the financial policy of subsidiaries and associated companies, the Company sets out the mechanism for supervision of finance of subsidiaries and associated companies through the policies and the Subsidiaries' Charters, as follows:

2.1 The subsidiaries and associated companies have a duty to submit their monthly reports on operational results and quarterly financial statements reviewed by their certified public accountants, as well as documents in support of the preparation of the financial statements of the subsidiaries and associated companies, to the Company, and will allow the Company to use such information in support of the preparation of the consolidated financial statements or report on operational results of the Company, quarterly or annually, as the case may be.

2.2 The subsidiaries and associated companies have a duty to estimate their operational results and comparative summary between planned and actual operational results on a quarterly basis, and monitor their operational results to ensure compliance with the plans for reporting to the Company. The subsidiaries and associated companies have a duty to report on any financial issues which are material to the Company upon finding or request by the Company for inspection and report.

2.3 The subsidiaries must report to the Company on the business operation plan, business expansion, large-scale projects, together with joint investment with other manufacturers through the monthly report on operational results. The Company has the right to have any subsidiary explain or submit documents in support of consideration of any such matter, in respect of which the subsidiary must strictly comply forthwith. The subsidiaries must also submit information or documents related to operations to the Company upon receipt of request as appropriate.

Other Shareholders' Agreement on Management of Subsidiaries and Associated Companies (Shareholders' Agreement)[1]

As the Company acquired the shares in South East Asia Energy Limited (SEAN) Bangpa-in Cogeneration (BIC) and Bangkhenchai Company Limited (BKC) from CH. Karnchang Public Company Limited (CK) therefore the company entitle to all the obligations, rights and liabilities with other shareholders of aforesaid subsidiaries.

1. SouthEast Asia Energy Limited (SEAN)

Matters	Details
Material Agreements on: Management	• SEAN's board of directors comprises not more than 11 directors, and the Agreement specifies the conditions and right of nomination of directors for each group of shareholders; • Prior to the Commercial Operation Date (COD), CK Power Public Company Limited, as a Sponsor, was required to actively participate in the administration and management of SEAN, for example: - At least one director authorized to sign and bind the Company shall be a director appointed by CK Power Public Company Limited; - A quorum of the board of directors must include a director appointed by CK Power Public Company Limited; and - CK Power Public Company Limited has the right to appoint the chairman of the board of directors, managing director and the executive committee, etc. However, after COD, such rights will be assigned to the shareholders' meetings and/or the board of directors' meetings (as the case may be).
Restrictions on Share Transfer:	• Any shareholder intending to transfer shares must first offer shares for sale in writing to other shareholders in proportion to their current shareholdings in the Company, except for a share transfer with prior written consent of all other shareholders of the Company; or a share transfer to any subsidiary of such shareholder holding not less than 50 percent of shares in such subsidiary; or a share transfer to a company under the supervision of the shareholder's company, whereby the share transferee is required to sign an Accession Agreement to accept and to be bound under the rights and duties of the shareholder intending to transfer such shares under the Shareholders' Agreement. • If any party fails to comply with the Agreement and is unable to remedy such failure within 30 days from the date of receipt of notice from other shareholders, such other shareholders may 1) exercise a call option to purchase shares from the defaulting shareholder as per their shareholding proportion, or 2) terminate the Agreement. In case where other shareholders exercise a call option to purchase shares from the defaulting shareholder, the purchase price must be equivalent to 70 percent of the fair value of such shares estimated by an independent expert. • CK Power Public Company Limited must hold at least 51 percent of shares in SEAN until the first anniversary of COD, and must hold at least 25 percent of shares in SEAN until the 5th year of COD.

Matters	Details
Termination of Agreement:	This Agreement will be terminated upon the earlier of the following events: • Acquisition or amalgamation with other business and SEAN's status as a legal entity has ended; • Mutual agreement among all parties; • Mutual agreement among parties who do not breach the Agreement, in case where any party breaches the Agreement and is unable to remedy such breach within 30 days from the date of receipt of written notice from the non-defaulting party; • On the 5th anniversary after COD.

2. Bangpa-in Cogeneration Limited (BIC)

Matters	Details
Material Agreements on Management:	- The board of directors comprises not more than five directors, and the parties have the right to appoint directors, as follows: Three directors by CK Power Public Company Limited; one director by Global Power Synergy Public Company Limited; and one director by Bangpa-in Land Development Co., Ltd. - The following matters must be approved by special resolution of a shareholders' meeting, with a favorable vote of not less than three-fourths of all shares in the shareholders' meeting, which Global Power Synergy Public Company Limited and CK Power Public Company Limited have attended: 1. Amendment of the memorandum of association, articles of association, the company's name; 2. Capital increase or decrease; 3. Dissolution of the company (except those specified by law or in accordance with this Agreement); application for bankruptcy; 4. Amalgamation or merger; 5. Issuance of new shares which are not paid-up in cash; 6. Investment or indebtedness in the value exceeding the power of the board of directors.
Special Matters:	The following special matters must be approved by a favorable vote of at least 75 percent of directors attending the meeting and having the right to vote: Before COD, a mandatory favorable vote of directors appointed by CK Power Public Company Limited and Global Power Synergy Public Company Limited is required. 1. Amendment of the memorandum of association, articles of as sociation, the company's name; 2. Amendment or cancellation of power plant project; 3. Investment in a new project, acquisition of assets, or creation of debt or loan in an amount exceeding Baht 20 Million, but less than Baht 100 Million;

Matters	Details
	4. Establishment or dissolution of a subsidiary; 5. Amalgamation or merger; 6. Dissolution of the company (except those specified by law or in accordance with this Agreement); application for bankruptcy; 7. Budget approval and its related issue. 8. Placement of assets as collateral; 9. Creation or waiver of a right to claim with a value exceeding Baht 100 Million; 10. Approval of project value in excess of the specified budget. 11. Increasing or decreasing the Capital Registration 12. Issued new shares that deem to be fully paid or partial paid with other non-monetary payment 13. Investment or Engagement with exceeding to the authorization of board of Directors
Share Transfer:	Subject to the exceptions specified in this Agreementthe parties are not allowed to transfer, sell, pledge or encumber the Company's shares without written consent of the other parties. If other shareholders do not give consent to a share transfer, the shareholder intending to transfer shares must first offer shares for sale in proportion to the other parties (with the right of first refusal); or should the other parties fail to purchase shares within the specified time, the offering shareholder will have the right to sell such shares to other persons, provided that the conditions and selling price must not be more favorable than those offered to such other parties.
Breach of Agreement:	If any party breaches any material clause of the Agreement and fails to remedy such breach within 30 days from the date of receipt of written notice from a non-defaulting party, the non-defaulting party shall have an option to purchase the Company's shares held by such defaulting party, or terminate this Agreement. Should any or several (but not all) non-defaulting parties exercise an option to purchase shares, such parties shall have the right to purchase all shares held by the defaulting party in proportion to their shareholdings in the Company.

Remark: [1] *Nam Ngum 2 Power Company Limited and Bangkhenchai Co., Ltd. have no any agreement between the other shareholders in management and administration (Shareholders' Agreement).*

5. Insider Trading Control

The Company strictly imposes the insider information usage policy under the Principles of Good Corporate Governance, by acknowledging the significance and its responsibility to all of its shareholders and stakeholders of the Company on an equitable basis, and also monitors the insider information usage in accordance with the Principles of Good Corporate Governance, as follows:

1. Guidelines for Storage and Disclosure of Insider Information

The Company determines levels of confidentiality of insider information not to be disclosed to third parties according to its importance. It is noted that use of insider information by the Company's personnel must fall within the scope of authorized functions and responsibilities only. As for any information related to third parties or other stakeholders, consent of the third parties or other stakeholders must be obtained prior to disclosure to the public.

The Company's information disclosure policy is in accordance with the guidelines on information disclosure of listed companies as announced by the Stock Exchange, provided that such information is necessary for a decision-making and sufficiently clear for supporting the decision-making of shareholders and general investors.

In this regard, the Company sets up central units to provide information to the public, i.e., Investor Relations, whereby the Company requires that information leak is one of the Company risk factors, which is included in the Company's risk management plan. In this case, the Company imposes measures to effectively prevent information leak.

2. Guidelines for Insider Trading Control

The Company imposes measures requiring directors and executives to promptly report to the SEC Office on their holdings of securities with respect to every purchase, sale, transfer, to ensure due and complete performance in accordance with the rules and procedures of information disclosure of listed companies. The Company also imposes a policy to inform its directors and executives of the quiet period on trading of the Company's securities prior to each disclosure of its financial statements to the public at least one month. This is to prevent insider trading, and ensure equal treatment of all stakeholders. In this regard, the Company imposes punishments against any unauthorized persons who abuse the Company's insider information under the Company's work rules.

In this connection, the Company notifies directors and executives to refrain from trading the Company's securities one month prior to disclosure of the financial statements and one day after disclosure of the financial statements in each quarter via email for prompt acknowledgment by each director and executive.

6. Remuneration for Auditor

6.1 Audit Fee

Unit: Baht

Item	Company	Auditor[1]	Audit Fee
1	CK Power Public Company Limited	Miss Siraporn Ouaanunkun	900,000.00
2	SouthEast Asia Energy Limited	Miss Siraporn Ouaanunkun	172,000.00
3	Nam Ngum 2 Power Company Limited	Miss Siraporn Ouaanunkun	851,000.00
4	Bangpa-in Cogeneration Limited	Miss Waraporn Prapasirikul	600,000.00
5	Bangkhenchai Co., Ltd.	Miss Siraporn Ouaanunkun	480,000.00
	Total Audit Fee		3,003,000.00

Remarks: [1] *Auditor from EY Office Limited*

The Company has a policy on every five-year auditor rotation.

6.2 Non-Audit Fee

Unit: Baht

Item	Company	Type of Other Services	Service Provider	Non-Audit Fee	
				Paid	To be paid
1	CK Power Public Company Limited	Accounting Advice	EY Office Limited	-	-
2	SouthEast Asia Energy Limited	Accounting Advice	EY Office Limited	-	-
3	Nam Ngum 2 Power Company Limited	Accounting Advice	EY Office Limited	-	-
4	Bangpa-in Cogeneration Limited	Certification of Application for Exercise of BOI Rights	EY Office Limited		70,000.00
		Additional Audit Report for GPSC	EY Office Limited	80,000.00	80,000.00
5	Bangkhenchai Co., Ltd.	Certification of Application for Exercise of BOI Rights	-	-	70,000.00
	Total Non-Audit Fee			80,000.00	220,000.00

7. Compliance with the Principles of Good Corporate Governance in Other Matters

The Company requires its directors and executives to prepare and report to the Company on their holdings of securities, including those of their spouses and minor children, with respect to every purchase, sale, transfer of the Company's securities, for accurate disclosure to the Stock Exchange pursuant to Section 59 of the rules of the Securities and Exchange Act B.E. 2535 (1992), and its amendments, together with the Notification of the Office of the Securities and Exchange Commission No. SorChor. 12/2552 Re: Preparation and Disclosure of Report on Securities Holding of Director, Executive and Auditor. In 2015, directors and executives reported to the Company on their holdings of securities of the Company, including on any changes in such securities holding, and accurately disclosed their holdings of securities under the rules, as well as regularly reported on their holdings of securities and changes in their holdings of securities to the Board of Directors' Meeting on a quarterly basis. Last year, directors' and/or executives' holding of securities of the Company and changes in such securities holdings[1] were as follows:

Name	Position	Holding of Securities	Amount of Shares as at Transaction Date (shares)	Amount of Shares after Execution of Transaction Increase/(Decrease) (shares)	Shareholding Percentage in the Company/ Transaction Date
Dr. Thanong Bidaya	Chairman of the Board of Directors (Independent Director)	-	-	-	-
Mr. Plew Trivisvavet	Chairman of the Executive Committee	Purchase	1,000,000 1,000,000	1,000,000 2,000,000	0.0136 (May 15, 2015) 0.0271 (December 4, 2015)
Mr. Techapit Sangsingkeo	Chairman of the Audit Committee (Independent Director)	Capital increase in proportion	1,000,0002	1,340,000[2]	0.0182 (May 29, 2015)
Mr. Narong Sangsuriya	Chairman of the Corporate Governance and Risk Management Committee	-	-	-	-
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee (Independent Director)	Purchase Capital increase in proportion	400 680	2,000[3] 2,680[3]	0.0000 (March 19, 2015 0.0000 (May 29, 2015)
Mr. Supong Chayutsahakij	Director	-	-	-	-
Mr. Chaiwat Utaiwan	Director	-	-	-	-
Mr. Prawet Ingadapa	Director (Independent Director)	-	-	-	-
Mr. Prasert Marittanaporn	Director	-	-	-	-
Dr. Supamas Trivisvavet	Director and Managing Director				

Name	Position	Holding of Securities	Amount of Shares as at Transaction Date (shares)	Amount of Shares after Execution of Transaction Increase/(Decrease) (shares)	Shareholding Percentage in the Company/ Transaction Date
Mr. Alvin Gee	Director	-	-	-	-
Mr. Thanawat Trivisvavet	Director and Deputy Managing Director	-	-	-	-
Mr. Asa Arthayookti[4]	Deputy Managing Director	-	-	-	-
Mr. Michael Eric Raeder	Deputy Managing Director	-	-	-	-
Miss Nithawadee Limpodom	Assistant Managing Director	-	-	-	-
Miss Parichat Othayakul	Assistant Managing Director	-	-	-	-
Miss Rujira Chuaybamrung	Assistant Managing Director	-	-	-	-
Mr. Warot Saksutjarit	Assistant Managing Director	-	-	-	-
Miss Piyanuch Marittanaporn	General Manager of Finance and Accounting Division	-	-	-	-

Remarks: [1] *This includes the securities holding of their spouses and underage offspring.*

[2] *Before 2015, Mr. Techapit Sangsingkeo held 200,000 shares in the Company. The resolution of the 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 was passed to approve decrease in par value in shares from Baht Five each to Baht One each, and Mr. Techapit Sangsingkeo exercised his right to purchase ordinary shares for capital increase in proportion to his shareholding.*

[3] *Dr. Vicharn Aramvareekul purchased 400 shares in the Company on March 19, 2015. The resolution of the 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 was passed to approve decrease in par value in shares from Baht Five each to Baht One each, and Dr. Vicharn Aramvareekul exercised his right to purchase ordinary shares for capital increase in proportion to his shareholding.*

[4] *He held office until March 31, 2015.*

In 2015, none of the directors or executives committed any offence in respect of corruption or ethics, and none of the director resigned due to corruption or non-compliance with the Principles of Good Corporate Governance.

Internal Control and Risk Management

The Board of Directors authorized the Audit Committee, which is comprised of the independent directors, to review the evaluation of the internal control system. The Internal Audit Division had the duties to regularly audit and review financial information and other information, as well as to review compliance with the internal regulations of the Company and its subsidiaries, by reporting directly to the Audit Committee. The scope of audits of the Company and its subsidiaries must be in accordance with the annual audit plans as approved by the Audit Committee, to ensure that the internal control system is appropriate, adequate and consistent with the guidelines of the Stock Exchange, the SEC Office, and the guidelines regarding internal controls of the Committee of Sponsoring Organizations of the Tradeway Commission (COSO); that the efficiency of the internal control system is regularly reviewed; that the Company's operations are properly managed; that the financial reporting is correct, reliable and timely and complies with the policy and the provisions of laws and regulations of the authorities, in the best interests of shareholders and on the basis of fair returns to all stakeholders. In addition, the Audit Committee also has the duty to select and propose the auditor for appointment, including remuneration for the auditor; to disclose the Company's correct and complete information on connected transactions and transactions for which a conflict of interest may exist. In 2015, the Audit Committee convened five meetings, one of which was a meeting with the auditor without the management's presence so as to independently make inquiries on audit plan and other matters found during the audit.

The Company recognizes the significance of risk management, and as such, applies the risk management system to the administration and management. The working group comprising management of all departments was required to identify risk factors to analyze the impact and the possibility of such risks as well as to establish measures to manage such risks to stay at an acceptable level in compliance with the Company's policy. The risk management measures will then be submitted to the Corporate Governance and Risk Management Committee and the Board of Directors for consideration of their adequacy and appropriateness on a quarterly basis. In this regard, the Internal Audit Division will regularly monitor the risk management and report on the results of its monitoring to management and the Corporate Governance and Risk Management Committee for acknowledgement.

In the Board of Directors' Meeting No. 1/2016 on February 23, 2016, which all four independent directors and all three members of the Audit Committee attended, the Board of Directors evaluated the Company's internal control system by way of requesting information from the management, and approved the evaluation report considered by the Audit Committee, together with the responses in the Internal Control Adequacy Evaluation Form as specified by the SEC Office. The Board of Directors and the Audit Committee are of the same opinion that the internal control system of the Company and its subsidiaries in various aspects comprising five elements, namely, internal control of the organization; risk assessment; operational control; information technology and communications system;

and monitoring system, is adequate and appropriate. The Company has arranged for a sufficient number of personnel to efficiently implement the system together with the internal control system to monitor its subsidiaries' operations, in order to prevent the Company's and its subsidiaries' assets from misuse or unauthorized use by directors or executives, including the execution of transactions with a person who may have a conflict of interest. To date, the Audit Committee and the Board of Directors have never been informed on any material faults by the auditor and the Internal Audit Division.

The Audit Committee's Meeting No. 2/2013 on November 12, 2013 appointed CH. Karnchang Public Company Limited as the Company's internal auditor from November 1, 2013 onwards. CH. Karnchang Public Company Limited has authorized Mrs. Sudarat Phoyamjit, in her capacity as internal audit officer, to perform the duty as the Company's internal auditor. The Audit Committee has considered and deemed the qualifications of CH. Karnchang Public Company Limited and Mrs. Sudarat Phoyamjit suitable and adequate in the performance of such duty, based on eight years of Mrs. Sudarat Phoyamjit's experience in internal control and understanding of the operations of the power production business. Moreover, CH. Karnchang Public Company Limited has adequate team members to support the Company's audit of its subsidiaries located in Phra Nakhon Si Ayutthaya Province, Nakhon Ratchasima Province, and Vientiane, the Lao People's Democratic Republic (Lao PDR). To ensure clarity in division of duties and responsibilities between the Company and CH. Karnchang Public Company Limited, Mrs. Sudarat Phoyamjit will report the audit results of the Company and its subsidiaries directly to the Company's Audit Committee, without being under supervision of CH. Karnchang Public Company Limited. However, to ensure the independence in performance of duties of the internal auditor, the Company is in the process of recruiting competent personnel to perform such duties as the internal auditor in replacement of CH. Karnchang Public Company Limited, which it is expected to complete in early 2016. In this regard, the consideration and approval, appointment, removal, transfer of any person holding the position of the Head of Internal Audit Unit of the Company must be subject to approval of the Audit Committee.

Moreover, the Company has authorized Miss Parichat Othayakul, Head of Compliance Unit, to supervise the compliance with the rules and regulations of the regulatory agencies in respect of the Company's business operations. The qualifications of the Head of Internal Audit Unit and the Head of Compliance Unit are described in Attachment 3 - the Company's 2015 Annual Registration Statement (From 56-1).

Connected Transactions

The Company and its subsidiaries executed connected transactions with persons who may have a conflict of interest in 2015 based on the following criteria:

Necessity and Justification of Connected Transactions

The Company considers executing connected transactions as necessary and justifiable for the utmost benefit of the Company, taking into consideration the expertise and experience in such work, without any transfer of interests between the Company, its subsidiaries and persons who may have a conflict of interest. The conditions of such transactions are not different from transactions executed with third parties, and are on an arm's length basis and in the ordinary course of business, and in compliance with regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board, as well as other related rules in all respects, so as to ensure the Company's efficient operation and to equally maintain the optimum benefit of shareholders.

Measures or Procedures for Approval of Connected Transactions

The Company specifies measures and procedures for approval of connected transactions which are divided into two categories, namely, connected transactions in the category of related party transactions in the ordinary course of business and in support of the ordinary course of business with the Board of Directors' approval in principle to authorize management to execute such transactions, whereby management is required to summarize such transactions for inspection and acknowledgment by the Board of Directors; and connected transactions in other categories, whereby the Company determines the authority of persons authorized to approve the transactions under the rules of the Capital Market Supervisory Board, as well as the rules of the Stock Exchange of Thailand on the conditions and criteria for the execution of the connected transactions. In addition, the Audit Committee is assigned to review and provide opinions on connected transactions before proposing the same to the Board of Directors for consideration and approval, whereby directors and executives who have any interest or may have a conflict of interest shall not be entitled to consider the execution of such transactions.

Policy or Trend of Future Connected Transactions

The Company expects that connected transactions will be executed in the future, which mostly continue from the existing transactions, such as, Maintenance Service Agreement, Natural Gas and Tap Water Purchase Agreements, Management Agreement, etc., in the ordinary course of business of the Company and for the utmost benefit of the Company. The Audit Committee is assigned to consider and provide opinions as to necessity and justifications for execution of the transactions, and justification of the prices, so as to ensure that the conditions of such transactions are not different from transactions in the same category executed with third parties.

In this regard, the Company has disclosed connected transactions in the Company's Notes to the Financial Statements as audited by the Company's auditor.

Relationship between the Company and its Subsidiaries, and Related Companies/Parties

CK Power Public Company Limited and its Subsidiaries

Company	Shareholding Percentage	Business Operation
CK Power Public Company Limited (the Company)	N/A	The Company operates its core business as a holding company by holding shares in other companies engaging in the business of production and sales of electricity generated from various kinds of energy and provision of consulting service and other services related to electricity production projects.
SouthEast Asia Energy Limited (SEAN)	56 percent of shares held by the Company	SEAN operates the business of investment and development of electricity production business in the Lao People's Democratic Republic (Lao PDR).
Nam Ngum 2 Power Company Limited (NN2)	75 percent of shares held by SEAN	NN2 produces and sells the hydroelectric power as concessionaire under the Concession Agreement for the Nam Ngum 2 Hydroelectric Power Project, awarded by the Government of the Lao PDR, with a production capacity of 615 megawatts.
Bangpa-in Cogeneration Limited (BIC)	65 percent of shares held by the Company	BIC operates the business of production and sales of electricity and steam from a cogeneration power project, using natural gas as fuel, with a production capacity of 117.5 megawatts for electricity and 19.6 tons per hour for steam (for Project 1). Such power project is located in the Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province.
Bangkhenchai Co., Ltd. (BKC)	100 percent of shares held by the Company	BKC produces and sells solar power with its solar photovoltaic power project located at Amphoe Pak Thong Chai, Nakhon Ratchasima Province, with a production capacity of 8 megawatts.
CKP Solar Company Limited	100 percent of shares held by the Company	This company has been established for electricity production and sales.
HELIOS Power Company Limited	100 percent of shares held by the Company	This company has been established for electricity production and sales.
APOLLO Power Company Limited	100 percent of shares held by the Company	This company has been established for electricity production and sales.
VIS SOLIS Company Limited	100 percent of shares held by the Company	This company has been established for electricity production and sales.
SOLE Power Company Limited	100 percent of shares held by the Company	This company has been established for electricity production and sales.

Related Companies/Parties

CH. Karnchang Public Company Limited (CK)

CK engages in the construction business and a full range of development, investment and management of large-scale infrastructure concession projects within the country and the region. CK is also the Company's related company since CK is the Company's major shareholder, holding shares amounting to 30.25[1] percent of the registered and paid-up capital. Moreover, the Company and CK have four common directors, namely, (1) Mr. Plew Trivisvavet, (2) Mr. Narong Sangsuriya, (3) Mr. Prasert Marittanaporn, and (4) Dr. Supamas Trivisvavet.

TTW Public Company Limited (TTW)

TTW engages in the tap water production and sales business. TTW is the Company's related company since TTW is one of the Company's major shareholders, holding 25.31 percent of the Company's registered and paid-up capital. Both companies also have five common directors, namely, (1) Dr. Thanong Bidaya, (2) Mr. Plew Trivisvavet (3) Mr. Techapit Sangsingkeo, (4) Mr. Narong Sangsuriya, and (5) Mr. Chaiwat Utaiwan.

Bangkok Expressway and Metro Public Company Limited (BEM)

BEM engages in the business of construction and operation of the Si Rat Expressway (the Second Stage Expressway) and its extensions, including metro operation, and is the Company's related company since BEM is one of the Company's major shareholders, holding 19.40[1] percent of the Company's registered and paid-up capital. Both companies also have two common directors, namely, (1) Mr. Plew Trivisvavet and (2) Mr. Supong Chayutsahakij.

Xayaburi Power Company Limited (XPCL)

XPCL engages in the business of development of the Xayaburi Hydroelectric Power Project on the Mekong River in Xayaburi Province, the Lao PDR, with a production capacity of 1,285 megawatts, under an electricity production concession awarded by the Government of the Lao PDR, and is the Company's related company since Formerly, XPCL's major shareholder was CK, holding shares in XPCL representing 30 percent of its registered and paid-up capital, with four common directors, namely, (1) Dr. Thanong Bidaya, (2) Mr. Plew Trivisvavet, (3) Mr. Thanawat Trivisvavet, and (4) Mr. Supong Chayutsahakij.

Ratchaburi Electricity Generating Holding Public Company Limited (RATCH)

RATCH is a holding company that leads the RATCH group in setting out the direction of operations and various strategies in conformity with the target of business development and expansion by focusing on investments in the electricity production business and related businesses. It is a related company of the Company since RATCH holds shares representing 33.33 percent of the registered and paid-up capital in SEAN, the Company's subsidiary.

Ratch-Lao Services Company Limited (RATCH-Lao)

RATCH-Lao is RATCH's wholly-owned subsidiary. RATCH-Lao was incorporated under the law of the Lao PDR and engages in the business of operation and maintenance of the Nam Ngum 2 Hydroelectric Power Project. It is related to the Company since RATCH-Lao is a subsidiary of RATCH, one of the major shareholders of SEAN, which is a subsidiary of the Company.

Global Power Synergy Public Company Limited (GPSC)

GPSC is a company in the PTT group. Its core business is to produce and sell industrial electricity, steam and water to industrial customers and EGAT, with its major shareholders being PTT Global Chemical Public Company Limited and PTT Public Company Limited (shareholding representing 22.58 percent). GPSC accepted transfer of shares in BIC representing 25 percent of its registered and paid-up capital, from PTT on December 24, 2013, and as a result, GPSC is one of BIC's major shareholders, and GPSC is the Company's related company.

PTT Public Company Limited (PTT)

PTT engages in the petroleum business and other businesses in relation to or in support of the petroleum business, as well as investments in companies engaging in the petroleum-related business. PTT is the Company's related company since it holds shares representing 22.58 percent of GPSC's registered and paid-up capital.

Bang Pa-in Land Development Co., Ltd. (BLDC)

BLDC engages in the businesses of operation of the Bang Pa-in Industrial Estate, sale of areas in the industrial estate, management and service provision of certain utilities. The Bang Pa-in Industrial Estate covers an area of 1,962-1-64 rai, located at Km. 4, Udom-sorayuth Road (Highway Route No. 308) separated from Asian Highway (Highway Route No. 32) in the vicinity of Moo 2, Tambon Khlong Chik, and Moo 16, Tambon Bang Krasan, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province. BLDC is the Company's related company, with two common directors, namely, (1) Mr. Plew Trivisvavet and (2) Dr. Supamas Trivisvavet.

Government of the Lao People's Democratic Republic (GOL)

GOL granted a concession for the Nam Ngum 2 Hydroelectric Power Project to SEAN (which subsequently transferred the Concession Agreement to NN2), for a concession period of 25 years from the Commercial Operation Date. NN2 is obliged to pay the royalty fee and taxes to GOL as per the time and rates specified in the Concession Agreement. NN2 began making payment of the royalty fee to GOL on the Initial Operation Date (March 26, 2011). GOL is the Company's related party since GOL is a shareholder of EDL, of which EDL-Generation Public Company (EDL-Gen) is a subsidiary. EDL holds 75 percent of shares in EDL-Gen, and EDL-Gen holds 25 percent of the registered and paid-up capital of NN2, SEAN's subsidiary, which in turn is the Company's subsidiary.

Electricité du Laos (EDL)

EDL, as a state enterprise under the Ministry for Energy and Mines of the Lao PDR, engages in the core business of production, supply, and distribution of electric power in the Lao PDR. It also imports and exports electric power. Moreover, EDL has the duty to develop power plant projects, including hydroelectric power projects of the Lao PDR. EDL is the Company's related company since EDL is EDL-Gen's major shareholder, holding 75 percent of shares in EDL-Gen, and EDL-Gen holds 25 percent of the registered and paid-up capital of NN2, SEAN's subsidiary, which in turn is the Company's subsidiary.

[1] *As at the closing of the share register on June 25, 2015*

Details of Connection Transactions in 2015

1. Connected Transactions of the Company and its Subsidiaries with CH. Karnchang Public Company Limited (CK)

CK is the Company's major shareholder, holding shares amounting to 30.25[1] percent of the registered and paid-up capital. Moreover, the Company and CK have four common directors, namely, (1) Mr. Plew Trivisvavet, (2) Mr. Narong Sangsuriya, (3) Mr. Prasert Marittanaporn, and (4) Dr. Supamas Trivisvavet.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Lease of the Company's Office Area in CK's Building				
• Office area rental	7.41	1.97	The Company utilized the areas on the CH, 20th, and 24th Floors, and Bangpa-in Cogeneration Limited ("BIC") took on lease of 17th Floor of Viriyathavorn Building of CK. The rates of the office area rental and the utility cost are at the normal rates charged by CK to general lessees. The Company cancelled the Lease Agreement for the area on the 24th Floor on July 31, 2015.	The Audit Committee was of the opinion that the lease of the area for use as the Company's office was justifiable and such rental rate was reasonable since it was the rental rate charged by CK to general customers in Viriyathavorn Building.
• Utilities payable	-	0.49		
Lease of Server				
• Rental	0.55	-	A subsidiary ("BIC") has taken on lease of three sets of server for 430 GB each, for a period of one year from February 2015, at the normal rental rate charged by CK to general lessees, and taking into account the security of stored data.	The Audit Committee was of the opinion that the lease of the server area for use as BIC's database management system was necessary since formerly, CK held shares in BIC, which used the same management system as CK. However, the Company set out plan to develop the management system and invest in server for its associated com panies in the future. Therefore, BIC needed to temporarily use CK's server. Moreover, monthly payment of the server rental would help lessen BIC's burden in purchase of server by itself. As a result, such transaction was justifiable and such rental rate was reasonable.
• Trade accounts payable	0.05	-		

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Engagement for Construction				
• Project costs during construction phase	1,052.17	-	A subsidiary ("BIC") executed the Agreement for engagement of CK for design, engineering, production, purchase, supply, construction, installation, and commission for the 117 MW Cogeneration Small Power Producer Project. The value of the Agreement was Baht 4,310.15 Million, whereby the Shareholders' Meeting resolved to approve such transaction in the Extraordinary General Meeting of Shareholders No. 1/2014 on October 28, 2014, with the independent financial advisor's opinion that the construction price was reasonable.	The Audit Committee was of the opinion that the engagement of CK for design, engineering, production, purchase, supply, construction, installation, and commission for BIC-2 was reasonable to the benefit of BIC due to CK's competency, know-how and expertise in the construction of the cogeneration power project, as well as satisfying experience in construction of BIC-1. Moreover, the contract value of Baht 4,310.15 Million was lower than that estimated by the independent consulting engineer. Therefore, such price was reasonable.
• Construction payable	46.11	-		
Therefore, such price was reasonable.				
• Administrative expenses	5.26	1.20	The Company engaged CK for internal audit for the Company and its subsidiaries, and a subsidiary ("BIC") engaged CK for management of its Cogeneration Power Project, since CK had experience in such fields as the original shareholder of various projects, therefore, it was deemed appropriate to engage CK's personnel in the meantime, while the Company and its subsidiaries are in the process of recruiting competent personnel. The service fee was calculated based on manpower, nature of work, and staff remuneration, and as such, such price was reasonable.	The Audit Committee was of the opinion that such transaction was justifiable since CK had personnel and expertise in management. Moreover, the service fee under such agreement was calculated based on manpower, nature of work, and staff remuneration, and as such, such rate was reasonable.
• Management fee payable	0.54	0.11		

Transaction	Transaction Volume (Million Baht) Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014	Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
Sale of Office Furniture and Equipment				
• Revenue from sale of assets	9.23	-	The Company sold its assets to CK from the return of the 24th Floor area. CK intended to purchase the Company's office furniture and equipment installed on the 24th Floor of Viriyathavorn Building, based on the market price, which was the fair value for both parties.	The Audit Committee was of the opinion that such transaction was justifiable in pricing of sale, based on the market price, which was the fair value for both parties.
Purchase of Investments				
• Investments in associated company	4,344	-	The Company acquired 805,830,000 ordinary shares in Xayaburi Power Company Limited (XPCL) from CK, representing 30 percent of its registered capital, amounting to Baht 4,344 Million. The value of the acquisition was considered by the independent financial advisor, and approved by the Company's shareholders in the Ordinary General Meeting of Shareholders on April 9, 2015, and in accordance with the regulations of the Stock. Exchange of Thailand	The Audit Committee was of the opinion that such transaction was justifiable. The acquisition of shares in XPCL would enable the Company to restructure its shareholding with the appropriateness in accordance with its business operation policy to be the main investor in the business of electricity generation and distribution of the group companies of CH. Karnchang Public Company Limited and would increase the value of the Company and interest of investors in the Company, thereby having a positive effect on fundraising activities in the future and creating opportunities for continuous increase in revenues and rate of returns as appropriate and enhancing the capacity in the Company's business operations in the long run.

Remark: [1] *List of shareholders as of March 2, 2016 which was the most recent closing date of the shareholder register.*

2. Connected Transactions of the Company and its Subsidiaries with Xayaburi Power Company Limited (XPCL)

Formerly, XPCL's major shareholder was CK, holding shares in XPCL representing 30 percent of its registered and paid-up capital, with four common directors, namely, (1) Dr. Thanong Bidaya, (2) Mr. Plew Trivisvavet, (3) Mr. Thanawat Trivisvavet, and (4) Mr. Supong Chayutsahakij. Subsequently, the Company acquired shares in XPCL from CK, and as a result, XPCL becomes the Company's associated company since June 9, 2015. Therefore, the following items show only the transactions executed during January 1 - June 9, 2015.

Transaction	Transaction Volume (Million Baht) Accounting Period Ended December 31, 2015	Transaction Volume (Million Baht) Accounting Period Ended December 31, 2014	Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
Engagement as the Owner's Engineer				
• Project management income	20.97	44.09	The Company was engaged by XPCL under the Owner's Engineer Agreement to supervise and inspect the quality of construction and testing of mechanical and electrical equipment, contact and coordination with Electricity Generating Authority of Thailand (EGAT) and Electricité du Laos (EDL), in order to supervise the construction in compliance with the requirements and standards under the Power Purchase Agreement, whereby the Shareholders' Meeting resolved to approve such transaction in the Extraordinary General Meeting of Shareholders No. 1/2014 on October 28, 2014, with the independent financial advisor's opinion that the price was reasonable.	The Audit Committee was of the opinion that such transaction was reasonable since the Company had its executives and staff with experience in management and construction of the Nam Ngum 2 Hydroelectric Power Project, and utilized them to generate other income for the Company. Moreover, such fee was justifiable since it was calculated based on manpower, operating period and scope of work and staff remuneration.
• Trade accounts receivable (project management income)	-	4.24		
Engagement for Secondment Service				
• Project management income	4.24	8.80	The Company was engaged by XPCL for management of the Managing Director Office, accounting, finance, and engineering, as the Company's personnel had experience in such fields, as well as understanding in the power production business. Therefore, the Secondment Service Agreement was executed with the Company for four personnel, whereby XPCL would make monthly payment based on the costs of personnel performing duties.	The Audit Committee was of the opinion that such transaction was reasonable since the Company had its executives and staff with experience in management and construction of the structures.
• Trade accounts receivable (project management income)	-	0.86		

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Management Service Agreement for Xayaburi Project between SEAN and XPCL				
• Project management income	-	3.96	SEAN accepted the engagement from XPCL pursuant to the Owner's Engineer Agreement to supervise and inspect the quality of construction and testing of mechanical and electrical equipment, contact and coordinate with EGAT and EDL, in order to supervise the construction in compliance with the requirements and standards under the Power Purchase Agreement. The term of the Agreement started from January 1, 2012 until the first anniversary of the Commercial Operation Date. However, such Agreement was terminated in 2014.	The Audit Committee was of the opinion that such transaction was justifiable since SEAN had expe rience in management and construction of the Nam Ngum 2 Hydroelectric Power Project, and it was able to utilize its personnel to generate other income for SEAN. Moreover, such fee was justifiable since it was calculated based on manpower, operating period and scope of work and staff remuneration.
• Trade accounts receivable (project management income)	-	-		

3. Connected Transactions of the Subsidiaries with Ratchaburi Electricity Generating Holding Public Company Limited (RATCH)

RATCH holds shares representing 33.33 percent of the registered and paid-up capital in SEAN, the Company's subsidiary.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Engagement for Management Service • Administrative expenses • Accounts payable	 2.65 0.24	 2.47 0.22	A subsidiary (SEAN) executed the agreement among SEAN's shareholders specifying that RATCH will assign its personnel to jointly perform works in respect of engineering and finance of SEAN for the Nam Ngum 2 Hydroelectric Power Project, since RATCH had experience and expertise in management of hydroelectric power plants.	The Audit Committee was of the opinion that such transaction was justifiable since RATCH had personnel with expertise in management of power projects. Moreover, the service fee under such agreement was calculated based on manpower, nature of work, and staff remuneration, and as such, such rate was reasonable.
Engagement of Project Consultant for Operation and Maintenance of Nam Ngum 2 Hydroelectric Power Project • O&M consulting service charges • Accounts payable	 25.00 -	 25.00 -	Nam Ngum 2 Power Company Limited (NN2), as SEAN's subsidiary, entered into an Operation and Maintenance Consulting Service Agreement of Nam Ngum 2 Hydroelectric Power Project with RATCH. Such Agreement specifies RATCH as Project Consultant in respect of matters relating to project development, contract documents, technical and construction advice, purchase of parts, equipment, and other items related to business. The Agreement would end upon the earlier of the expiry of the Power Purchase Agreement or when the Equity IRR of SEAN and/or NN2 becoming not less than 14 percent per year. The determination of consideration of both Agreements had been negotiated by management, was acceptable to all related parties, and was reasonable, since RATCH had experience in power plant operation.	The Audit Committee was of the opinion that such transaction was reasonable since RATCH had experience in power plant operation. Moreover, the determination of consideration of such Agreement had been negotiated by management of SEAN, and approved by the resolution of the board of directors and/or the shareholders' meeting of SEAN. Therefore, the Audit Committee was of the opinion that the consideration under such Agreement was in compliance with the applicable practices as at the time of approval of the transaction, and the determination of such price was acceptable to all related parties.

4. Connected Transactions of the Subsidiaries with Ratch-Lao Services Company Limited (RATCH-Lao)

RATCH-Lao is RATCH's wholly-owned subsidiary. RATCH-Lao was incorporated under the law of the Lao PDR and engages in the business of operation and maintenance of the Nam Ngum 2 Hydroelectric Power Project. It is related to the Company since RATCH-Lao is a subsidiary of RATCH, one of the major shareholders of SEAN, which is a subsidiary of the Company.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Provision of Long-Term Operation and Maintenance Service				
• O&M service fees	264.14	125.66	The subsidiaries (SEAN and NN2) engaged RATCH-Lao for the operation and maintenance of powerhouse, covering the operation service for electricity generation, maintenance of generator, hydro turbine, control system and equipment, including dam, powerhouse building, buildings and hydraulic structures, as well as public utilities and areas around the project, including other works. Such Agreement would expire upon the end of the concession period. Later, NN2's Extraordinary General Meeting of Shareholders No. 1/2015 on October 21, 2015 resolved to terminate the Long-Term O&M Agreement and the Major Maintenance Agreement between NN2 and RATCH-Lao, whereby NN2 is obliged to pay compensation for termination of such Agreements in the amount of approximately Baht 135 Million.	The Audit Committee was of the same opinion as NN2's Extraordinary General Meeting of Shareholders which resolved to terminate the Long-Term O&M Agreement between NN2 and RATCH-Lao, with payment of compensation for termination of such Agreement. Therefore, such transaction was justifiable.
• Other maintenance fees	5.09	0.70		
• Trade accounts payable	173.72	27.47		
• Other accounts payable	1.33	0.89		

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Provision of Major Maintenance Services				
• Service fees under the Agreement on Major Maintenance Services	65.56	63.65	The subsidiaries ("SEAN" and "NN2") engaged RATCH-Lao for the major maintenance of the Nam Ngum 2 Hydroelectric Power Project. The scope of such Agreement covered the provision of services, divided into three types, as follows: 1) The Preventive Maintenance Services; 2) The Corrective Maintenance Services; 3) The Scheduled and Emergency Maintenances. Such Agreement was signed on September 3, 2011, for a term of seven years from the date of execution of the Agreement, and was renewable subject to the mutual agreement of both parties. As both service agreements were specific for each project, it would be unable to compare the consideration under the Agreement based on the information available to the public. However, the determination of the price had been negotiated by relevant management, and was acceptable to EDL-Gen as representative of the Government of the Lao PDR, having experience in management of hydroelectric power projects, and holding 25 percent of shares in the Company's subsidiary ("SEAN"). NN2's Extraordinary General Meeting of Shareholders No. 1/2015 on October 21, 2015 resolved to terminate the Long-Term O&M Agreement and the Major Maintenance Agreement between NN2 and RATCH-Lao, whereby NN2 is obliged to pay compensation for termination of such Agreements, per the details as previously described.	The Audit Committee was of the same opinion as NN2's Extraordinary General Meeting of Shareholders which resolved to terminate the Major Maintenance Agreement between NN2 and RATCH-Lao, with payment of compensation for termination of such Agreement. Therefore, such transaction was justifiable.
• Accounts payable	10.93	10.63		

5. Connected Transaction of the Subsidiaries with Government of the Lao People's Democratic Republic (GOL)

GOL is a shareholder of Electricité du Laos (EDL), of which EDL-Gen is a subsidiary. EDL holds 75 percent of shares in EDL-Gen, and EDL-Gen holds 25 percent of the registered and paid-up capital of NN2, SEAN's subsidiary, which is the Company's subsidiary.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Royalty Fee Payment				
• Royalty fee paid under the Concession Agreement	132.59	135.42	The subsidiaries (SEAN and NN2) were required to pay the Royalty Fee to the GOL at the specified rates under the Concession Agreement. The execution of such concession was reasonable, as the execution of such Agreement was made with the governmental sector of the Lao PDR, subject to clear pricing regulations and practices.	The Audit Committee was of the opinion that the execution of such transaction was reasonable, as the execution of such Agreement was made with the governmental sector of the Lao PDR, subject to clear pricing regulations and practices.
• Trade accounts payable	72.08	79.45		

6. Connected Transaction of the Subsidiaries with Electricité du Laos (EDL)

EDL is EDL-Gen's major shareholder, holding 75 percent of shares in EDL-Gen, and EDL-Gen holds 25 percent of the registered and paid-up capital of NN2, SEAN's subsidiary, which in turn is the Company's subsidiary.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Operation and Maintenance Services of Nabong Substation and Transmission Systems				
• Service fee under the Agreement on O&M of Nabong Substation and Transmission Systems	19.45	18.22	The subsidiaries ("SEAN" and "NN2") engaged EDL for the operation and maintenance services of the Nabong Substation and transmission systems from the Project to the delivery point, namely, the 230 kV transmission line from the Project to the Nabong Substation, and the 500 kV transmission line from the Nabong Substation to the delivery point in the middle of the Mekong River. EDL had expertise in the transmission systems of the Lao PDR, and the execution of such Agreement was made with the governmental sector of the Lao PDR, subject to clear pricing regulations and practices.	The Audit Committee was of the opinion that the execution of such transaction was reasonable, as EDL had expertise in the transmission systems of the Lao PDR, and the execution of such Agreement was made with the governmental sector of the Lao PDR, subject to clear pricing regulations and practices.
• Trade accounts payable	1.70	1.54		

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Assignment of EDL's Staff to Perform Works for NN2				
• Administrative expenses	-	0.80	The Executive Committee's Meeting of NN2 on November 19, 2010 resolved to appoint a member of EDL's staff to perform works for NN2 in the position of Assistant Managing Director of Maintenance Department, with the duties to supervise works relating to Nabong Substation and Transmission Systems of the Nam Ngum 2 Hydroelectric Power Project, effective from December 1, 2010. NN2 would pay the monthly service fee to EDL in the amount as agreed upon between both parties. Later, on January 4, 2011, EDL gave a notice on the service fee for assignment of its staff to perform works for NN2 at the rate of USD 3,500 per month, effective from December 1, 2010, and the payment would be made to EDL's account. In addition, NN2 was required to provide facilitation in accordance with NN2's rules and regulations to EDL's staff.	The Audit Committee was of the opinion that such transaction was justifiable, as EDL had personnel and expertise in management of power plant projects and transmission lines in the Lao PDR. Moreover, the service fee under such Agreement was calculated based on manpower, nature of work, and staff remuneration. Therefore, such price was reasonable.

7. Connected Transactions of the Subsidiary with Bang Pa-in Land Development Co., Ltd. (BLDC)

BLDC is the Company's related company, with two common directors, namely, (1) Mr. Plew Trivisvavet and (2) Dr. Supamas Trivisvavet.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Leases in Industrial Estate for Steam Pipeline Installation and Installation of Power Poles • Rental payment • Accounts payable	 8.17 0.69	 0.91 -	A subsidiary ("BIC") took on lease of land from BLDC for various utilizations, with the purposes for construction, expansion, utilization, maintenance and repair services of the natural gas pipeline system (natural gas pipeline), and for installation of power poles of the 115 kV and 22 kV transmission lines; and for steam pipeline installation for power production. Such transaction was executed to acquire natural gas as BIC's main raw material, as well as power poles and steam pipeline for sale of electricity and steam so produced to customers within Bang Pa-In Industrial Estate. The price was reasonable, as it was the price normally charged by BLDC to lessees for similar utilizations of land.	The Audit Committee was of the opinion that the execution of such transaction was reasonable, as such transaction was executed to acquire natural gas as BIC's main raw material, as well as power poles and steam pipeline for sale of electricity and steam so produced to customers within Bang Pa-In Industrial Estate. The price was reasonable, as it was the price normally charged by BLDC to lessees for similar utilization of land.
Leases in Industrial Estate for Use as Office and Temporary Residence for Staff • Land rental • Accounts payable	 8.16 0.69	 - -	The objective was to use the land for construction of office, Bangpa-in Cogeneration Project, and temporary residence for staff, for the period of 32 months from January 1, 2015 to August 31, 2017, at the rate of Baht 680,000 per month.	The Audit Committee was of the opinion that the execution of such transaction was reasonable, and the rental was reasonable, as it was the rate normally charged by BLDC to other lessees for similar utilization of land.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Management Service Agreement between BIC and BLDC • Administrative expenses • Service fee payable	 1.77 0.33	 1.68 0.30	A subsidiary ("BIC") engaged BLDC for one personnel for management of the Cogeneration Power Project. The service fee was calculated based on manpower and nature of work.	The Audit Committee was of the opinion that such transaction was reasonable, since BLDC had personnel and expertise in management, with qualifications in accordance with the business objectives of BIC. Moreover, such service fee under the Agreement was calculated based on manpower and nature of work. Therefore, such rate was justifiable. The negotiations for such transaction were in accordance with general commercial conditions, without any transfer of interests between the Company and persons who may have a conflict of interest.
Management Service Agreement between CKP and BLDC • Administrative expenses • Service fee payable	 - -	 1.44 0.13	CKP entered into the Management Service Agreement regarding development of the Cogeneration SPP Project, pursuant to which BLDC would be responsible for contacting, coordinating and taking actions as being notified by both regional and central government and private agencies, to ensure that the project operation complied with relevant laws and regulations, and that the preparation of documents for submission of the applications and proposals for sale of power to EGAT complied with EGAT's regulations on power purchases from small power producers. The term of the Agreement was one year, from January 1, 2014 to December 31, 2014. Both parties agreed that the fee was paid in the amount of Baht 120,000 per month.	The Audit Committee was of the opinion that such transaction was reasonable, since BLDC had personnel and expertise in management, with qualifications in accordance with the business objectives. Moreover, such service fee under the Agreement was calculated based on manpower, nature of work, and staff remuneration. Therefore, such rate was justifiable.

8. Connected Transaction of the Subsidiary with PTT Public Company Limited (PTT)

Global Power Synergy Public Company Limited (GPSC) accepted transfer of shares in BIC representing 25 percent of its registered and paid-up capital, from PTT on December 24, 2013, and as a result, GPSC becomes BIC's major shareholder, and also the Company's related company. PTT holds shares representing 22.58 percent of GPSC's registered and paid-up capital.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Natural Gas Purchase with PTT				
• Natural gas cost • Trade accounts payable	1,826.97 147.81	1,979.14 173.64	A subsidiary ("BIC") executed the Natural Gas Purchase Agreement with PTT. Such Agreement was in PTT's standard format for sale of natural gas to SPP Projects. The Agreement had a term of 25 years from the date of commercial use of gas, with a daily purchase volume of 18.83 million cubic feet per day, and a maximum gas use of not exceeding 21.55 million cubic feet per day. In addition, the Agreement specified a minimum purchase from PTT at not less than 85 percent of the total volume of gas for the whole year as calculated from the formula specified in the Agreement, therefore, it was considered a standard agreement for power plants with similar nature. The gas price comprised gas cost and transmission cost as per the formula specified in the Agreement.	The Audit Committee was of the opinion that the execution of such transaction was reasonable, as it was the purchase and sale of natural gas in the ordinary course of business. The price was justifiable and reasonable, as it was in accordance with the Natural Gas Purchase Agreement for the SPP Projects which PTT used as standard form for general SPP customers, with a clear formula for calculation of gas price.

9. Connected Transaction of the Subsidiary with TTW Public Company Limited (TTW)

TTW is one of the Company's major shareholders, holding 25.31[1] percent of the Company's registered and paid-up capital. Both companies also have five common directors, namely, (1) Dr. Thanong Bidaya, (2) Mr. Plew Trivisvavet, (3) Mr. Techapit Sangsingkeo, (4) Mr. Narong Sangsuriya, and (5) Mr. Chaiwat Utaiwan.

Transaction	Transaction Volume (Million Baht)		Nature of Transaction/ Necessity and Justification	Opinions of the Audit Committee
	Accounting Period Ended December 31, 2015	Accounting Period Ended December 31, 2014		
Tap Water Purchase				
• Tap water cost • Water treatment cost • Trade accounts payable	25.14 1.56 5.48	25.05 1.56 4.86	A subsidiary ("BIC") executed the Tap Water Purchase Agreement with TTW. The rate of tap water charges was Baht 22.50 per cubic meter (excluding value added tax). During the construction period of the power plant, the water treatment cost would be paid at 80 percent of total volume of tap water consumption. During the period from the operation commencement, the water treatment cost would be paid at 20 percent of total volume of tap water consumption. Such transaction was the purchase and sale of tap water in the ordinary course of business, with payment under the Agreement.	The Audit Committee was of the opinion that such transaction was reasonable, as it was the purchase and sale of raw water in the ordinary course of business. The price was justifiable and reasonable, as it was in accordance with the standard form.

[1] List of shareholders as of March 2, 2016 which was the most recent closing date of the shareholder register.

Corporate Social Responsibility

CK Power Public Company Limited and its affiliated companies adopt the corporate social and environmental responsibility policies "with the aim of operating business to generate reasonable and fair returns, and ensuring a good quality of life for communities and society as well as environmental care." In this regard, care for communities, society and environment includes internal surroundings of the Company, communities, society and environment encompassing the power projects operated by the Company, whereby the core strategy in respect of corporate social responsibility to ensure sustainable business development is adopted, comprising:

- Transparency and auditability;
- Business development for the benefit of society and environment to ensure social and business sustainability.

The guiding practices to achieve such goals are as follows:

Management of Resources within Power Projects

The Company realizes that the electricity production may have an impact on the environment and nearby communities, the Company thus applies the international standard management systems (ISO 9001:2008 / ISO 18001:2007 / ISO 14001:2004) to the production system, and selects the eco-friendly and state-of-the-art technology in order to assure all parties concerned that the Company's power projects are safe and maintain the good quality of the neighboring environment.

Management of Resources within Offices

To ensure efficient and effective utilization of natural resources, the Company is thus determined to raise staff awareness about efficient utilization of resources, for instance, using both sides of each sheet of paper, printing only when necessary, saving water and electricity by turning them off after use, as well as creating an environment-friendly work atmosphere for the purpose of energy-saving.

Care for Communities, Society and Environment

The Company always gives priority to the communities, society and environment adjacent to the projects by encouraging their participation in expressing community requirements to bring about common interest as members in the same communities and society.

In this regard, the Company adopts the corporate social responsibility policy under the Guidelines of the Stock Exchange of Thailand, comprising eights aspects as follows:

Fair Business Operations

The Company operates its business taking into account benefits to be derived by all main parties concerned, such as, alliances, personnel, communities, society and environment surrounding the power projects operated the Company, including those which are not the Company's main parties concerned. The concerned groups are based on their relationships with the Company and their influence on the Company's operations to achieve its goals.

Alliances refer to investors, counterparts and creditors. The Company is committed to generating good and fair returns by means of directing its business operations towards a sustainable growth, and securing long-term values for good and constant returns, whereby the Company clearly agrees upon and communicates its policy on returns with alliances before making any arrangements. The Company also adheres to the good corporate governance and business ethics, transparent and auditable business operations, sufficient disclosure, and encourages alliances to offer their opinions as appropriate. In this regard, the Board of Directors requires regular monitoring and assessment of the results of the corporate governance, together with improvement and remedies to be suitable for the ongoing challenges.

In addition, the selection of counterparts is important, whereby it is the Company's policy to select counterparts which operate their businesses legally, without infringing any intellectual property or employing child labor, and adopt measures and guiding practices regarding efficient utilization of resources.

Personnel refers to staff who work for the Company. Staff are regarded as the most valuable resource, the Company thus gives priority to its staff by providing them with various benefits and welfare, work safety, reasonable remuneration, career advancement, development of their knowledge/skills in relation to their work performance, improvement of surroundings suitable for staff's work performance, and fair treatment towards staff.

Communities and society refers to groups of neighbors or people nearby various power projects invested and currently operated by the Company. The Company, as a member of the communities and society, actively participates in the development, support and care for communities and society, and also continues to support activities useful for communities and society for development of such communities adjacent to its business locations, as well as promoting its executives' and staff's awareness, volunteer spirit and contribution to social activities. Furthermore, the communities are welcomed to monitor the Company's business operations.

Environment refers to a proper workplace surrounding, including the environment, communities and society adjacent to the power projects operated by the Company. The Company is environmentally responsible by mainly investing in the businesses which are socially and environmentally responsible, and being supporting of environmental contribution activities.

Anti-corruption

The Company, as a holding company, is well aware that corruption undermines the operations and confidence in the Company and its subsidiaries. Therefore, the Company and its subsidiaries realize the significance of the good corporate governance as well as transparent and fair business operations to ensure good, steady and fair returns to shareholders, and truly take into account the benefits of all stakeholders. As such, the Company adopts anti-corruption measures as follows:

1. Written Anti-Corruption Policy

   The Company gives priority to the governance mechanisms of the Company and its subsidiaries to ensure their compliance with the legal rules and international corporate governance standards. The Company thus formulates the Corporate Governance Policy (CG Policy) and the Control Policy and Governance Mechanisms (Control Policy) in writing, and also disseminates the CG Policy on the Company's website (please see details in Item 9: Corporate Governance) as guidelines for business operations of the Company and its subsidiaries under the corporate governance. Such policies determine the operating procedures, scope of power and duties, access, utilization and disclosure of insider information of directors, executives and personnel in every work unit, including the policy to execute transactions with major shareholders, directors, executives, or their related persons in order to prevent a conflict of interests and misuse of the Company's insider information, whether direct or indirect. Moreover, the Company sets out the requirements relating to ethics, codes of business conduct and desirable practices of directors, executives, and staff of the Company, as well as disciplinary and legal measures to deal with any suspicion or finding as to fraud or corruption.

2. Establishment of Anti-Corruption Unit

   The Company establishes its internal audit unit to ensure compliance with the internal audit procedures at the level of work units of the Company and its subsidiaries to review and audit the work procedures and imposes measures to deal with any fraud or corruption found in the Company and all of its subsidiaries so as to report to the Audit Committee on any finding or suspicion of fraud or corruption. It can be assured that every step of the operating procedures is completely standard, transparent, and auditable in accordance with the Principles of Good Corporate Governance for Listed Companies. In this regard, the punishment measures are imposed step by step on any corrupt personnel, that is, the Internal Audit Office will conduct a fact-finding investigation if any corruption is found or reported, and if found guilty, the Internal Audit Office will forward the fact-finding results to the human resource department and the Managing Director and also holds a panel's investigation for conclusion with fairness and transparency. If it is found guilty, such person will be subject to disciplinary actions, namely, written warning, employment termination, and legal actions in order to safeguard the Company's interests.

3. Whistleblower Guide and Whistleblower Protection Measures

   The Company arranges for the external audit channel by way of a whistleblowing channel for any third parties to report any suspected non-compliance with the code of ethics, illegal acts or conduct which may reflect fraud, dishonesty or misconduct of any personnel in the organization, including any flaws in the internal control system caused by either staff and third parties, via the Company's website at www.ckpower.co.th/th/ir or directors@ckpower.co.th or ir@ckpower.co.th. In this regard, the Company provides measures to protect whistleblowers and keep their identity confidential, and the Company will urgently correct and alleviate damage pursuant to the management mechanism and the rules of law as soon as possible.

4. External Anti-Corruption Policy

The Company conveys to its personnel in all work units the adoption of the CG Policy with their contact and dealings with counterparts and third parties to eliminate any chance of corruption and urge the counterparts or third parties in contact with the Company and its subsidiaries to strictly comply with the Company's anti-corruption policy. This is to prevent with concrete results the Company's staff from involving in any fraud or corruption by imposing disciplinary measures on staff who are found involving in any fraud or corruption, and blacklisting the counterparts or third parties concerned.

5. Incorporation of Corruption Risks in the Company's Risk Management Plan

The Company defines corruption as one of the risk factors in the Company's risk management plan so that all work units are aware of potential impacts from corruption and monitor potential risks from the procedures. In doing so, the risk management teams of the Company and its subsidiaries will conduct risk assessment quarterly under the Company's risk management plan and present the same to the Corporate Governance and Risk Management Committee's Meeting for consideration, and also raise any interesting issues which should be closely monitored for any change or significant findings. The Corporate Governance and Risk Management Committee will report to the Board of Directors' Meeting on risk assessment consideration quarterly.

In this regard, the Board of Directors, which directs the operations of the company group, has acknowledged and realizes that it has a duty to monitor to ensure the Company's compliance with laws, including opposing to or refusing every form of fraud or corruption, and also requires review of the role and appropriateness of the anti-corruption policy in order to follow up the results of assessment, including regular improvement of the Company's anti-corruption measures on a yearly basis to make it clear and actually applicable. In this connection, the Company is in the process of consideration and discussion with companies in the business group regarding its role and appropriateness of participation in Thailand's Private Sector Collective Action Coalition Against Corruption.

Respect for Human Rights

The Company encourages its staff to duly exercise their legal rights as citizens under the laws, without violating rights of others, whether verbally or non-verbally. The Company holds onto staff's basic human values, and also respects and accepts the differences in thoughts, i.e., each staff member has the right to freedom of thoughts and expression, without any impact on the Company's business operations and any violation of the laws. Furthermore, the Company strictly forbids its staff to infringe any intellectual property even for the purpose of the Company's work performance. In this case, if any such intellectual property infringement is found, please contact at www.ckpower.co.th/th/ir or directors@ckpower.co.th or ir@ckpower.co.th.

Fair Treatment towards Personnel

All personnel are regarded the most valuable resources, the Company thus pays considerable attention to personnel recruitment and development to ensure their quality in terms of competency and skills to perform work to the best of their ability, as well as conduct themselves as valuable members of the organization and society.

Personnel Recruitment and Employment

The Company recruits and selects personnel with proper qualifications, experience and suitability for work positions, taking into account their ethics and positive attitude and morality, in line with the good corporate governance principles. Furthermore, the Company sets out guidance on employment in strict compliance with the labor laws.

Personnel Development

The Company realizes the significance of the continuity of personnel development, which focuses on both training directly related to their functions and training for other skills. All personnel are also encouraged to actively build relationships and teamworks of competent, proficient and happy personnel.

Management of Compensation and Benefits

The Company's compensation and benefit packages comply with labor and other applicable laws, and are fairly and reasonably based on staff's competency and performance. Staff are encouraged to develop themselves for advancement in their career paths. Moreover, the Company provides welfare and benefit programs for staff which are competitive with those of other companies in the same industry, e.g., provident fund, medical treatment allowance, annual health check-up and other financial allowances.

The Company takes care of and maintains the work surroundings in terms of the quality of life and work safety of its personnel. Moreover, the Company treats all staff equally and fairly and also campaigns for staff awareness of the code of conduct and the corporate governance in their day-to-day work performance.

Responsibility to Consumers

As electricity is a basic factor for everyone's way of life, electricity production from cheap and sustainable clean energy sources is deemed to be our responsibility to consumers despite the fact that the Company has no direct consumers. This is because the Company is a holding company in the core businesses of electricity production and distribution. In all of its investments, however, the Company mainly takes into account the interests of all related parties.

Environmental Care

The Company has committed itself to environmental responsibility even before any project investment by way of social and environmental impact assessments (SIA and EIA) in all aspects, conducted by experts and under the applicable laws. Any impacts from the projects must be minimal relative to the expected benefits for communities, society and the country from project implementation. The Company, by the Board's representatives in its subsidiaries which operate various power plants under the Company's investments, monitors and ensures their compliance with the laws, including measures for efficient and effective environmental impact management on a regular basis.

By virtue of adherence to such environmental mission, all projects in which the Company has invested are eco-friendly and efficient power projects which are useful for society. The Company's investments focus on clean and renewable energy projects which cause minimal pollution and environmental impact, and efficiently optimize the utilization of resources in the production process, such as, investments in hydropower, solar and cogeneration power projects, etc.

Each power plant of the subsidiaries has been equipped with the management system and the safety and environmental management system under relevant international standards (ISO 9001:2008 / ISO 18001:2007 / ISO 14001:2004). In this year, there was no work-related accident or injury for more than three days, chemical leakage having an impact on the environment, complaint on safety, occupational health and environment. In this regard, to ensure safety, the subsidiaries organize the weekly activities regarding safety, occupational health and environment, including fire drills and evacuation, flammable gas, chemical and oil leakage response drills, environmental quality inspection under the EIA standard, and first-aid training, etc.

Participation in Community or Social Development

The Company is committed to development of the communities and society surrounding the projects to ensure they are and remain livable, surrounded by a good environment, and suitable for people of all genders and ages. In participating in development, the Company must assess demand and competency of communities, and jointly learn their culture to strengthen relationships with them on the basis of common interest as a member of the same communities and society. The Company focuses on sustainable development of communities by means of inside-out development, by emphasizing youth development activities since youths are key to Thailand's future, which will help develop to ensure our country's growth with efficiency.

The subsidiaries organize activities in collaboration with schools and communities adjacent to the power plants, for instance, drawing and painting contest for scholarships, bicycle donation to students and students' visit to the plants during the safety week.

Innovations and Diffusion

The Company supports invention and development of eco-friendly innovations. Although the Company is not a technology developer, the Company is determined to diffuse knowledge of clean and renewable energy as well as such innovations designed to save energy and optimize its utilization, which are essential to Thailand's energy security in the future. The Company and its subsidiaries regularly participate in various activities contributing to diffusion of such energy innovations and technology, for instance, dissemination of knowledge relating to hydropower and solar power production in exhibitions organized by various agencies, such as, Thai Hydrologist Association and King Mongkut's Institute of Technology Ladkrabang.

Corporate Social Responsibility Activity

The Company gives priority to the communities, society and environment surrounding the projects on the basis of sustainable relationships as the Company serves as a member of the communities and society. The Company welcomes the communities surrounding the projects to participate in expressing community requirements to bring about common interest and improve the quality of life in parallel with the natural resources and environmental preservation

Donation in Aid of Earthquake Victims in Nepal

On April 25, 2015, Nepal encountered a severe earthquake, resulting in a heavy death toll. CK Power Public Company Limited thus made donations to The Thai Red Cross Society on May 6, 2015 in aid of the victims in Nepal.

Self-Sufficient Classrooms to Ban Tha Ho School, Amphoe Phan, Chiang Rai Province

CK Power Public Company Limited handed over self-sufficient classrooms to Ban Tha Ho School, Amphoe Phan, Chiang Rai Province, on June 5, 2015. CK Power Public Company Limited sponsored the electricity system installation for this school, which was affected by an earthquake on May 5, 2014.

Donations for Bell Tower Construction in Nakhon Ratchasima Province

CK Power Public Company Limited, in association with Bangkhenchai Co., Ltd, a wholly-owned subsidiary, hosted a religious fund-raising event for construction of a bell tower at Wat Mai Charoen Tham, Tambon Khok Thai, Amphoe Phak Thong Chai, Nakhon Ratchasima Province, on Sunday, September 20, 2015, and the construction of such bell tower was completed in December 2015.

Buddhist Monk Robe Offering Ceremony in Luang Prabang, Lao PDR

CK Power Public Company Limited, in association with CH. Karnchang Public Company Limited's group, hosted a Buddhist monk robe offering ceremony to raise funds for construction of monks' dwellings and renovation of Buddhist places at Wat Sisavan Tevalok, Luang Prabang, Lao PDR, on Sunday, November 15, 2015.

Forest Restoration by CK Power

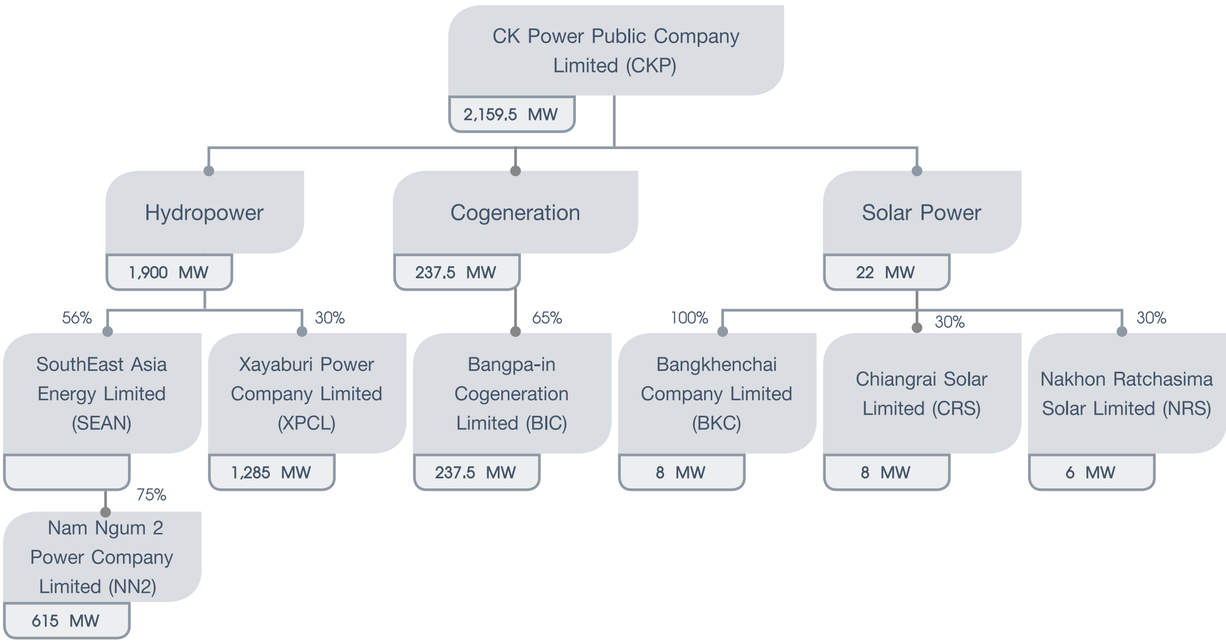
As part of our environmental preservation, CK Power Public Company Limited held the "Forest Restoration by CK Power" campaign by planting 300 mangrove forest trees and setting various species of 8,888 fishes free at Ban Bo Rae, Tambon Wichit, Amphoe Mueang, Phuket Province, on Saturday, November 21, 2015, so that its staff learnt and become aware of environmental conservation in order to strengthen good relationship between the executives and staff.

Management Discussion and Analysis

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 sales 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 MW[1].



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 project in the amount of Baht 3,883.15 Million; revenue from cogeneration power project 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 project in the amount of Baht 3,976.45 Million; revenue from cogeneration power project in the amount of Baht 2,803.12 Million; and revenue from solar power projects in the amount of Baht 162.57 Million.

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 amounted to Baht 411.88 Million, a decrease of Baht 59.94 Million or 12.70 percent from the previous year.

[1] *Operating Capacity of 754.5 MW.*

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.
  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 Electricit้ 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
Less: 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)**
Less: Finance cost	1,110.19	1,218.97	(108.78)	(8.92)
Less: 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)

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:

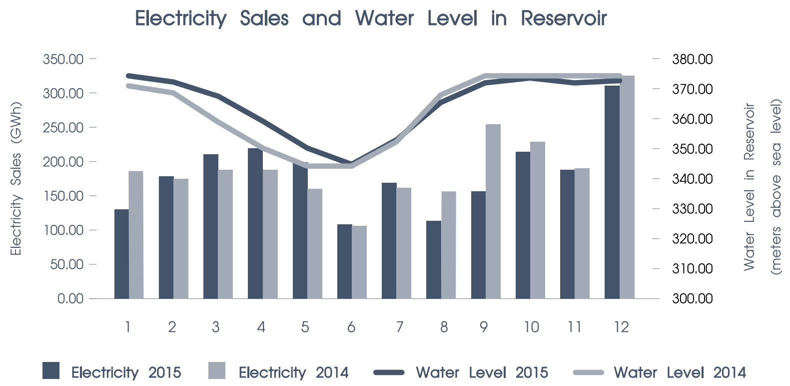
Description	Consolidated Financial Statements					
	2015		2014		Changes	
	Million Baht	percent	Million Baht	percent	Million Baht	percent
Revenue from sales of electricity	6,619.97	96.63	6,862.07	97.65	(242.10)	(3.53)
Revenue from sales of steam	76.54	1.12	80.07	1.14	(3.53)	(4.41)
Project management income	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 decreased 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 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 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 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.



After the use of the Primary Energy Account (PE Account) 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**

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.

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

2.2 Operating expenses

The Company's expenses comprise cost of sales of electricity and steam, cost of project management, amortization of right to produce and sell electricity, administrative expenses, and loss on exchange rate 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)**
Cost of project managemen	**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 used 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 a 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 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 Bangkhenchai 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.
- **Cost of project management:** 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 cost of project management 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.

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.

3. Analysis of Financial Position

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 Unit : Million Baht	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.
- **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 Unit : Million Baht	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.
- **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	502.89
Total	**21,987.02**

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 Unit : Million Baht	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 (316.65) 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 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 from operating activities	4,058.19
Net cash flows used in investing activities	(6,984.38)
Net cash flows from 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.

Debt to Equity Ratio Unit : Times	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 Unit : Times	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.

Independent Auditor's Report

To the Shareholders of CK Power Public Company Limited

I have audited the accompanying consolidated financial statements of CK Power Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of CK Power Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CK Power Public Company Limited and its subsidiaries and of CK Power Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 23 February 2016

Statement of financial position

CK Power Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	7	2,140,584,830	1,830,132,583	270,888,704	487,115,744
Short-term restricted bank deposits	7	528,774,885	516,133,527	-	-
Current investments	8	1,182,239,606	235,048,767	1,105,555,626	179,644,234
Trade and other receivables	6, 9	1,219,268,919	1,483,177,493	17,724,660	18,655,133
Spare parts and supplies		47,227,753	44,947,155	-	-
Other current assets		77,606,258	53,309,293	2,602,171	4,760,696
Total current assets		5,195,702,251	4,162,748,818	1,396,771,161	690,175,807
Non-current assets					
Long-term restricted bank deposits	10	1,220,677,307	1,194,900,016	-	-
Investments in subsidiaries	11	-	-	11,305,761,474	11,084,075,400
Investments in jointly controlled entities	12	261,067,824	235,817,892	192,938,970	192,938,970
Investment in an associated company	13	4,815,999,217	-	4,862,700,000	-
Right to produce and sell electricity - Equity attributable to owners of the Company	14	5,009,534,821	5,251,881,839	-	-
Right to produce and sell electricity - Non-controlling interests of the subsidiaries	14	6,321,028,392	6,599,965,198	-	-
Project costs during construction phase	15	1,614,807,030	464,900,336	-	-
Assets of hydroelectric power project under concession agreement	16	24,312,865,393	25,385,664,684	-	-
Property, plant and equipment	17	5,610,909,139	5,830,294,634	52,023,874	39,867,297
Other non-current assets		203,951,235	201,177,454	5,173,568	4,983,230
Total non-current assets		49,370,840,358	45,164,602,053	16,418,597,886	11,321,864,897
Total assets		54,566,542,609	49,327,350,871	17,815,369,047	12,012,040,704

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

Statement of financial position (continued)

CK Power Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 18	618,638,343	427,731,675	13,208,319	10,663,064
Current portion of liabilities under finance lease agreements		1,873,632	6,124,535	1,873,632	1,203,978
Short-term loans from financial institutions	19	-	71,333,690	-	-
Current portion of long-term loans from financial institutions	20	1,765,675,455	1,671,794,820	30,000,000	15,000,000
Income tax payable		131,069	228,383	-	-
Retention payable	6	95,237	2,361,526	88,037	88,037
Other current liabilities		30,005,726	41,564,075	5,049,588	4,578,227
Total current liabilities		2,416,419,462	2,221,138,704	50,219,576	31,533,306
Non-current liabilities					
Liabilities under finance lease agreements, net of current portion		1,855,158	3,705,659	1,855,158	1,873,380
Long-term loans from financial institutions, net of current portion	20	20,138,630,012	20,821,320,392	439,159,761	468,991,713
Derivative financial liabilities		24,661,190	20,207,730	-	-
Provision for long-term employee benefits		15,107,034	10,829,805	7,262,537	5,124,736
Other long-term liabilities - related party	6, 21	157,687,658	146,570,112	-	-
Total non-current liabilities		20,337,941,052	21,002,633,698	448,277,456	475,989,829
Total liabilities		22,754,360,514	23,223,772,402	498,497,032	507,523,135

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

(Unit: Baht)

	Note	Consolidated financial statements 2015	Consolidated financial statements 2014	Separate financial statements 2015	Separate financial statements 2014
Shareholders' equity					
Share capita	23				
Registered					
9,240,000,000 ordinary shares of Baht 1 each (31 December 2014: 1,100,000,000 ordinary shares of Baht 5 each)		9,240,000,000	5,500,000,000	9,240,000,000	5,500,000,000
Issued and fully paid up					
7,370,000,000 ordinary shares of Baht 1 each (31 December 2014: 1,100,000,000 ordinary shares of Baht 5 each)		7,370,000,000	5,500,000,000	7,370,000,000	5,500,000,000
Share premium	23	9,522,332,101	5,796,908,660	9,522,332,101	5,796,908,660
Retained earnings					
Appropriated - statutory reserve	24	26,343,853	10,280,115	26,343,853	10,280,115
Unappropriated		1,152,418,946	866,605,141	390,535,539	195,322,187
Other components of shareholders' equity		(316,649,666)	(125,668,901)	7,660,522	2,006,607
Equity attributable to owners of the Company		17,754,445,234	12,048,125,015	17,316,872,015	11,504,517,569
Non-controlling interests of the subsidiaries		14,057,736,861	14,055,453,454	-	-
Total shareholders' equity		31,812,182,095	26,103,578,469	17,316,872,015	11,504,517,569
Total liabilities and shareholders' equity		54,566,542,609	49,327,350,871	17,815,369,047	12,012,040,704

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

Statement of comprehensive income

CK Power Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Revenue from sales					
Revenue from sales of electricity and steam	6	6,585,089,829	6,829,958,493	-	-
Revenue from sales of electricity - electricity tariff adders		111,416,640	112,183,680	-	-
Project management income	6	60,591,241	56,856,445	189,928,260	170,465,517
Dividend income	6, 11, 12	-	-	315,459,522	205,682,684
Other income					
Interest income		30,548,788	24,329,941	8,150,293	12,924,705
Gain on exchange		41,874,201	-	-	-
Others		21,171,135	4,037,127	7,957,125	1,105,569
Total revenues		6,850,691,834	7,027,365,686	521,495,200	390,178,475
Expenses					
Cost of sales					
Cost of sales of electricity and steam	6	4,023,695,873	4,021,671,507	-	-
Amortisation of right to produce and sell electricity		521,283,824	521,283,824	-	-
Cost of project management		73,122,554	68,507,848	73,122,554	68,507,848
Administrative expenses	6	344,562,797	344,470,312	103,376,149	82,294,408
Loss on exchange		-	4,739,447	2,119	1,279
Total expenses		4,962,665,048	4,960,672,938	176,500,822	150,803,535
Profit before share of profit (loss) from investments in jointly controlled entities and associated company, finance cost and income tax expenses		1,888,026,786	2,066,692,748	344,994,378	239,374,940
Share of profit from investments in jointly controlled entities	12	35,749,932	34,670,713	-	-
Share of loss from investments in associated company	13	(27,180,654)	-	-	-
Profit before finance cost and income tax expenses		1,896,596,064	2,101,363,461	344,994,378	239,374,940
Finance cost		(1,110,185,022)	(1,218,970,712)	(23,719,628)	(25,108,959)
Profit before income tax expenses		786,411,042	882,392,749	321,274,750	214,265,981
Income tax expenses	27	(292,709)	(243,731)	-	-
Profit for the year		786,118,333	882,149,018	321,274,750	214,265,981
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain on changes in value of available-for-sale investments		5,690,534	1,857,991	5,653,915	1,857,991
Unrealised loss from cash flow hedges		(438,831,468)	(25,443,480)	-	-
Other comprehensive income for the year		(433,140,934)	(23,585,489)	5,653,915	1,857,991
Total comprehensive income for the year		352,977,399	858,563,529	326,928,665	216,123,972

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

Statement of comprehensive income (continued)

CK Power Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Profit attributable to:					
Equity holders of the Company		411,875,203	471,815,975	321,274,750	214,265,981
Non-controlling interests of the subsidiaries		374,243,130	410,333,043		
		786,118,333	882,149,018		
Total comprehensive income attributable to:					
Equity holders of the Company		220,894,438	458,339,928	326,928,665	216,123,972
Non-controlling interests of the subsidiaries		132,082,961	400,223,601		
		352,977,399	858,563,529		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.06	0.09	0.05	0.04
Weighted average number of ordinary shares (shares)		6,611,753,425	5,500,000,000	6,611,753,425	5,500,000,000

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

Statement of changes in shareholders' equity

CK Power Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
					Other components of equity						
					Other comprehensive income		Other change by the owners				
	Issued and paid-up share capital	Share premium	Retained earnings: Appropriated	Retained earnings: Unappropriated	Surplus on changes in value of available-for-sale investments	Unrealised loss from cash flow hedges	Surplus on change in interest in equity of subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2014	5,500,000,000	5,966,908,660	-	235,069,281	148,616	(115,707,993)	3,366,523	(112,192,854)	11,589,785,087	13,823,834,169	25,413,619,256
Total comprehensive income for the year	-	-	-	471,815,975	1,857,991	(15,334,038)	-	(13,476,047)	458,339,928	400,223,601	858,563,529
Transfer of premium on ordinary shares to reduce deficit (Note 23)	-	(170,000,000)	-	170,000,000	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(168,604,316)	(168,604,316)
Transfer to statutory reserve (Note 24)	-	-	10,280,115	(10,280,115)	-	-	-	-	-	-	-
Balance as at 31 December 2014	5,500,000,000	5,796,908,660	10,280,115	866,605,141	2,006,607	(131,042,031)	3,366,523	(125,668,901)	12,048,125,015	14,055,453,454	26,103,578,469
Balance as at 1 January 2015	5,500,000,000	5,796,908,660	10,280,115	866,605,141	2,006,607	(131,042,031)	3,366,523	(125,668,901)	12,048,125,015	14,055,453,454	26,103,578,469
Paid up ordinary shares (Note 23)	1,870,000,000	3,725,423,441	-	-	-	-	-	-	5,595,423,441	-	5,595,423,441
Dividend paid (Note 25)	-	-	-	(109,997,660)	-	-	-	-	(109,997,660)	-	(109,997,660)
Total comprehensive income for the year	-	-	-	411,875,203	5,674,422	(196,655,187)	-	(190,980,765)	220,894,438	132,082,961	352,977,399
Increase in non-controlling interests of the subsidiary from additional investments in the subsidiary	-	-	-	-	-	-	-	-	-	120,113,922	120,113,922
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	(249,913,476)	(249,913,476)
Transfer to statutory reserve (Note 24)	-	-	16,063,738	(16,063,738)	-	-	-	-	-	-	-
Balance as at 31 December 2015	7,370,000,000	9,522,332,101	26,343,853	1,152,418,946	7,681,029	(327,697,218)	3,366,523	(316,649,666)	17,754,445,234	14,057,736,861	31,812,182,095

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

Statement of changes in shareholders' equity (continued)

CK Power Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements					
					Other components of equity	
					Other comprehensive income	
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Surplus on changes in value of available-for-sale investments	Total
			Appropriated	Unappropriated		
Balance as at 1 January 2014	5,500,000,000	5,966,908,660	-	(178,663,679)	148,616	11,288,393,597
Total comprehensive income for the year	-	-	-	214,265,981	1,857,991	216,123,972
Transfer of premium on ordinary shares to reduce deficit (Note 23)	-	(170,000,000)	-	170,000,000	-	-
Transfer to statutory reserve (Note 24)	-	-	10,280,115	(10,280,115)	-	-
Balance as at 31 December 2014	5,500,000,000	5,796,908,660	10,280,115	195,322,187	2,006,607	11,504,517,569
Balance as at 1 January 2015	5,500,000,000	5,796,908,660	10,280,115	195,322,187	2,006,607	11,504,517,569
Paid up ordinary shares (Note 23)	1,870,000,000	3,725,423,441	-	-	-	5,595,423,441
Dividend paid (Note 25)	-	-	-	(109,997,660)	-	(109,997,660)
Total comprehensive income for the year	-	-	-	321,274,750	5,653,915	326,928,665
Transfer to statutory reserve (Note 24)	-	-	16,063,738	(16,063,738)	-	-
Balance as at 31 December 2015	7,370,000,000	9,522,332,101	26,343,853	390,535,539	7,660,522	17,316,872,015

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

Cash flow statement

CK Power Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	786,411,042	882,392,749	321,274,750	214,265,981
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,344,430,156	1,336,889,493	6,402,060	3,372,092
Share of profit from investments in jointly controlled entities	(35,749,932)	(34,670,713)	-	-
Share of loss from investment in an associated company	27,180,654	-	-	-
Loss (gain) on sales/write off of equipment	826,382	(2,653,914)	(29,203)	(1,192)
Unrealised loss (gain) on exchange	(25,772,691)	29,139,783	-	-
Amortisation of interest rate reduction fee	11,790,507	8,883,963	168,048	-
Amortisation of right to produce and sell electricity	521,283,824	521,283,824	-	-
Interest expenses	1,112,749,976	1,202,670,621	23,551,580	24,940,910
Provision for long-term employee benefits	4,245,276	4,331,831	2,137,801	2,828,885
Dividend income	-	-	(315,459,522)	(205,682,684)
Profit from operating activities before changes in operating assets and liabilities	3,747,395,194	3,948,267,637	38,045,514	39,723,992
Operating assets (increase) decrease				
Trade and other receivables	261,309,745	(484,175,638)	930,472	(15,744,705)
Spare parts and supplies	(2,280,598)	(24,549,992)	-	-
Other current assets	(24,045,246)	105,653,698	2,410,244	(4,389,755)
Other non-current assets	(11,687,708)	(5,174,092)	(681,704)	(4,895,861)
Operating liabilities increase (decrease)				
Trade and other payables	151,913,596	(223,321,527)	2,353,274	2,608,042
Retention payable	(2,266,289)	(2,182,847)	-	47,352
Other current liabilities	(11,558,349)	(8,893,784)	471,361	4,043,619
Other long-term liabilities - related party	-	14,156,690	-	-
Cash flows from operating activities	4,108,780,345	3,319,780,145	43,529,161	21,392,684
Cash paid for interest expenses	(49,949,016)	(55,098,821)	(23,561,484)	(25,155,551)
Cash paid for income tax expenses	(641,742)	(1,059,732)	(251,720)	(265,643)
Net cash flows from (used in) operating activities	4,058,189,587	3,263,621,592	19,715,957	(4,028,510)

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

Cash flow statement (continued)

CK Power Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Increase in short-term restricted bank deposits	(12,828,015)	(55,756,562)	-	-
Decrease (increase) in long-term restricted bank deposits	(2,661,083)	153,744,266	-	-
Increase in current investments	(941,500,306)	(168,842,651)	(920,257,477)	(167,516,119)
Increase in investments in subsidiaries	-	-	(221,686,074)	-
Increase in investment in an associated company	(4,862,700,000)	-	(4,862,700,000)	-
Increase in project costs during construction phase	(1,103,747,617)	(91,704,166)	-	-
Increase in equipment	(63,295,069)	(88,668,320)	(27,689,415)	(28,598,258)
Proceeds from sales of equipment	10,555,564	4,699,650	10,504,666	63,900
Dividend from subsidiaries	-	-	304,959,522	187,682,684
Dividend from jointly controlled entities	10,500,000	18,000,000	10,500,000	18,000,000
Cash paid for interest capitalised as part of project costs during construction phase	(18,703,832)	(1,198,406)	-	-
Net cash flows from (used in) investing activities	(6,984,380,358)	(229,726,189)	(5,706,368,778)	9,632,207
Cash flows from financing activities				
Increase in non-controlling interests of the subsidiaries	120,113,922	-	-	-
Cash receipt from short-term loans from financial institutions	-	1,181,333,690	-	-
Repayment of short-term loans from financial institutions	(71,333,690)	(1,170,000,000)	-	-
Decrease in long-term loans from financial institutions	(982,539,000)	(1,649,636,850)	(15,000,000)	(10,000,000)
Cash paid for loan arrangement fee	(34,042,500)	-	-	-
Cash paid for loan extension fee and for interest rate reduction fee	-	(28,449,795)	-	-
Cash receipt from issuance of ordinary shares	5,595,423,441	-	5,595,423,441	-
Cash paid for interest expenses	(1,033,401,022)	(1,149,536,152)	-	-
Dividend payment	(109,997,660)	-	(109,997,660)	-
Dividend payment of subsidiaries	(249,913,476)	(168,604,316)	-	-
Net cash flows from (used in) financing activities	3,234,310,015	(2,984,893,423)	5,470,425,781	(10,000,000)
Effect of exchange rate changes on cash and cash equivalents	2,333,003	(10,342,701)	-	-
Net increase (decrease) in cash and cash equivalents	310,452,247	38,659,279	(216,227,040)	(4,396,303)
Cash and cash equivalents at beginning of year	1,830,132,583	1,791,473,304	487,115,744	491,512,047
Cash and cash equivalents at end of year	2,140,584,830	1,830,132,583	270,888,704	487,115,744
Supplemental disclosures of cash flows information				
Non-cash transactions				
Increase in project costs during construction phase from construction payables, project payables and other payables	47,355,709	7,267,673	-	-
Increase in project costs during construction phase from interest payables	185,567	-	-	-
Increase in equipment from trade and other payables	-	4,568,818	201,885	1,428,316
Transfer deposit for purchase of equipment to equipment	-	3,607,874	-	-

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

Notes to consolidated financial statements

CK Power Public Company Limited and its subsidiaries

For the year ended 31 December 2015

1. General information

CK Power Public Company Limited ("the Company") is a limited company incorporated on 8 June 2011 and domiciled in Thailand and registered the change in the Company's status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 6 February 2013. The major shareholder of the Company is CH. Karnchang Public Company Limited, which is incorporated in Thailand. The Company is principally engaged in investment in companies whose the principal business operation is the generation of electricity for sales, and provision of consulting services and other services relating to electricity generating projects both locally and overseas.

The registered office of the Company is at 587 Viriyathavorn Building 19th Floor, Sutthisarn Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of CK Power Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			Percent	Percent
Investments in subsidiaries (held by Company)				
SouthEast Asia Energy Limited (including equity interest in Nam Ngum 2 Power Company Limited)	Investing in Nam Ngum 2 Power Company Limited	Thailand	56	56
Bangkhenchai Company Limited	Generating and sale of electricity for solar power	Thailand	100	100
Bangpa-in Cogeneration Limited	Generating and sale of electric power and power from other sources	Thailand	65	65
CKP Solar Company Limied[(1)]	Generating and sale of electricity	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			Percent	Percent
Apollo Power Company Limited[(1)]	Generating and sale of electricity	Thailand	100	100
Vis Solis Company Limited[(1)]	Generating and sale of electricity	Thailand	100	100
Sole Power Company Limited[(1)]	Generating and sale of electricity	Thailand	100	100
Helios Power Company Limited[(1)]	Generating and sale of electricity	Thailand	100	100
(held by subsidiary company)				
Nam Ngum 2 Power Company Limited (75 percent held by SouthEast Asia Energy Limited)	Generating and sale of electricity for the Nam Ngum 2 Hydroelectric Power Project	Lao People's Democratic Republic	42	42

[(1)] *Not commenced their business activities*

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, jointly controlled entities and associate under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company already apply the equity method to account for the investments in jointly controlled entities which the management determined as a joint venture.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Business Combinations

The Company accounts for business combinations under the acquisition method. The cost of acquisition is the sum of the transferred consideration at its acquisition-date fair value and any non-controlling interest in the acquiree. Non-controlling interests (if any) in the acquiree are measured at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The Company recognises cost of acquisition as an expense when it is incurred and when service has been rendered.

4.2 Revenue and expense recognition

Revenue from sales of electricity and steam

Revenue from sales of electricity and steam is recognised when the significant risks and rewards pass to the buyer.

Revenue from sales of electricity from the hydroelectric power project is recognised based on the amount of electricity agreed to be sold to the Electricity Generating Authority of Thailand (actual amount of electricity delivered and electricity available and awaiting delivery to Electricity Generating Authority of Thailand) and the rates stipulated in the Power Purchase Agreement.

Revenue from sales of electricity from solar power includes electricity tariff adder and fuel adjustment charges (Ft) but is net of the Provincial Electricity Authority's operating charges.

Project management income

Project management income is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.5 Spare parts and supplies

Spare parts and supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

4.6 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

b) Investments in jointly controlled entities and associate are accounted for in the consolidated financial statements using the equity method.

c) Investments in subsidiaries, jointly controlled entities and associate are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

4.7 Right to produce and sell electricity and amortisation

Intangible assets (Right to produce and sell electricity) acquired in a business combination were measured initially at their acquisition-date fair values. Subsequent to initial recognition, right to produce and sell electricity has been stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

Amortisation of rights to produce and sell electricity is calculated by reference to cost on a straight-line basis over the remaining terms of the rights to produce and sell electricity, from the date on which the Company assumes control over the subsidiaries or, if the subsidiary has not yet commenced sale of electricity at the date the Company assumes control, recognition of amortisation begins from the date on which the subsidiary first sells electricity under the Power Purchase Agreement (estimated around 10 to 27 years). The Company reviews assets for impairment whenever events or changes in circumstances indicate that an asset may be impaired, and reviews the amortisation period and the amortisation method used for right to produce and sell electricity at least every year. Amortisation is recognised as an expense in profit or loss.

4.8 Project costs during construction phase

All expenditures and other related expenses which are incurred during the construction of a power plant to enable it to become operational are capitalised as assets. Such project costs during construction phase include, inter alia, project administrative and management costs, consulting fees, design fees, interests and other financing costs.

4.9 Assets of hydroelectric power project under concession agreement

Nam Ngum 2 Power Company Limited capitalised all expenditures and other expenses related to the construction of the hydroelectric power plant as assets under the caption "Assets of hydroelectric power project under concession agreement" in the statement of financial position.

Assets of the hydroelectric power project under the concession agreement are stated at costs less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of assets of the hydroelectric power project under the concession agreement are calculated by reference to their costs on the straight-line basis over estimated useful lives of 27 years, in accordance with the concession agreement. Depreciation is included in determining income.

4.10 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Solar Power Plant	25	years
Thermal Power Plant and equipment	5 to 25	years
Furniture and office equipment	3, 5 and 10	years
Motor vehicles	5	years
Leased asset improvements of the subsidiaries	10 and 24	years

Depreciation is included in determining the operating result.

No depreciation is provided on land and assets under construction.

4.11 Borrowing costs

Borrowing costs directly attributable to the construction of the power plant project, which necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Long-term leases

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

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining the operating result. Gains and losses on exchange relevant to the construction of the power plant project are included as part of project costs during construction phase.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonus, annual rewards and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established provident funds. The funds are monthly contributed by employees and by the Company and the subsidiaries. The fund's assets are held in separate trust funds and the Company's and subsidiaries contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on calculation determined in accordance with tax legislation and concession agreement.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.19 Derivative financial instruments and hedging

Derivative financial instrument

A subsidiary and an associated company use a derivative financial instrument to manage their risks associated with interest rate, namely an interest rate swap agreement.

Such derivative is initially recognised and measured at fair value on the date on which the derivative contract is entered into and is subsequently remeasured at fair value, which has been calculated using the quoted market rates, at the end of reporting period. Gain or loss resulting from changes in the fair value of the derivative financial instrument is recognised as financial assets or financial liabilities when the gain or loss occurs. However, where the derivative qualifies for hedge accounting, recognition of any resultant gain or loss from changes in the fair value depends on the nature of the item being hedged.

Hedge accounting - Cash flow hedges

Subsidiaries and an associated company apply hedge accounting when the risk that has been hedged can be clearly identified and the effectiveness of the hedge can be measured.

Gains or losses arising from changes in the fair value of hedging instruments that effectively hedge exposure to fluctuations in cash flows that are either attributable to a particular risk associated with financial asset, financial liability, or highly probable forecast transactions, are recognised directly in other comprehensive income and transferred to be recognised in profit or loss when the hedged cash flow transactions occur. However, if the hedging instruments are not effective, any gains or losses from changes in the fair value of the hedging instruments are recognised immediately to profit or loss.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards except in case of no active market of an identical asset or liability or when a quoted market price is not available, whereby the Company and its subsidiaries measure fair value using valuation technique that is appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, either directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Project management income	-	-	129	118	Based on contracts
Dividend income	-	-	305	188	As declared
Other income	-	-	1	1	Based on contracts
Transactions with jointly controlled entities					
Dividend income	-	-	11	18	As declared
Transactions with associated company					
Project management income	36	-	36	-	Based on contracts

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
Transactions with related parties					
Revenue from sales of electricity	3,883	3,976	-	-	Based on contracts
Project management income	25	57	25	52	Based on contracts
Project cost during construction phase	1,061	-	-	-	Construction contract price
Cost of sales of electricity and steam	2,426	2,455	-	-	Based on contracts
Administrative expenses	26	21	10	12	Based on contracts
Project administration and management[1]	3	3	-	-	Based on contracts
Dividend payment of subsidiaries	250	169	-	-	As declared

[1] *included as part of project costs during construction phase*

The balances of the accounts as at 31 December 2015 and 2014 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Related by	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Trade and other receivables - related parties (Note 9)					
Trade receivables - related parties					
Subsidiaries		-	-	11,699	12,050
Associated company		5,334	5,094	5,334	5,094
Related party					
- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	923,471	985,628	-	-
		928,805	990,722	17,033	17,144
Other receivable - related party					
Advance - related party					
Subsidiary		-	-	-	77
Total trade and other receivables - related parties		928,805	990,722	17,033	17,221

(Unit: Thousand Baht)

	Related by	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Trade and other payables - related parties (Note 18)					
Trade payables - related parties					
Related parties					
- PT Sole Company Limited	A shareholder of a subsidiary	42,141	31,088	-	-
- RATCH - LAO Services Company Limited	A group shareholder of a subsidiary	184,647	38,101	-	-
- Electricité du Laos	Major shareholder of a shareholder of a subsidiary	1,702	1,539	-	-
- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	3,147	2,288	-	-
- The Government of the Lao People's Democratic Republic	A group shareholder of a subsidiary	72,080	79,449	-	-
- PTT Public Company Limited	A group shareholder of a subsidiary	147,812	173,639	-	-
- Bangpa-in Land Company Limited	Common directors	63	58	-	-
- TTW Public Company Limited	Common directors	5,480	4,886	-	-
		457,072	331,048	-	-
Other payables - related parties					
a) Construction payable - related party					
Related party					
- CH. Karnchang Public Company Limited	Common directors	46,111	-	-	-
b) Project payable - related parties					
Related parties					
- PT Sole Company Limited	A shareholder of a subsidiary	1,000	-	-	-
- Bangpa-in Land Company Limited	Common directors	691	-	-	-
		1,691	-	-	-

(Unit: Thousand Baht)

	Related by	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
c) Other payables - related parties					
Subsidiaries		-	-	-	54
Associated company		509	-	255	-
Related parties					
- CH. Karnchang Public Company Limited	Common directors	701	691	246	595
- Ratchaburi Electricity Generating Holding Public Company Limited	A shareholder of a subsidiary	236	221	-	-
- RATCH - LAO Services Company Limited	A group shareholder of a subsidiary	1,333	891	-	-
- Electricité du Laos	Major shareholder of a shareholder of a subsidiary	-	10	-	-
- CH. Karnchang (Laos) Company Limited	Common shareholders	6,980	-	-	-
- Bangpa-in Land Company Limited	Common directors	340	439	-	129
		10,099	2,252	501	778
Total trade and other payables - related parties		514,973	333,300	501	778
Retention payable - related company					
- PT Sole Company Limited	A shareholder of a subsidiary	-	2,237	-	-
Other long-term liabilities - related party					
- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	157,688	146,570	-	-

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and the subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	74.1	79.1	28.9	28.0
Post-employment benefits	4.7	4.9	1.3	1.2
Total	78.8	84.0	30.2	29.2

7. Cash and cash equivalents/Short-term restricted bank deposits

Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	769	943	100	200
Bank deposits	2,139,816	1,829,190	270,789	486,916
Total	2,140,585	1,830,133	270,889	487,116

The subsidiaries have pledged and assigned rights of claim in bank accounts with outstanding balances as at 31 December 2015 totaling approximately Baht 1,901 million (2014: Baht 1,360 million) with lenders to secure long-term loans of the subsidiaries, in accordance with conditions stipulated in the long-term loan agreements. However, the subsidiaries are able to withdraw these deposits for payments of their regular operating expenses, in accordance with purpose of each account.

As at 31 December 2015, bank deposits in saving accounts and fixed accounts carried interests between 0.05 and 1.80 percent per annum (2014: 0.10 and 3.25 percent per annum).

Short-term restricted bank deposits

Nam Ngum 2 Power Company Limited has pledged and assigned rights of claim in bank accounts with outstanding balances as at 31 December 2015 totaling approximately Baht 529 million (2014: Baht 516 million) with lenders to secure long-term loans of the subsidiary, in accordance with conditions stipulated in the long-term loan agreements. Those bank accounts have restrictions on withdrawal in order to repay loan principal and interest due within 6 months.

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Fixed deposit	57,662	56,405	1,015	1,000
Investments in available-for-sale securities				
Unit trust in fixed income open-ended fund	1,116,880	176,638	1,096,880	176,638
Add: Unrealised gain on changes in value of investments	7,698	2,006	7,661	2,006
Fair Value	1,124,578	178,644	1,104,541	178,644
Total current investments	1,182,240	235,049	1,105,556	179,644

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	928,805	990,722	17,033	17,144
Past due				
Up to 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables - related parties	928,805	990,722	17,033	17,144
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	283,113	490,699	-	-
Past due				
Up to 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables - unrelated parties	283,113	490,699	-	-
Total trade receivables	1,211,918	1,481,421	17,033	17,144
Other receivables				
Advance to related party	-	-	-	77
Advance to unrelated parties	22	-	-	-
Other receivables - unrelated parties	39	34	39	34
Interest receivables	7,290	1,722	653	1,400
Total other receivables	7,351	1,756	692	1,511
Total trade and other receivables	1,219,269	1,483,177	17,725	18,655

10. Long-term restricted bank deposits

Nam Ngum 2 Power Company Limited have pledged and assigned rights of claim on bank accounts with outstanding balances as at 31 December 2015 totaling approximately Baht 1,221 million (2014: Baht 1,195 million) with lenders to secure long-term loans of a group of that company in accordance with conditions stipulated in the long-term loan agreements. Those bank accounts have restrictions on withdrawal in order to reserve cash for loan principal repayment and interest payment under the long-term loans agreements, in the event that the subsidiary is unable to repay principal or interest when due.

11. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)				
SouthEast Asia Energy Limited	6,606,750	6,606,750	56	56	9,249,450	9,249,450	133,192	122,093
Bangkhenchai Company Limited	234,250	234,250	100	100	527,062	527,062	65,590	65,590
Bangpa-in Cogeneration Limited	1,707,050	1,370,000	65	65	1,522,501	1,305,563	106,177	-
CKP Solar Company Limited[1]	5,748	1,000	100	100	5,748	1,000	-	-
Apollo Power Company Limited[1]	250	250	100	100	250	250	-	-
Vis Solis Company Limited[1]	250	250	100	100	250	250	-	-
Sole Power Company Limited[1]	250	250	100	100	250	250	-	-
Helios Power Company Limited[1]	250	250	100	100	250	250	-	-
Total					11,305,761	11,084,075	304,959	187,683

(1) *Not commenced their business activities*

11.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
SouthEast Asia Energy Limited	44	44	13,172	13,296	309	346	193	169
Bangpa-in Cogeneration Limited	35	35	885	759	65	64	57	-

11.3 Summarised financial information of subsidiaries that have material non-controlling interests, based on amounts before inter-company elimination about

Summarised information about financial position

(Unit: Million Baht)

	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	2015	2014	2015	2014
Current assets	2,938	2,764	770	606
Non-current assets	25,981	27,017	6,185	5,247
Current liabilities	1,875	1,684	430	447
Non-current liabilities	14,863	16,169	4,595	3,858

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	2015	2014	2015	2014
Revenue	3,945	3,993	2,670	2,804
Profit	993	1,058	212	193
Other comprehensive income	(415)	(5)	(4)	(20)
Total comprehensive income	578	1,053	208	172

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December			
	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	2015	2014	2015	2014
Cash flow from operating activities	3,152	2,692	767	447
Cash flow from (used in) investing activities	(64)	73	(1,127)	(117)
Cash flow from (used in) financing activities	(2,895)	(2,739)	702	(298)
Effect of exchange rate changes on cash and cash equivalents	2	(10)	-	-
Net increase in cash and cash equivalents	195	16	343	32

SouthEast Asia Energy Limited

The Company entered into an Equity Contribution Agreement with SouthEast Asia Energy Limited, Nam Ngum 2 Power Company Limited (co-borrower), other shareholders and lenders of those companies. Under the agreement, the Company agreed to provide equity contributions of up to Baht 307.5 million for any revenue shortfall in the event that the construction of the Nam Ngum 3 Hydroelectric Power Project negatively impacts on the energy production of the co-borrower of the above company, causing such company to be unable to comply with its obligations under the Financing Documents. The Company also agreed to provide additional equity contribution of up to Baht 205 million if the co-borrower defaults on loan payment or is unable to comply with its obligations under the Financing Documents.

The Company has pledged share certificates for its investment in SouthEast Asia Energy Limited with banks to guarantee loan facilities granted to that company by the banks.

Bangpa-in Cogeneration Limited

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

In November 2014, the Extraordinary General Meeting of Bangpa-in Cogeneration Limited passed a resolution for the increase of the registered share capital from Baht 1,370 million to Baht 2,705 million through the issuance of 133.5 million shares with a par value of Baht 10 each for another power plant project, to be offered to the existing shareholders in proportion to their shareholding. Such company registered the amendment of the Memorandum of Association to reflect the increase in share capital with the Ministry of Commerce on 27 January 2015.

During the year ended 31 December 2015, Bangpa-in Cogeneration Limited called up share capital totaling to Baht 337 million, an additional 25 percent of the value of the 122.8 million ordinary shares and additional 28.1 percent of the value of the 10.7 million ordinary shares.

12. Investments in jointly controlled entities

12.1 Detail of jointly controlled entities:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements: Carrying amounts based on equity method		Separate financial statements: Cost of investment	
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
Nakhon Ratchasima Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	125,291	111,427	85,388	85,388
Chiang Rai Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	135,777	124,391	107,551	107,551
					261,068	235,818	192,939	192,939

12.2 Share of profit (loss) and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in jointly controlled entities in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Company's name	Share of profit from investments in jointly controlled entities during the years		Dividend received during the years	
	2015	2014	2015	2014
Nakhon Ratchasima Solar Company Limited	13,864	12,486	-	-
Chiang Rai Solar Company Limited	21,886	22,185	10,500	18,000
Total	35,750	34,671	10,500	18,000

12.3 Summarised financial information of jointly controlled entities

Financial information as presented in the financial statements of jointly controlled entities is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Nakhon Ratchasima Solar Company Limited	188	188	797	842	432	532	127	128	55	50
Chiang Rai Solar Company Limited	277	277	1,004	1,039	608	690	166	172	81	82

Nakhon Ratchasima Solar Company Limited

The Company entered into a Shareholders Agreement with Nakhon Ratchasima Solar Company Limited and another shareholder. Under the agreement, the Company agreed to provide financial support to such company in the proportion stipulated in the agreement (30 percent), or in total not more than Baht 12.6 million, if such company has continually negative working capital for a certain period stipulated in the agreement.

The Company has pledged all share certificates for its investment in Nakhon Ratchasima Solar Company Limited with a bank to guarantee a loan facility granted to that company by the bank.

Chiang Rai Solar Company Limited

The Company has pledged all share certificates for its investment in Chiang Rai Solar Company Limited with a bank to guarantee a loan facility granted to that company by the bank.

13. Investments in associated company

13.1 Detail of associated company

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements: Carrying amounts based on equity method		Separate financial statements: Cost of investment	
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
Xayaburi Power Company Limited[(1)]	Generating and sale of electricity	The Lao People's Democratic Republic	30	-	4,815,999	-	4,862,700	-

[(1)] No fair value since shares of such company were not traded on the Stock Exchange of Thailand

13.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of comprehensive income from investments in associated company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associate	Consolidated financial statements: Share of profit/loss from investments in associate during the year		Consolidated financial statements: Share of other comprehensive income from in associate during the year		Separate financial statements: Dividend received during the year	
	2015	2014	2015	2014	2015	2014
Xayaburi Power Company Limited	(27,181)	-	(19,520)	-	-	-

13.3 Summarised financial information of associated company

Financial information as presented in the financial statements of associated company is summarised below

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Loss for the year ended 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Xayaburi Power Company Limited	12,175	9,325	51,122	37,930	40,330	29,578	-	1	(140)	(124)

On 9 April 2015, the Annual General Meeting of Shareholders of the Company for the year 2015 passed the resolution approving the acquisition of 30 percent of the registered share capital of Xayaburi Power Company Limited, a related company, comprising 805,830,000 shares amounting to approximately Baht 4,344 million from CH. Karnchang Public Company Limited. The Annual General Meeting of Shareholders also approved the contribution of additional share capital totaling approximately Baht 5,512 million to this company, proportionate to the shareholding, until the construction of this company's project is completed, and the acceptance of CH. Karnchang Public Company Limited's existing obligations to the financial institution creditors of this company.

Details of the fair values and their book values of identifiable assets and liabilities of Xayaburi Power Company Limited at acquisition date are as follow:

(Unit: Thousand Baht)

	Fair value	Book value
Assets		
Cash and cash equivalents	741,269	741,269
Other current assets	6,006	6,006
Project costs during construction phase	41,302,030	41,302,030
Right to produce and sell electricity	5,870,681	-
Deferred loan arrangement fees	790,552	790,552
Building and equipment	43,935	43,935
Other assets	599	599
Total assets	48,755,072	42,884,391
Liabilities		
Trade and other payables	822,648	822,647
Long-term loans from financial institutions	32,147,842	32,147,842
Derivative financial liabilities	693,626	693,626
Provision for long-term employee benefits	1,955	1,955
Income tax liability from entity acquisition	609,001	-
Total liabilities	34,275,072	33,666,070
Net asset value	14,480,000	9,218,321
Net asset attributable to Company's investment	4,344,000	
Cost of investment in associate		
(consolidated financial statement)	**4,344,000**	

Currently, Xayaburi Power Company Limited's registered share capital comprises 2,686 million shares with a par value of Baht 10 each, a total of Baht 26,861 million, which has not been fully paid. Such company will gradually call up the additional share capital when it is required to fund the project expenditures.

During the year ended 31 December 2015, Xayaburi Power Company Limited received share payments from its shareholders totaling Baht 2,850 million, as such company called up an additional 30 percent of the value of 950 million ordinary shares.

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

14. Right to produce and sell electricity

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Right to produce and sell electricity	13,203,679	13,203,679
Less: Accumulated amortisation of right to produce and sell electricity	(1,873,116)	(1,351,832)
Right to produce and sell electricity - net	11,330,563	11,851,847
Right to produce and sell electricity - net consisting of		
Equity attributable to shareholders of the Company	5,009,535	5,251,882
Non-controlling interests of the subsidiaries	6,321,028	6,599,965
Total	11,330,563	11,851,847

15. Project costs during construction phase

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Project construction costs	1,052,169	-
Project administrative and management fee and other costs	301,548	368,459
Interest expenses and other financial cost during construction phase	261,090	96,441
Total	1,614,807	464,900

As at 31 December 2015 and 2014, the balances of project costs during construction phase represented Nam Bak Hydroelectric Power Project and the second thermal power project.

A subsidiary has mortgaged land and the second thermal power plant project to the lenders as collateral against credit facilities received from the banks.

During the year ended 31 December 2015, the subsidiary had the borrowing costs totaling approximately Baht 20 million (2014: Baht 1 million) capitalised for project costs during construction phase. The interest rate used to determine the amount of borrowing cost was 3.4 - 4.2 percent per annum (2014: 6.40 percent per annum).

16. Assets of hydroelectric power project under concession agreement

Movements of assets of hydroelectric power project under concession agreement for the year ended 31 December 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cost	
1 January 2014	29,428,223
31 December 2014	29,428,223
31 December 2015	29,428,223

(Unit: Thousand Baht)

	Consolidated financial statements
Accumulated depreciation	
1 January 2014	2,969,759
Depreciation for the year	1,072,799
31 December 2014	4,042,558
Depreciation for the year	1,072,800
31 December 2015	5,115,358
Net book value	
31 December 2014	25,385,665
31 December 2015	24,312,865

Nam Ngum 2 Power Company Limited has mortgaged immovable assets and pledged other movable assets of the Nam Ngum 2 Hydroelectric Power Project with a group of lenders to secure the long-term loans.

17. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Solar power plant	Thermal power plant and equipment	Leased asset improvements	Furniture and office equipment	Motor vehicles	Assets under improvements	Total
Cost								
1 January 2014	261,084	742,710	5,054,890	24,575	51,700	80,830	7,255	6,223,044
Additions	-	-	41,112	12,065	19,120	5,479	10,589	88,365
Transfer in (out)	-	-	-	17,529	2,458	(1,953)	(17,844)	190
Disposals/write off	-	-	-	(6,289)	(4,354)	(11,516)	-	(22,159)
31 December 2014	261,084	742,710	5,096,002	47,880	68,924	72,840	-	6,289,440
Additions	-	2,345	15,175	8,580	12,115	3,058	13,513	54,786
Transfer in (out)	-	-	-	8,451	3,786	-	(12,237)	-
Disposals/write off	-	-	(912)	(8,282)	(4,108)	(1,365)	-	(14,667)
31 December 2015	261,084	745,055	5,110,265	56,629	80,717	74,533	1,276	6,329,559
Accumulated depreciation								
1 January 2014	-	41,380	112,576	7,060	26,852	41,969	-	229,837
Depreciation for the year	-	29,708	197,572	3,700	10,916	10,909	-	252,805
Depreciation on disposals/write off	-	-	-	(6,289)	(2,543)	(11,516)	-	(20,348)
Transfer in (out)	-	-	-	-	(1,427)	(1,722)	-	(3,149)
31 December 2014	-	71,088	310,148	4,471	33,798	39,640	-	459,145
Depreciation for the year	-	29,804	209,092	2,753	12,334	8,807	-	262,790
Depreciation on disposals/write off	-	-	(82)	(595)	(2,222)	(386)	-	(3,285)
31 December 2015	-	100,892	519,158	6,629	43,910	48,061	-	718,650

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Solar power plant	Thermal power plant and equipment	Leased asset improvements	Furniture and office equipment	Motor vehicles	Assets under improvements	Total
Net book value								
31 December 2014	261,084	671,622	4,785,854	43,409	35,126	33,200	-	5,830,295
31 December 2015	261,084	644,163	4,591,107	50,000	36,807	26,472	1,276	5,610,909
Depreciation for the year								
2014 (Baht 234 million included in cost of sales of electricity and steam, and the balance in administrative expenses)								252,805
2015 (Baht 242 million included in cost of sales of electricity and steam, and the balance in administrative expenses)								262,790

(Unit: Thousand Baht)

	Separate financial statements				
	Leased asset improvements	Office equipment	Motor vehicles	Assets under improvements	Total
Cost					
1 January 2014	-	2,684	-	7,255	9,939
Additions	7,879	8,750	1,836	10,589	29,054
Disposals	-	(70)	-	-	(70)
Transfer in (out)	17,530	314	4,046	(17,844)	4,046
31 December 2014	25,409	11,678	5,882	-	42,969
Additions	6,747	7,523	2,036	12,237	28,543
Disposals/Write off	(8,282)	(2,790)	(1,365)	-	(12,437)
Transfer in (out)	10,521	1,716	-	(12,237)	-
31 December 2015	34,395	18,127	6,553	-	59,075
Accumulated depreciation					
1 January 2014	-	183	-	-	183
Depreciation for the year	660	1,479	791	-	2,930
Depreciation on disposals	-	(11)	-	-	(11)
31 December 2014	660	1,651	791	-	3,102
Depreciation for the year	1,603	3,384	923	-	5,910
Depreciation on disposals/Write off	(595)	(980)	(386)	-	(1,961)
31 December 2015	1,668	4,055	1,328	-	7,051
Net book value					
31 December 2014	24,749	10,027	5,091	-	39,867
31 December 2015	32,727	14,072	5,225	-	52,024
Depreciation for the year included in administrative expenses					
2014					2,930
2015					5,910

As at 31 December 2015, the Company and a subsidiary had vehicles under finance lease agreements with net book values amounting to Baht 5 million (2014: Baht 12 million).

As at 31 December 2015, certain furniture and office equipment items of subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 57 million (2014: Baht 2 million).

Bangkhenchai Company Limited has mortgaged some plots of land and the solar power plant project with a total net book value as at 31 December 2015 of approximately Baht 706 million (2014: Baht 733 million) to the lender as collateral against credit facilities received from the bank.

Bangpa-in Cogeneration Limited has mortgaged land and the thermal power plant project with a total net book value as at 31 December 2015 of Baht 4,680 million (2014: Baht 4,882 million) to the lenders as collateral against credit facilities received from the banks.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - related parties	457,072	331,048	-	-
Trade payables - unrelated parties	49,494	44,131	-	-
Construction payable - related party	46,111	-	-	-
Project payable - related parties	1,691	-	-	-
Project payable - unrelated parties	8,816	14,781	-	-
Other payables - related parties	10,099	2,252	501	778
Other payables - unrelated parties	8,913	10,123	3,765	2,259
Accrued expenses	30,612	19,120	8,819	7,493
Accrued finance cost	5,830	6,277	123	133
Total trade and other payables	618,638	427,732	13,208	10,663

19. Short-term loans from financial institutions

The balance represented loans under the Tranche B Facility of Bangpa-in Cogeneration Limited, as described in Note 20.

20. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Long-term loans	21,904,305	22,493,115	469,160	483,992
Less: Current portion of long-term loans	(1,765,675)	(1,671,795)	(30,000)	(15,000)
Long-term loans, net of current portion	20,138,630	20,821,320	439,160	468,992

Movement in the long-term loans account during the year are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	22,554,698	485,000
Add: Additional borrowings during the year	922,000	-
Unrealised loss from cash flow hedges	414,858	-
Less: Repayment during the year	(1,904,539)	(15,000)
	21,987,017	470,000
Less: Deferred loan arrangement fee	(55,577)	(840)
Deferred extension fee of the loan	(7,311)	-
Deferred interest rate reduction fee	(19,824)	-
Balance as at 31 December 2015	21,904,305	469,160

The Company

The loan carries interest of the Minimum Loan Rate minus a stipulated margin (MLR - margin) and the Minimum Loan Rate (MLR) per annum and is to be paid in 15 semi-annual installments, in the amounts stipulated in the loan agreement, with the first installment due in December 2013 and the final installment in December 2020.

SouthEast Asia Energy Limited

As at 31 December 2015, the long-term loans that the branch of SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited entered into loan agreements with a consortium of commercial banks in Thailand had the outstanding balance totaling Baht 16,209 million. Such loans comprise the following 3 credit facilities.

1) Tranche A Facility: Baht 15,003 million for the payment of project costs.
2) Tranche B Facility: USD 180 million for the payment of project costs.
3) Tranche C Facility: A bank guarantee of USD 25 million provided to guarantee its subsidiary's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand.

The rate of interest under Tranche A Facility is MLR plus a stipulated margin (MLR + margin) per annum for the Initial Operation Date. Subsequently, the lenders have approved a reduction in the interest rate of the Tranche A Facility to be MLR per annum, effective from April 2012 onwards. In October 2013 the lenders approved a reduction in the interest rate of the Tranche A Facility to be MLR less a stipulated margin (MLR - margin) per annum for three years, effective from November 2013 onwards. The rate for the Tranche B Facility is LIBOR plus a stipulated margin (LIBOR + margin) per annum. The principal repayments under Tranche A and B Facilities shall be made semi-annually in 22 installments, in the amounts stipulated in the long-term loan agreements. The first repayment date is in March 2012.

Under the long-term loan agreements, those companies are to conform to covenants imposed by the lenders in respect of, among other things, the increase in the registered capital, the maintenance of a certain debt to equity ratio and provision of securities by mortgaging of its immovable properties, the pledge of movable properties located in the Lao People's Democratic

Republic, pledges of share certificates of SouthEast Asia Energy Limited and some of share certificates of Nam Ngum 2 Power Company Limited, pledges and assignments of rights in bank accounts, the assignment of beneficiary rights under insurance policies, and the assignment of rights and obligations under the relevant agreements relating to the Nam Ngum 2 Hydroelectric Power Project.

Bangkhenchai Company Limited

As at 31 December 2015, the long-term loan that Bangkhenchai Company Limited entered into a long-term loan agreement with a local commercial bank which granted the loan facility of Baht 703 million, which had the outstanding loan balance of loan totaling to Baht 500 million. The long-term loan carries interest at the Minimum Loan Rate minus a stipulated margin (MLR - margin) per annum and the lender will reduce the stipulated margin two times, in November 2014 and November 2016. Principal is to be paid in 40 quarterly installments in the amounts stipulated in the long-term loan agreement, with the first payment is in September 2012. As collateral for this loan, that company mortgaged some plots of land and constructions and assigned the rights in bank accounts.

Under the long-term loan agreement, Bangkhenchai Company Limited is to conform to covenants imposed by the lenders in respect of, among other things, the maintenance of a certain debt to equity ratio.

Bangpa-in Cogeneration Limited

As at 31 December 2015, the long-term loans from banks of Bangpa-in Cogeneration Limited comprise credit facilities from two local commercial banks. Details are as follows:

a) The outstanding loan balance of Baht 3,863 million is under the loan agreement with comprises the following 3 credit facilities:

   1) Tranche A Facility is a long-term loan of Baht 4,110 million for use in the payment of project costs. The rate of interest of the Tranche A Facility is the fixed deposit rate plus a stipulated margin per annum, with the lender to reduce the stipulated margin as from the Commercial Operation Date. Principal is to be paid in 26 semi-annually installments in the amounts stipulated in the long-term loan agreement, with the first payment in March 2014. Thereafter, payment is made in June and December of each year, with the final payment in June 2026.

      In June 2014, the lenders approved an extension of the loan repayment period of this long-term loan, from the former terms of 26 semi-annual installments to 33 semi-annual installments, at the rates stipulated in the loan agreement, with the final installment to be paid in December 2029.

   2) Tranche B Facility is short-term working capital loan facility of Baht 120 million in the form of promissory notes, bank overdrafts and letters of credit.

   3) Tranche C Facility is a bank guarantee facility of Baht 803 million provided for the subsidiary's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and other guarantees.

b) The balance of loan amounting to Baht 922 million is under another loan agreement for another power plant project of the subsidiary with the following 3 credit facilities:

   1) Tranche A Facility is a long-term loan of Baht 4,005 million for use in the payment of project costs. The rate of interest of the Tranche A Facility is the fixed deposit rate plus a stipulated margin per annum, with the lender to reduce the stipulated margin as from the Commercial Operation Date. Principal is to be paid in 33 semi-annually installments in the amounts stipulated in the long-term loan agreement, with the first payment due

on the earlier of (a) 9 months after the Commercial Operation Date and (b) 31 May 2018. Thereafter, payment is made in June and December of each year.

2) Tranche B Facility is short-term working capital loan facility of Baht 250 million in the form of promissory notes, bank overdrafts and letters of credit.

3) Tranche C Facility is a bank guarantee facility of Baht 686 million provided for the subsidiary's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and other guarantees.

As at 31 December 2015, the long-term credit facilities of such company which have not yet been drawn amounted to Baht 3,083 million.

As collateral for the loans, the subsidiary mortgaged some plots of land and constructions thereon, and equipment as well as assigned the rights in bank accounts, benefits under insurance policy and commitments under agreements related to the project and others as stipulated in loan agreement.

Under the long-term loan agreements, Bangpa-in Cogeneration Limited is to conform to covenants imposed by the lenders such as registered capital increase and the maintenance of a certain debt to equity ratio.

21. Other long-term liabilities - related party

The balance of other long-term liabilities is excess cash which Nam Ngum 2 Power Company Limited received from sales of electricity to EGAT as excess energy under the Nam Ngum 2 Hydroelectric Power Project, and which it is obligated to repay to EGAT in 2022, in accordance with a condition in the Power Purchase Agreement. Nam Ngum 2 Power Company Limited records such long-term liabilities at the present value of the amounts to be repaid, calculated using a discount rate tied to the cost of financing rate of that company, and records gains from the calculation of the present value of long-term liabilities in profit or loss. In addition, the carrying amount of the liabilities increases in each period to reflect the passage of time, with Nam Ngum 2 Power Company Limited recognising this increase as finance cost.

22. Warrants

On 9 April 2015, the Annual General Meeting of Shareholders No. 1/2015 passed the resolution approving the issue and allocation of 1,870 million units of CKP-W1 warrants to the existing shareholders who subscribe and make subscription payment for its newly issued ordinary shares of the Company, free of charge, in proportion to their shareholding, at a ratio of 1 warrant for every 1 newly issued ordinary share.

Subsequently, on 29 May 2015, the Company issued the 1,870 million units of CKP-W1 to the shareholders of the Company. The warrants have an exercise period of 5 years from the date of issue, and are exercisable on the last business day of each quarter over the term of the warrants. The first and the last exercise dates are 30 September 2015 and 28 May 2020, respectively. The exercise ratio is 1 warrant per 1 ordinary share and the exercise price is Baht 6.

23. Share capital/Share premium

On 22 April 2014, the Annual General Meeting of Shareholders for the year 2014 passed the resolution approving the offsetting of share premium amounting to Baht 170 million against the Company's deficit.

On 9 April 2015, the Annual General Meeting of Shareholders for the year 2015 passed the following significant resolutions:

1) Approved the change of the par value of its ordinary shares from Baht 5 per share (1,100 million shares) to Baht 1 per share (5,500 million shares).
2) Approved the issue of not exceeding 3,740 million additional ordinary shares with the par value at Baht 1 each, increasing the registered share capital from Baht 5,500 million (5,500 million ordinary shares at Baht 1 each) to Baht 9,240 million (9,240 million ordinary shares at Baht 1 each). Not exceeding of 1,870 million of the new ordinary shares will be offered for sale to the existing shareholders in proportion of their shareholding (Rights Offering) at the price of Baht 3 per share, and not exceeding 1,870 million of the new ordinary shares will accommodate the exercise of warrants to purchase ordinary shares of the Company.

On 12 May 2015, the Company registered the amendment of the Memorandum of Association to reflect the change of the par value and the increase in share capital with the Ministry of Commerce.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

25. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2014	2015 Annual General Meeting of the shareholders on 9 April 2015	110	0.10
		110	0.10

26. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Seperate financial statements	
	2015	2014	2015	2014
Fuel costs	1,826,971	1,979,144	-	-
Depreciation and amortisation	1,344,430	1,336,889	6,402	3,372
Operation and maintenance of power plant and transmission systems	579,430	413,652	-	-
Salary and other employee benefits	167,438	173,919	73,369	69,328
Royalty fee	132,588	135,421	-	-
Insurance premium	75,676	87,042	-	-
Environment and public consultation	30,581	42,530	-	-
Traveling expenses	50,218	51,442	20,240	23,003
Consultant expenses	56,311	46,877	31,294	15,750
Director's remuneration	28,082	23,985	14,042	9,945
Project management fee	11,585	10,731	-	-

27. Income tax

Income tax expense reported in the statement of comprehensive income is current income tax. As at 31 December 2015 the Company has deductible temporary differences and unused tax losses totaling Baht 321 million (2014: Baht 342 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 314 million will expire by 2018.

Corporate income tax of Nam Ngum 2 Power Company Limited is calculated by multiplying net income by the tax rate as specified in the Concession Agreement for each period commencing from the Initial Operation Date (26 March 2011) to the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project. However, for a period of 5 years from the Initial Operation Date, that company has been granted exemption from the corporate income tax. Therefore, no corporate income tax was payable for the current year.

28. Promotional privileges

Bangkhenchai Company Limited received promotional privileges from the Board of Investment for generation of electricity from solar power, pursuant to the promotion certificate No. 1089(1)/2555 on 23 January 2012. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (10 August 2012).

Bangpa-in Cogeneration Limited received promotional privileges from the Board of Investment for generation of electricity and steam from thermal power, pursuant to the promotion certificate No. 1565(2)/2554 on 18 May 2011. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (23 June 2013).

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year after reflecting the effect of stock split (as discussed in Note 23).

30. Provident fund

The Company, its subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries and their employees all contribute to the fund monthly at the rate of 5 percent of basic salary. The funds, which are managed by Krungsri Asset Management Company Limited and Kasikorn Asset Management Company Limited (Separate financial statements: Krungsri Asset Management Company Limited), will be paid to employees upon termination in accordance with the fund rules. During the years 2015 and 2014, the Company and its subsidiaries contributed Baht 3.3 million and Baht 3.0 million, respectively (Separate financial statement: Baht 2.0 million and Baht 2.0 million, respectively) to the funds.

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Chairman of the Executive Board. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements.

The Company is principally engaged in investment in other companies, with the provision of cousulting and other services related to power generation project as the secondary business while the subsidiaries' core businesses are the generation and sale of electricity and steam.

For management purposes, the Company and its subsidiaries are organised into 3 business segments based on the type of power plant namely (1) generation of electricity from hydroelectric power (2) generation of electricity and steam from solar power and (3) generation of electricity from thermal power. The geographic areas in which these activities are carried on are Thailand (generation of electricity from solar and thermal power) and the Lao People's Democratic Republic (generation of electricity from hydroelectric power), where operations are carried out by subsidiary of SouthEast Asia Energy Limited.

The investment and project management segments were included in other operating segments.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue and profit (loss) information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014.

(Unit: Million Baht)

For the year ended 31 December 2015	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Total segments	Adjustments and eliminations	Consolidated financial statement
Revenue							
Revenue from external customers	3,883	158	2,655	61	6,757	-	6,757
Inter-segment	-	-	-	129	129	(129)	-
Total revenue	3,883	158	2,655	190	6,886	(129)	6,757
Depreciation and amortisation	1,087	30	219	8	1,344		1,344
Segment operating profit (loss)	1,424	82	335	(6)	1,835		1,835
Unallocated income and expenses:							
Other income							52
Share of profit from investments in jointly controlled entities							36
Share of loss from investments in associated company							(27)
Finance cost							(1,110)
Profit for the year							786

In 2015, the Company and its subsidiaries had revenues from a group of government agencies amounting to Baht 6,199 million

(Unit: Million Baht)

For the year ended 31 December 2014	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Total segments	Adjustments and eliminations	Consolidated financial statement
Revenue							
Revenue from external customers	3,976	163	2,803	57	6,999	-	6,999
Inter-segment	-	-	-	118	118	(118)	-
Total revenue	3,976	163	2,803	175	7,117	(118)	6,999
Depreciation and amortisation	1,089	30	209	9	1,337		1,337
Segment operating profit (loss)	1,600	92	358	(12)	2,038		2,038
Unallocated income and expenses:							
Other income							28
Share of profit from investments in jointly controlled entities							35
Finance cost							(1,219)
Profit for the year							882

In 2014, the Company and its subsidiaries had revenues from a group of government agencies amounting to Baht 6,448 million.

Non-current assets of the Company and its subsidiaries by segment as at 31 December 2015 and 2014 are as follows.

(Unit: Million Baht)

Non-current assets*	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Consolidated financial statement
As at 31 December 2015	36,517	937	6,779	5,138	49,371
As at 31 December 2014	38,014	995	5,867	289	45,165

** Other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts.*

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2015, the Company and its subsidiaries have capital commitments in respect of the following agreements.

a) A subsidiary has capital commitments in respect of consultancy coordination and other service agreements for the Nam Bak Hydroelectric Power Project, with a related company and other companies totaling Baht 0.25 million per month and Baht 6.8 million (2014: Baht 0.25 million per month and Baht 6.8 million).

b) A subsidiary has commitments in the employment contract engineering consulting services for another power plant project of the subsidiary amounting to Baht 25.7 million (2014: Baht 46.6 million).

c) A subsidiary has commitments totaling Baht 3,258 million (2014: Baht 4,310 million) under the power plant construction agreement of made with a related company.

32.2 Operating lease and other commitments

As at 31 December 2015, the Company and its subsidiaries have commitments in respect of the following operating lease and other agreements as well as other commitments:

a) The Company has service commitments amounting to approximately Baht 1.2 million per month (2014: Baht 1.1 million per month).

b) The Company has commitments in respect of uncalled portion of investments in subsidiary and associated company of approximately Baht 650.8 million and Baht 4,406.0 million respectively (as described in Notes 11 and 13).

c) The Company has commitments in respect of its undertakings to provide financial support to two subsidiaries, one jointly controlled entity and one associated companies, as stipulated in the conditions in the agreements (as discussed in Notes 11 to 13).

d) The Company and its subsidiaries have commitments in respect of agreements leasing the location of the office and other service agreements with a major shareholder and car leasing agreements. The terms of the agreements are 3 to 5 years.

As at 31 December 2015, future minimum lease payments required under these operating lease contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Seperate financial statements	
	2015	2014	2015	2014
Payable:				
In up to 1 year	17.6	17.3	15.3	15.4
In over 1 and up to 5 years	22.4	35.2	20.7	34.2

e) A subsidiary has commitments in respect of an agreement leasing the location of its office in the Lao People's Democratic Republic. The term of the agreement is 25 years. As at 31 December 2015, future minimum lease payments required under this operating lease contract were as follows.

(Unit: Thousand USD)

	As at 31 December	
	2015	2014
Payable:		
In up to 1 year	54	51
In over 1 and up to 5 years	220	217
In over 5 years	820	877

f) A subsidiary has commitments in respect of an agreement leasing land for locating gas pipelines with the State Railway of Thailand and an agreement leasing land with a related company for a period of 3 years.

As at 31 December 2015, future minimum lease payments under these operating lease contracts were as follows.

(Unit: Million Baht)

	As at 31 December	
	2015	2014
Payable:		
In up to 1 year	8.2	0.7
2 - 5 years	6.6	1.5

g) The subsidiary has commitments in respect of consultancy, administration and other service agreements for the Nam Ngum 2 Hydroelectric Power Project, totaling CHF 0.1 million, JPY 52.9 million, Baht 91.9 million and Baht 11.4 million per month (2014: CHF 0.2 million, JPY 22.6 million, Baht 124.7 million and Baht 11.1 million per month).

h) The subsidiary has commitment in respect of the Agreement on Operation and Maintenance of Dam and Powerhouse for Nam Ngum 2 Hydroelectric Power Project with a related company until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project, with the service fee as specified in the agreement and subject to increase on an annual basis at the rate specified in the agreement. The service fee for 2015 is approximately Baht 10.79 million per month.

i) The subsidiary has commitment in respect of the Agreement on Operation and Maintenance of Transmission Systems for Nam Ngum 2 Hydroelectric Power Project with a related party, until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project, with the service fee as specified in the agreement and subject to increase on an annual basis at the rate specified in the agreement. The service fee for 2015 is approximately USD 0.05 million per month.

j) A subsidiary has a commitment amounting to approximately Baht 25 million per year in respect of the Service Agreement with a related company, for consultancy services relating to operation and maintenance of the Nam Ngum 2 Hydroelectric Power Plant.

k) A subsidiary has a commitment to pay royalty fees to the Government of the Lao People's Democratic Republic commencing from the Initial Operation Date to the end of the concession period, which is calculated by multiplying revenue from sales of electricity by the royalty rate for each period as specified under the Concession Agreement.

l) A subsidiary has a commitment totaling approximately Baht 214.6 million in respect of the Agreements on Major Maintenance Services and Transmission System Maintenance Services for the Nam Ngum 2 Hydroelectric Power Plant with related parties (2014: Baht 283.3 million).

m) A subsidiary has a commitment in respect of the Agreement on Operation and Maintenance of the Solar Power Plant Project, amounting to approximately Baht 15.1 million (2014: Baht 10.9 million).

n) A subsidiary has a commitment in respect of the Service Agreement and Maintenance of the Solar Power Plant, amounting to approximately Baht 0.7 million (2014: Baht 0.9 million).

o) A subsidiary has a commitment in respect of the Agreement concerning maintenance of the thermal power plant with a company amounting to USD 0.6 million per quarter for the period from the first quarter of 2014 to the second quarter of 2026, with the service fee to increase on an annual basis at the rate specified in the agreement.

p) A subsidiary has a commitment in respect of two agreements for the existing power project and the new power project to purchase natural gas from PTT Public Company Limited in a specified quantity and at a stipulated price as defined in the agreements for a period of 25 years. The agreements will expire in May 2038 and May 2042, respectively.

q) A subsidiary has a commitment in respect of an agreement with a related company to purchase treated water in two agreements for the existing power plant project and the new power plant project of such company in a specified quantity and at a stipulated price as defined in the agreement for a period of one year, renewable for an additional period of one year.

32.3 Bank guarantees

As at 31 December 2015, there were outstanding bank guarantees of USD 22.5 million (2014: USD 22.5 million) issued by banks on behalf of the subsidiary in respect of the guarantee required under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and Baht 693 million (2014: Baht 400 million) in respect of the guarantee of the filing for sales of electricity of small power producer, the land lease for the gas pipeline, permission for electricity use from the Provincial Electricity Authority and service contract.

33. Financial instruments

33.1 Financial risk management

The Company's and the subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivable, restricted bank deposits, trade and other payables, short-term loan, long-term loans and other long-term liabilities - related party. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Credit risk is the potential for a financial loss as a result of the failure of a customer or counterparty to settle its financial and contractual obligations to the Company or the subsidiaries as and when they fall due.

The Company had no significant concentrations of credit risk because its trade debtors are capable of settling their debts.

The subsidiaries had no significant concentrations of credit risk with any single counterparty or group of counterparties, as the subsidiaries have only two major trade account receivables which are the Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA) under the long-term Power Purchase Agreements between the EGAT and Nam Ngum 2 Power Company Limited and Bangpa-in Cogeneration Limited and that between the PEA and Bangkhenchai Company Limited. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating results and cash flows of the Company and the subsidiaries.

The Company's and the subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, short-term loan and long-term borrowings. Most of the Company's and the subsidiaries' financial assets and liabilities bear floating interest rates. Trade and other receivables and trade and other payables, which are financial assets and financial liabilities, are non-interest bearing since they are short-term in nature and arose in the ordinary course of business.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the earlier of (a) maturity date and (b) the repricing date.

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2015						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				(% per annum)
Financial assets							
Cash and cash equivalents	271	-	-	1,865	5	2,141	0.05 to 1.80
Short-term restricted bank deposits	-	-	-	529	-	529	0.05 to 0.88
Current investments	58	-	-	-	1,124	1,182	1.38 to 1.80
Trade and other receivables	-	-	-	-	1,219	1,219	
Long-term restricted bank deposits	951	-	-	270	-	1,221	0.05 t0 1.50
	1,280	-	-	2,664	2,348	6,292	
Financial liabilities							
Trade and other payables	-	-	-	-	619	619	
Long-term loans from financial institutions	-	-	-	21,904	-	21,904	MLR, MLR - margin, LIBOR + margin, THBFIX 6M + margin and THBFIX 1M + margin
Derivative financial liabilities	-	-	-	-	25	25	
Other long-term liabilities - related party (Note 21)	-	-	-	-	158	158	
	-	-	-	21,904	802	22,706	

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2014						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				(% per annum)
Financial assets							
Cash and cash equivalents	467	-	-	1,353	10	1,830	0.10 to 3.25
Short-term restricted bank deposits	-	-	-	516	-	516	0.10 to 0.50
Current investments	56	-	-	-	179	235	2.63
Trade and other receivables	-	-	-	-	1,483	1,483	
Long-term restricted bank deposits	-	-	-	1,195	-	1,195	0.10 to 0.50
	523	-	-	3,064	1,672	5,259	
Financial liabilities							
Trade and other payables	-	-	-	-	428	428	
Short-term loans from financial institution	35	-	-	36	-	71	6.40 and MOR - margin
Long-term loans from financial institutions	-	-	-	22,493	-	22,493	FDR 6M + margin and THBFIX 1M + margin
Derivative financial liabilities	-	-	-	-	20	20	
Other long-term liabilities - related party (Note 21)	-	-	-	-	147	147	
	35	-	-	22,529	595	23,159	

(Unit: Million Baht)

	Separate financial statements						
	31 December 2015						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
							(% per annum)
Financial assets							
Cash and cash equivalents	259	-	-	12	-	271	0.50 to 1.80
Current investments	1	-	-	-	1,105	1,106	1.38
Trade and other receivables	-	-	-	-	18	18	
	260	-	-	12	1,123	1,395	
Financial liabilities							
Trade and other payables	-	-	-	-	13	13	
Long-term loans from financial institution	-	-	-	469	-	469	MLR - margin
	-	-	-	469	13	482	

(Unit: Million Baht)

	Separate financial statements						
	31 December 2014						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
							(% per annum)
Financial assets							
Cash and cash equivalents	467	-	-	20	-	487	0.50 to 3.25
Current investments	1	-	-	-	179	180	1.50
Trade and other receivables	-	-	-	-	19	19	
	468	-	-	20	198	686	
Financial liabilities							
Trade and other payables	-	-	-	-	11	11	
Long-term loans from financial institution	-	-	-	484	-	484	MLR - margin
	-	-	-	484	11	495	

Detail of the long-term loans as described in Note 20 to the financial statements.

A subsidiary has entered into an interest rate swap agreement with a local bank to manage the risk associated with a part of the long-term loans that have floating interest rates, effective from 30 September 2014 to 31 December 2019. Under the agreement the subsidiary swaps a floating interest rate of the fixed deposit rate plus a margin for a fixed interest rate 4.9 percent. As at 31 December 2015, the subsidiary has interest rate swaps in place with a lender bank for long-term loans amounting to Baht 864.8 million.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company had no foreign currency risk because the Company has no transactions in foreign currency.

The subsidiary's exposure to foreign currency risk arose mainly from some of its sales of electricity, costs of sales of electricity and borrowings, which are denominated in foreign currencies.

As at 31 December 2015 and 2014, the balances of financial assets and liabilities denominated in foreign currencies of the subsidiary are summarised below.

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Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	34.8	27.1	141.2	153.9	36.2538	33.1132
CHF	-	-	0.1	0.1	36.7180	33.5627
JPY	0.1	0.1	35.1	39.8	0.3027	0.2765

As at 31 December 2015 and 2014, the subsidiary did not utilise any contracts to hedge foreign exchange rate risk.

However, since Nam Ngum 2 Power Company Limited has foreign currency risk exposure as a result of some of its sales of electricity being made in USD currency, the subsidiary has structured its financing so that a portion of its loans from financial institutions are denominated in USD, to match forecasted revenue from sales of electricity.

In July 2013, Nam Ngum 2 Power Company Limited applied cash flow hedge accounting in order to hedge the foreign exchange exposure on a certain portion of its revenue from sales of electricity in USD currency, which are designated as the hedged item, while the hedging instrument is long-term loans in USD with an outstanding balance of USD 140 million as at 31 December 2015.

During the year ended 31 December 2015, the subsidiary recognised an unrealised loss of Baht 415 million from changes in the fair value of the long-term loans in USD used for cash flow hedging in other comprehensive income.

33.2 Fair values of financial instruments

Since the majority of the Company's and the subsidiaries' financial assets and liabilities, consisting of trade and other payables and short-term loan are short-term in nature and loans from related companies, while restricted bank deposits and long-term loans from financial institutions bear interests at rates close to market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position. In addition, the subsidiary recorded other long-term liabilities - related party at fair value (as discussed in note 21).

As at 31 December 2015, the Company and its subsidiaries had the investments in available-for-sale securities - debt instrument that were measured at fair value using level 2 amounting to Baht 1,124.6 million (Separate financial statement: Baht 1,104.5 million). The subsidiary had the liabilities related to an interest rate swap agreement that were measured at fair value using level 2 amounting to Baht 24.7 million.

The fair value of the derivative has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market such as interest rate yield curves.

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

34. Capital management

The primary objectives of the Company and the subsidiaries' capital management are to ensure that they have an appropriate capital structure, as stipulated in the long-term loans agreements made between the financial institutions and the subsidiaries, and to preserve their ability to continue their businesses as a going concern.

35. Events after the reporting period

The Company

On 23 February 2016, Board of Directors Meeting No. 2/2016 passed a resolution to pay a dividend of Baht 0.0223 per share, or a total of Baht 164.35 million, to the shareholders in respect of the profit for the year 2015. The resolution will be proposed to the Annual General Meeting of Shareholders for the year 2016 for approval.

Bangpa-in Cogeneration Limited

On 17 February 2016, Board of Directors of Meeting Bangpa-in Cogeneration Limited No. 1/2016 passed a resolution to pay a dividend of Baht 0.3 per share, or a total of Baht 81 million, to the shareholders of the subsidiary in respect of the profit for the year 2015. The resolution will be proposed to the Annual General Meeting of Shareholders of Bangpa-in Cogeneration Limited for the year 2016 for approval.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2016.

Abbreviation List

The Company or CKP	:	CK Power Public Company Limited/ CK Power Plc.
CK	:	CH. Karnchang Public Company Limited/ CH. Karnchang Plc.
TTW	:	TTW Public Company Limited/TTW Plc.
BECL	:	Bangkok Expressway Public Company Limited/ Bangkok Expressway Plc.
SEAN	:	SouthEast Asia Enery Limited
NN2	:	Nam Ngum 2 Power Limited
BKC	:	Bangkhenchai Company Limited
BIC	:	Bangpa-in Cogeneration Company Limited
NRS	:	Nakhon Ratchasima Solar Company Limited
CRS	:	Chiangrai Solar Company Limited
XPCL	:	Xayaburi Power Company Limited
BLDC	:	Bangpa-in Land Development Company Limited
CHK	:	CH. Karnchang Lao Company Limited
PTT	:	PTT Public Company Limited
GPSC	:	Global Power Synergy Public Company Limited/Global Power Synergy Plc.
NESDB	:	Office of the National Economic and Social Development Board
OERC	:	Office of The Energy Regulatory Commission
ERC	:	Energy Regulatory Commission
NEPC	:	The National Energy Policy Council
DEDE	:	Department of Alternative Energy Development and Efficiency
EGAT	:	Electricity Generating Authority of Thailand
PEA	:	Provincial Electricity Authority
Ratch-Lao	:	Ratch-Lao Service Company Limited
Laos PDR	:	Lao People's Democratic Republic
EDL	:	Electricite du Loas
EDL-Gen	:	EDL Generation Public Company Limited/EDL Generation Plc.
SEC	:	The Securities and Exchange Commission
SET	:	The Stock Exchange of Thailand
PDP	:	Thailand Power Development Plan
IOD	:	Initial Operation Date
SCOD	:	Scheduled Commercial Operation Date
COD	:	Commercial Operation Date
Dollars ($)	:	US.Dollars
Unit	:	KWh
BIC-1	:	Bangpa-in Cogeneration Project 1
BIC-2	:	Bangpa-in Cogeneration Project 2
IPP	:	Independent Power Producer
SPP	:	Small Power Plant
VSPP	:	Very Small Power Plant
Adder	:	Tariff Adder for Renewable Power
CG Policy	:	Corporate Governance Policy
Control Policy	:	Control Policy for the Company's Subsidiaries and Affiliates
PPA	:	Power Purchase Agreement
DSCR	:	Debt Service Coverage Ratio
Connected Transaction Notifications	:	Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Other Acts of Listed Companies on Connected Transactions, B.E. 2546 dated 19 November 2003 (as amended)
Acquisition or Disposition Notifications	:	Notification of the Capital Market Supervisory Board No. Tor. Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 and 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 dated 29 October 2004
Notification of the Capital Market Supervisory Board No. TorChor. 28/2551	:	Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, including its amendments.
The Securities and Exchange Act	:	The Securities and Exchange Act B.E.2535

* *Bangkok Expressway Public Company Limited (BECL) has amalgamated with Bangkok Metro Public Company Limited (BMCL) and registered the change of its name to Bangkok Expressway and Metro Public Company Limited (BEM) on December 30, 2015.*

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