

- TRANSLATION -

The English Translation of the Independent Financial Advisor's Opinion has been prepared solely for the convenience of foreign shareholders of CK Power Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

No. 030/2016

March 25, 2016

Subject Opinion of the Independent Financial Advisor concerning the Connected Transaction of CK Power Public Company Limited

Attention Shareholders
CK Power Public Company Limited

Attachment: 1) Business operation and performance overview of CH. Karnchang PLC.
2) Business operation and performance overview of CH. Karnchang (Lao) Co., Ltd.
3) Business operation and performance overview of Nam Ngum 2 Power Co., Ltd.
Business operation and performance overview of CK Power Public Company Limited and summary of significant agreement are mentioned in Clause 2 of the Information Memorandum concerning the Connected Transaction, which is enclosed with the notice to this shareholders' meeting.

Referring to: 1) Resolution of the Board of Directors' Meeting No. 3/2016 of CK Power Public Company Limited held on March 8, 2016;
2) Information Memorandum on the Connected Transaction of CK Power Public Company Limited dated on March 8, 2016;
3) The Annual Registration Statement (Form 56-1) of CK Power Public Company Limited for the year ended December 31, 2012 – 2014;
4) Audited financial statements of CK Power Public Company Limited for the year ended December 31, 2012 – 2015;
5) Audited financial statements of Nam Ngum 2 Power Company Limited for the year ended December 31, 2012 – 2014, and reviewed interim financial statements for the nine-month period ended September 30, 2015;
6) The Annual Registration Statement (Form 56-1) of CH. Karnchang Public Company Limited for the year ended December 31, 2012 – 2014;
7) Audited financial statements of CH. Karnchang Public Company Limited for the year ended December 31, 2012 – 2015;
8) Audited financial statements of CH. Karnchang (Lao) Company Limited for the year ended December 31, 2012 – 2014, and reviewed interim financial statements for the nine-month period ended September 30, 2015;
9) Draft Engineering, Procurement and Construction Contract with CH. Karnchang (Lao) Company Limited for the improvement of voltage and construction of the 230/500 kV Nabong Substation;
10) Opinion Letter on EPC Costs prepared by Pöyry Engineering Ltd. dated February 19, 2016;
11) Company Affidavit, Memorandum of Association, and other documents of CK Power Public Company Limited as well as the interview with the management of CK Power Public Company Limited and relevant staffs of the Company.

Disclaimers: 1) The study results of Capital Advantage Company Limited ("Independent Financial Advisor" or "CapAd") in this report were based on the information and assumptions provided by the management of CK Power Public Company Limited, Nam Ngum 2 Power Company Limited, CH. Karnchang (Lao) Company Limited and CH. Karnchang Public Company Limited as well as the information disclosed to the public on the websites of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th);

- 2) The Independent Financial Advisor shall not be responsible for the profits or the losses, and any impacts resulting from this transaction;
- 3) The Independent Financial Advisor conducted the study with knowledge, skills, and cautiousness on the basis of the professional ethics;
- 4) The Independent Financial Advisor considers and provides its opinion based on the situation and information at the present time. If such situation and information have been changed significantly, the study results in this report may be affected.

The Board of Directors' Meeting No. 3/2016 of CK Power Public Company Limited (the "Company" or "CKP"), held on March 8, 2016 had resolved to propose the 2016 Annual General Meeting of Shareholders to consider and approve Nam Ngum 2 Power Company Limited ("NN2") to enter into the Engagement Agreement for Improvement of Voltage and Construction of the 230/500 kV Nabong Substation on an engineering, procurement and construction contract (the "Agreement" or "EPC Contract") with CH. Karnchang (Lao) Co., Ltd. ("CHK"), in the amount of not exceeding Baht 799,850,000 + USD 39,113,320 (exclusive of VAT), which is equivalent to Baht 2,192.30 million (exclusive of VAT) (*Remark: using the weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016, derived from www.bot.or.th*)

The aforementioned transaction is considered a significant connected transaction (the "Connected Transaction") according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re. Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re. Disclosure of information and acts of listed Companies concerning the Connected Transaction B.E. 2546 (the "Notification on the Connected Transaction"), with a transaction size of 17.45 percent of Net Tangible Assets of the Company as at December 31, 2015, and when combined with the connected transaction between NN2 and CHK in the past 6 months, total transaction size becomes 17.76 percent of Net Tangible Assets of the Company as at December 31, 2015, which is larger than 3 percent of Net Tangible Assets of the Company.

Thus, the Company appointed an independent financial advisor to render the shareholders of the Company an opinion on rationality of the Connected Transaction, as well as to disclose information memorandum concerning the Connected Transaction to the Stock Exchange of Thailand ("SET") and to seek for an approval from the shareholders' meeting of the Company with the vote of not less than 3/4 of the total number of shares from shareholders who attend the meeting and are eligible to vote, excluding shareholders with the conflict of interest. The Company appointed Capital Advantage Company Limited as an independent financial advisor (the "Independent Financial Advisor" or "IFA" or "CapAd") to render the shareholders an opinion on rationality and appropriateness of the pricing and conditions of this Connected Transaction.

CapAd has studied Information Memorandum concerning the Connected Transaction of the Company, as well as the interviews of executives and management of the Company and the documents received from the Company, NN2, CHK, and CK such as financial statements, business plan, agreements and other relevant documents and the information disclosed to the public, the information disclosed on the websites of the Stock Exchange of Thailand and the Securities and Exchange Commission ("SEC") as well as financial information retrieved from the internet in order to render an opinion on rationality of the Connected Transaction. CapAd cannot assure or warrant any correctness or completeness of the information provided to us by the Company, NN2, CHK, and CK and/or the executives and/or the management of the Company, NN2, CHK, and CK.

The opinion of CapAd in this report is based on the assumption that all of the aforesaid information and documents are accurate and complete. To render an opinion reflects the operating environment and most up-to-date information at the time of issuance of this report. However, a change or an incident may have a material impact on the business operations of the Company, as well as decision of the shareholders on the Connected Transaction.

In rendering opinion for the shareholders, we take into account the reasonableness, price and conditions for the transaction together with all relevant factors. We have considered such information thoroughly and reasonably according to the professional standards.

The attachments to this report are deemed as part of this opinion report and are the information that the shareholders should consider jointly with this report.

After considering and studying all information on the Connected Transaction, we would like to summarize the information and the study results as follows:

Abbreviation

The "Company" or "CKP"	CK Power Public Company Limited
"NN2"	Nam Ngum 2 Power Company Limited
"SEAN"	South East Asia Energy Company Limited
"CH. Karnchang" or "CK"	CH. Karnchang Public Company Limited
"CHK"	CH. Karnchang (Lao) Company Limited
"Independent Expert" or "Pöyry"	Pöyry Energy Ltd.
"EGAT"	Electricity Generating Authority of Thailand
"TEAM"	Team Consulting Engineering and Management Company Limited
"Lao PDR"	Lao People's Democratic Republic
The "Project"	The improvement of voltage and construction of the 230/500 kV Nabong Substation
"Agreement" or "EPC Contract"	the Engineering, Procurement and Construction Contract with CH. Karnchang (Lao) Company Limited for the improvement of voltage and construction of the 230/500 kV Nabong Substation
"Total EPC Price" or "Total Contract Price"	Consisted of civil work costs and electrical equipment costs of the Project (exclusive of engineering fee, insurance premium, consulting fee, contingency fund, financial cost, and other expenses incurred during construction of the Project)
"PPA"	Power Purchase Agreement between Nam Ngum 2 Power Company Limited and Electricity Generating Authority of Thailand
"kV"	Kilovolt
"USD"	United State of America Dollar
"Independent Financial Advisor" or "IFA" or "CapAd"	Capital Advantage Company Limited
"SEC"	The Securities and Exchange Commission
"SET"	The Stock Exchange of Thailand
"Notification on the Connected Transaction"	The Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) and its amendments.
"NTA"	Net Tangible Assets

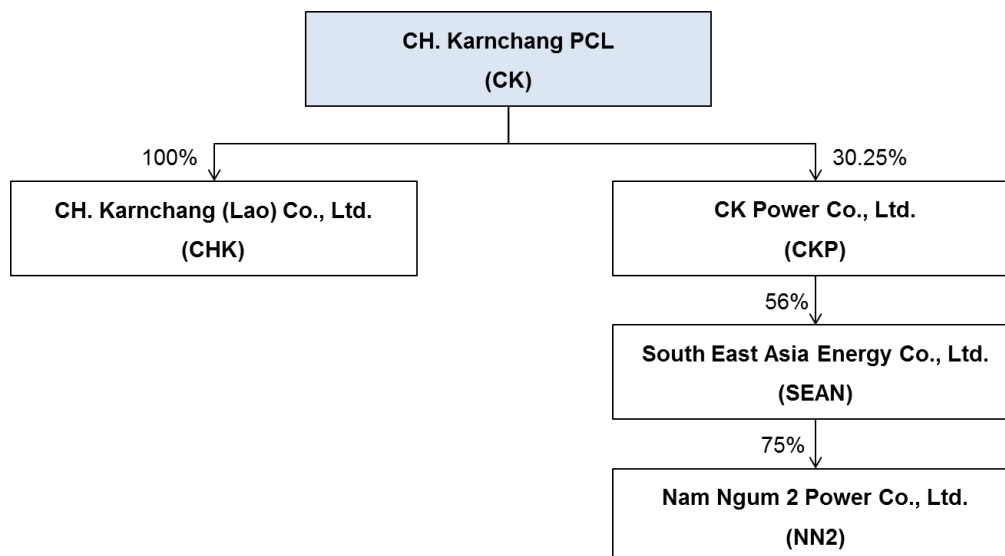
Executive Summary

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

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

The Board of Directors’ Meeting No. 3/2016 of CK Power Public Company Limited (the “Company” or “CKP”), held on March 8, 2016 had resolved to propose the 2016 Annual General Meeting of Shareholders to consider and approve Nam Ngum 2 Power Company Limited (“NN2”) to execute the Engagement Agreement with CH. Karnchang (Lao) Company Limited (“CHK”) for improvement of voltage and construction of the 230/500 kV Nabong Substation (the “Agreement” or “EPC Contract”), in the amount of not exceeding Baht 2,192.30¹ million (*the EPC price consists of not exceeding Baht 799,850,000 + USD 39,113,320 (exclusive of VAT)*).

Figure 1: Shareholding Structure of CK in CHK and CKP



¹ Equivalent to Baht 2,192.30 million, calculated at the weighted average interbank foreign exchange rate, published by the Bank of Thailand on March 2, 2016, at USD/Baht 35.60.

Table 1: Common directors of CKP and CK

	Director			Shareholders	
	CK	CKP	NN2	CK	CKP
Mr. Plew Trivisvavet ^{1/}	√		√	√	
Mr. Narong Sangsuriy	√	√	√	√	
Mr. Prasert Marittanaporn	√	√	√		
Dr. Supamas Trivisvavet ^{1/}	√	√		√	
Mr. Thanawat Trivisvavet ^{1/}		√	√		

Remark: 1/ Mr. Plew Trivisvavet is father of Dr. Supamas Trivisvavet and Mr. Thanawat Trivisvavet.

NN2 appointed Pöyry Energy Ltd. (the “Independent Expert” or “Pöyry”)², an independent expert who is an international consulting and engineering company and has experiences in providing consulting services to a number of power projects in Thailand and the Lao PDR such as Nam Ngum 2 Hydroelectric Power Project, Xe Pian & Xe Namnoy Projects, Amata B.Grimm Power Block 2 and 2.1., to evaluate the value of the Agreement and appropriateness of the Agreement by comparing with the EPC costs of other comparable projects.

The aforementioned transaction is considered a significant connected transaction (the “Connected Transaction”) with a transaction size of not exceeding 17.45 percent of Net Tangible Assets of the Company as at December 31, 2015, and when combined with the connected transaction between NN2 and CHK in the past 6 months, total transaction size becomes 17.76 percent of Net Tangible Assets of the Company as at December 31, 2015. Thus, the Company shall appoint an independent financial advisor to render an opinion, as well as to disclose information memorandum concerning the transactions to the Stock Exchange of Thailand (“SET”) and to seek for an approval from the shareholders’ meeting of the Company with the vote of not less than 3/4 of the total number of shares from shareholders who attend the meeting and are eligible to vote, excluding shareholders who have the conflict of interest.

Capital Advantage Company Limited (the “Independent Financial Advisor” or “IFA” or “CapAd”) as an independent financial advisor appointed by the Company has considered and deemed that the purpose and necessity of entering into the Connected Transaction are to fulfill the obligation of NN2 under the Power Purchase Agreement with the Electricity Generating Authority of Thailand (“EGAT”). NN2 is required to upgrade the power transmission in respect of Nam Ngum 2 Hydroelectric Power Project from 230 kV to 500 kV by May 2018. Therefore, NN2 shall enter into the Engagement Agreement (Lump Sum Turnkey) with CHK for improvement of voltage and construction of the 230/500 kV Nabong Substation. The construction period is expected around 2 years and 2 months and the Project’s completion is expected by May 2018, which is coincided with the EGAT’s timeline as mentioned in the notification letter from EGAT to NN2 dated September 7, 2015.

To enter into the Connected Transaction will benefit the Company as follows (1) reduce risks of cost overrun and delay of construction due to the Agreement is Lump Sum Turnkey Contract; (2) CHK has an experience in the construction of Nam Ngum 2 Hydroelectric Power Project and shall have continuity in upgrading and construction of the same project; (3) CK and CHK have intensive experiences in construction of large infrastructure projects; (4) CK has financial strength; (5)

² Pöyry Energy Ltd. is a company in Pöyry PLC. Group, an international consulting and engineering company. Pöyry Group was established in Finland since 1958. Pöyry PLC. is listed on the Nasdaq Helsinki (trading code of Pöyry PLC: POY1V). At the present, Pöyry PLC. has 133 branches worldwide and over 5,000 employees. Over 10,000 projects per year have been delivered to its clients. The focus sectors are power generation, transmission & distribution, forest industry, chemicals & biorefining, mining & metals, transportation and water. Pöyry’s net sales in 2015 were EUR 575 million with the market capitalization of EUR 192.55 million (as of March 3, 2016).

Pöyry has over 50 years of power expertise with projects totaled over 100 GW of installed capacity worldwide. Pöyry has provided consulting services to a number of power projects in Thailand and the Lao PDR such as Nam Ngum 2 Hydroelectric Power Project, Xe Pian & Xe Namnoy Projects, Amata B.Grimm Power Block 2 and 2.1. In addition, Pöyry provided other engineering consulting services other projects in Thailand such as Double A, Paper Mill 3 at Prachinburi, with the scope of services included basic and detailed engineering for the new paper machine and inventory preparation and supervising the installation and start-up phases of the new paper machine line.

insignificant effects to financial liquidity of NN2 and the Company; and (6) faster in negotiation and conclusion with a construction contractor due to CHK is familiar with the design, construction, and specifications of Nam Ngum 2 Hydroelectric Power Project.

In the meantime, to enter into the Connected Transaction shall have disadvantages and risks as follows (1) the Company does not have an opportunity to compare the proposal from CHK with other contractors; and (2) to incur additional costs from appointment of an independent financial advisor due to transaction with CHK is considered as a connected transaction.

Subsequent to the consideration of the purpose and necessity of entering into the transactions together with advantages, disadvantages, benefits and risks, which may arise, the Independent Financial Advisor deems that the businesses of Company and NN2 will benefit under limited disadvantages and risks. **Thus, the Connected Transaction is reasonable.**

In the consideration of the price and terms and conditions of the Connected Transaction, CapAd is of an opinion that the comparison between the consideration to be paid to CHK and Cost Estimation of the Independent Expert in power project is the most appropriate approach due to the improvement of voltage and construction of the 230/500 kV Nabong Substation which are related to the Connected Transaction are highly technical and depending on technical know-how which requiring the estimation by specialists. The Cost Estimation referred to by the Independent Financial Advisor is the Cost Estimation conducted by Pöyry who has experience in cost estimation for power project and well accepted internationally from the government agencies and corporates, as well as a number of power projects in Thailand and Lao PDR such as Nam Ngum 2 Hydroelectric Power Project, Xayaburi Hydroelectric Power Project, Xe Pian & Xe Namnoy Project, Amata B.Grimm Power Block 2 and 2.1.

Summary of the comparison of the price proposal of CHK and the estimated costs by of Pöyry

Details	Price Proposal of CHK	Estimated Costs by Pöyry (based on EGAT)	Estimated Costs by Pöyry	Estimated Costs by Pöyry (based on TEAM)	Price Proposal of CHK is higher (lower) than the Estimate Costs by Pöyry	
	(Baht mn.)	(Baht mn.)	(Baht mn.)	(Baht mn.)	(Baht mn.)	(%)
Civil Work Costs ^{1/}	809.57 ^{2/}		Considered Reasonable ^{5/}			
Electrical Equipment Costs	1,382.72 ^{2/}			1,574.00	(191.28)	(12.15)
Total construction costs of the Project	2,192.30^{3/}	2,314.00^{2/,4/}			(121.70)	(5.26)

Remark:

1/ Consisted of (a) preparation works and (b) building, infrastructure, and utilities.

2/ The weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016. (source: www.bot.or.th)

3/ Rounded.

4/ Estimated total construction costs of the Project is USD 65 million. (approximately Baht 2,314 million)

5/ Pöyry views that (a) total costs of preparation works about 10% of the total EPC price, which is in the usual range given the large portion of equipment supply, is considered reasonable; and (b) the total costs of building, infrastructure, and utilities are considered acceptable.

From above table (a) the electrical equipment costs proposed by CHK is lower than the estimated costs of electrical equipment by Pöyry in reference to the estimated costs by TEAM Consulting Engineering and Management Co., Ltd. ("TEAM")³ of Baht 191.28 million or lower by 12.15%; and (b) total construction costs for the improvement of voltage and construction of the

³ TEAM Consulting Engineering and Management Co., Ltd. ("TEAM") is currently a core member of TEAM Group, a largest Thai-based consultancy company in Thailand.

TEAM offers over 35 years of combined experience in the consultancy field with commitment to team-working and quality services. TEAM's exceptional services in all areas of engineering fields include water resources and hydropower, transportation and logistics, building and urban development, environmental science, energy, and project management and construction supervision. TEAM's integrated services range from the feasibility study, EIA, surveying, planning, architectural and engineering design, project management, construction supervision, to operation and post-construction maintenance. In addition, TEAM also acts as an independent engineer in many large-scale projects.

TEAM's experiences in hydroelectric power projects in the Lao PDR are such as Phou Ngoy Hydropower Project, Xe-Pian Xe-Namnoy Hydroelectric Power Projects, and Nam Ngum 2 Hydroelectric Power Project.

For Nam Ngum 2 Hydroelectric Power Project, TEAM was appointed by NN2 to design the Project's specification and conduct preliminary design of the Project in 2014.

230/500 kV Nabong Substation (“Total EPC Price”) proposed by CHK is lower than the estimated costs by Pöyry in reference to the estimated costs by EGAT⁴ of Baht 121.70 million or lower by 5.26%.

CapAd deems that the estimated costs by Pöyry is reasonable due to Pöyry has referred to the estimation prepared by specialists, namely, EGAT, TEAM, and Pöyry⁵. The estimated costs should be close to the current costs of the Project due to the estimation was based on historical estimations and latest quotations from suppliers. The consideration that NN2 will pay to CHK in an amount of not exceeding Baht 2,192.30 million (exclusive of VAT) is lower than the estimated costs by Pöyry, the Independent Expert, by Baht 121.70 million or lower by 5.26%. Therefore, CapAd is of the opinion that the consideration paid to CHK for the improvement of voltage and construction of the 230/500 kV Nabong Substation or **the price of the Connected Transaction is appropriate**. In addition, the terms and conditions of payments are considered as typical conditions in the ordinary course of business, therefore **the conditions of the Connected Transaction are appropriate**.

Subsequent to the consideration of rationalities and appropriateness of price and conditions of the Connected Transaction, the Independent Financial Advisor is of the opinion that **the shareholders should resolve to APPROVE the Connected Transaction**.

However, the final decision shall be at own discretionary of the shareholders. The shareholders should consider the information in the notice to the shareholders’ meeting and its enclosures before making the decision.

CapAd, as the Independent Financial Advisor, hereby certifies that it has provided the above opinion with due care in accordance with professional standard for the benefit of the shareholders.

Details of the IFA’s opinion are described as follows:

⁴ EGAT is Thailand’s leading state-owned power utility under the Ministry of Energy, responsible for electric power generation and transmission for the whole country as well as bulk electric energy sales. Under the enhanced single buyer (ESB) model of Thailand’s electricity supply industry, EGAT is the single buyer, purchasing bulk electricity from private power producers and neighbouring countries and sells wholesale electric energy to two distributing authorities and a small number of direct industrial customers as well as neighbouring utilities. EGAT also engages in energy-related services businesses and expands, through the EGAT Group, its business and investment in electricity and other energy-related businesses in Thailand and abroad.

EGAT has estimated a total project cost of construction of 500 kV substations in Thailand and South-east Asia as a guideline for preparation of budgeting and bidding price for construction of substations, where the information was publicly disclosed to a number of consultants.

⁵ Please see Footnote 2, 3 and 4.

Part 1: Details of the Transaction

1. Details and Characteristics of the Transaction

1.1 Background of the Transaction

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

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

NN2 then considered proposing engagement of CHK, a subsidiary of CK and contractor for construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project, having expertise and experience in construction of various types of power projects, to carry out such improvement of voltage and construction of the Nabong Substation, with the scheduled construction completion by May 2018, with the Total EPC Price on a lump sum turnkey contract basis not exceeding Baht 2,192.30⁶ million (*the EPC price consists of Thai Baht of not exceeding Baht 799,850,000 + USD of not exceeding USD 39,113,320 (exclusive of VAT)*). The transaction size when combined with the connected transaction in the past 6 months, total transaction size becomes 17.76 percent of Net Tangible Assets of the Company as at December 31, 2015.

The aforementioned transaction is considered a significant connected transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re. Rules on Connected Transactions, dated August 31, 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re. Disclosure of information and acts of listed Companies concerning the Connected Transaction B.E. 2546, dated November 19, 2003.

1.2 Date of Transactions

NN2 will enter into the Engagement Agreement for improvement of voltage and construction of the 230/500 kV Nabong Substation (the “Agreement” or “EPC Contract”) with CHK after receipt of approval by the 2016 Annual General Meeting of Shareholders of the Company, to be held on April 19, 2016, and upon the Company’s giving notice of approval to South East Asia Energy Limited (“SEAN”) and NN2.

1.3 Related Parties and Relationship with the Company

Service Recipient	: Nam Ngum 2 Power Company Limited (“NN2”)
Service Provider	: CH. Karnchang (Lao) Company Limited (“CHK”)
Relationship	: As of March 8, 2016, the relationship with the Company is as follows: <ul style="list-style-type: none"> - The Company holds 369,977,999 ordinary shares of SEAN representing 56% of registered and paid up-capital of SEAN, and SEAN holds 660,675,000 ordinary shares of NN2 representing 75% of the registered and paid-up capital of NN2 (Information as of March 2, 2016). NN2 is the Company’s core company and a subsidiary of the Company. - CHK is a wholly owned subsidiary of CH. Karnchang Public Company Limited (“CK”). CK holds 2,229,275,478 ordinary shares of the Company representing 30.25% of registered and paid-up capital of the Company (information as of March 2, 2016). Therefore, CK is the major shareholder of both the Company and CHK.

⁶ Please see Footnote 1.

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

Source: Information Memorandum on the Connected Transaction of the Company.

Figure 2: Shareholding Structure of CK in CHK and CKP

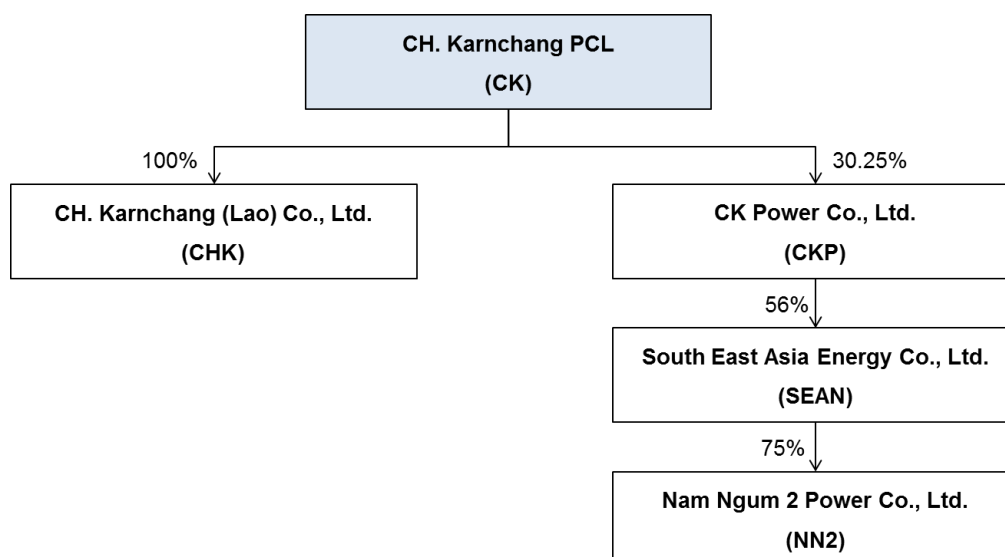


Table 2: Common directors of CKP and CK

	Director			Shareholders	
	CK	CKP	NN2	CK	CKP
Mr. Plew Trivisvavet ^{1/}	√		√	√	
Mr. Narong Sangsuriy	√	√	√	√	
Mr. Prasert Marittanaporn	√	√	√		
Dr. Supamas Trivisvavet ^{1/}	√	√		√	
Mr. Thanawat Trivisvavet ^{1/}		√	√		

Remark: 1/ Mr. Plew Trivisvavet is father of Dr. Supamas Trivisvavet and Mr. Thanawat Trivisvavet.

1.4 General Characteristics of the Transaction

NN2 has considered proposing engagement of CHK, a subsidiary of CK and contractor for construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project, having expertise and experience in construction of various types of power projects, to carry out the improvement of voltage and construction of the Nabong Substation from 230 kV to 500 kV.

Objective of the Agreement

NN2 will enter into the agreement for engagement of CHK to complete the improvement of voltage and construction of the 230/500 kV Nabong Substation under NN2's obligations as specified in the Power Purchase Agreement dated March 26, 2006 with EGAT, with the scheduled construction completion by May 2018, with the service fee on a lump sum turnkey basis. NN2 will pay advance payment of not exceeding 10% of the total contract price and monthly payments subject to the details and conditions as specified in the Agreement. Total contract price shall not exceed Baht 799,850,000 + USD 39,113,320 (exclusive of VAT). (Please see *Timeline of Development Scheme of the Project in Figure 6 of this report.*)

Scope of the Agreement

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

- 1) Improvement of voltage and construction of the 230/500 kV Nabong Substation;
- 2) Installation of machinery and equipment of the 230/500 kV Nabong Substation, as follows:
 - Installation of three sets of 230/500 kV transformer, 750 MVA;
 - Installation of two sets of 500 kV reactors, 110 MVAR;
 - Installation of two sets of 230 kV reactors, 40 MVAR;
 - Installation of two sets of 230 kV electrical equipment, communication and prevention systems, in order to accept electricity from the Nam Ngiep 1 Hydroelectric Power Project, including improvement of areas for other future projects;
 - Installation of two sets of 500 kV electrical equipment, communication and prevention systems, in order to transmit electricity from the Nam Ngum 2 Hydroelectric Power Project, the Nam Ngiep 1 Hydroelectric Power Project, and other future projects, to the delivery point at the Thailand – Lao PDR's border;
 - Purchase of spare parts and special tools for maintenance to ensure the availability for electricity distribution;
 - Construction of three new control buildings, staff camp, guesthouses and large-sized warehouse.
- 3) Test on the entire operation of the 230/500 kV Nabong Substation;
- 4) Supply of equipment, tools, spare parts and personnel for construction.

Figure 3: Project Location

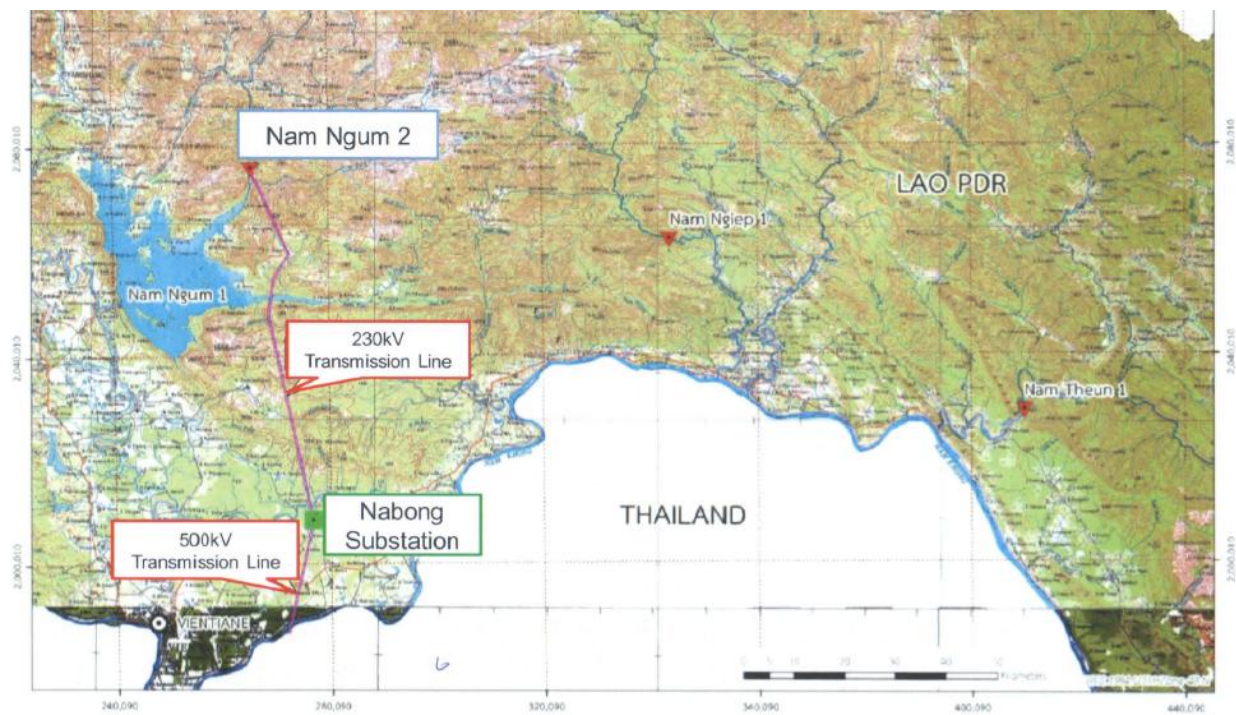


Figure 4: The Nabong Substation

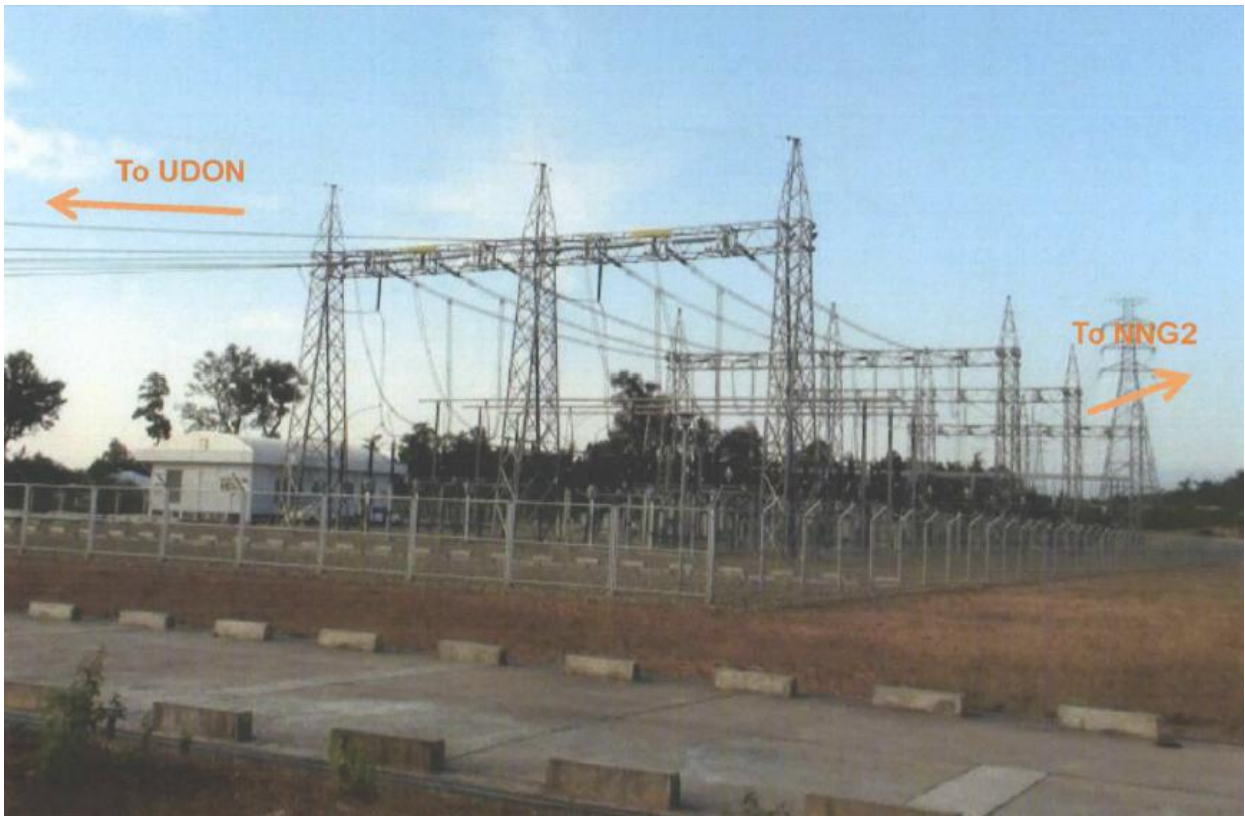


Figure 5: Scope of Development Scheme

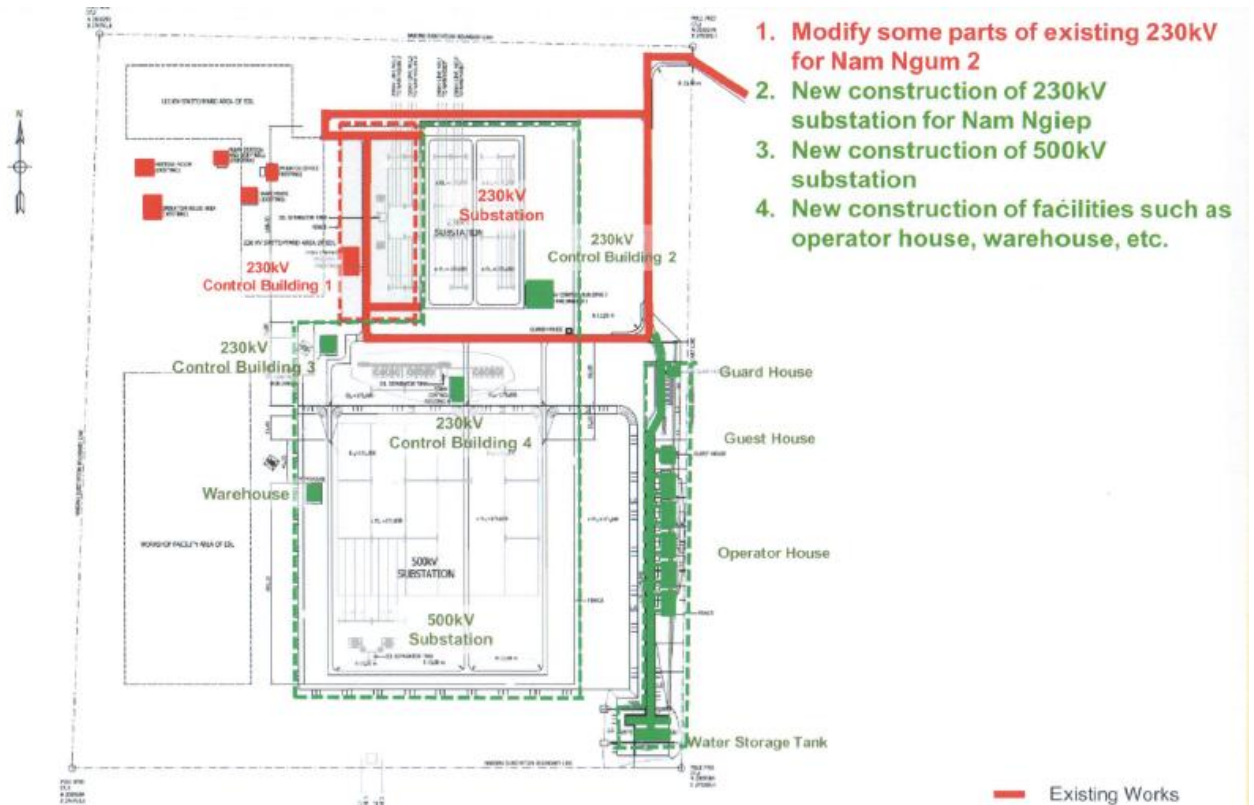
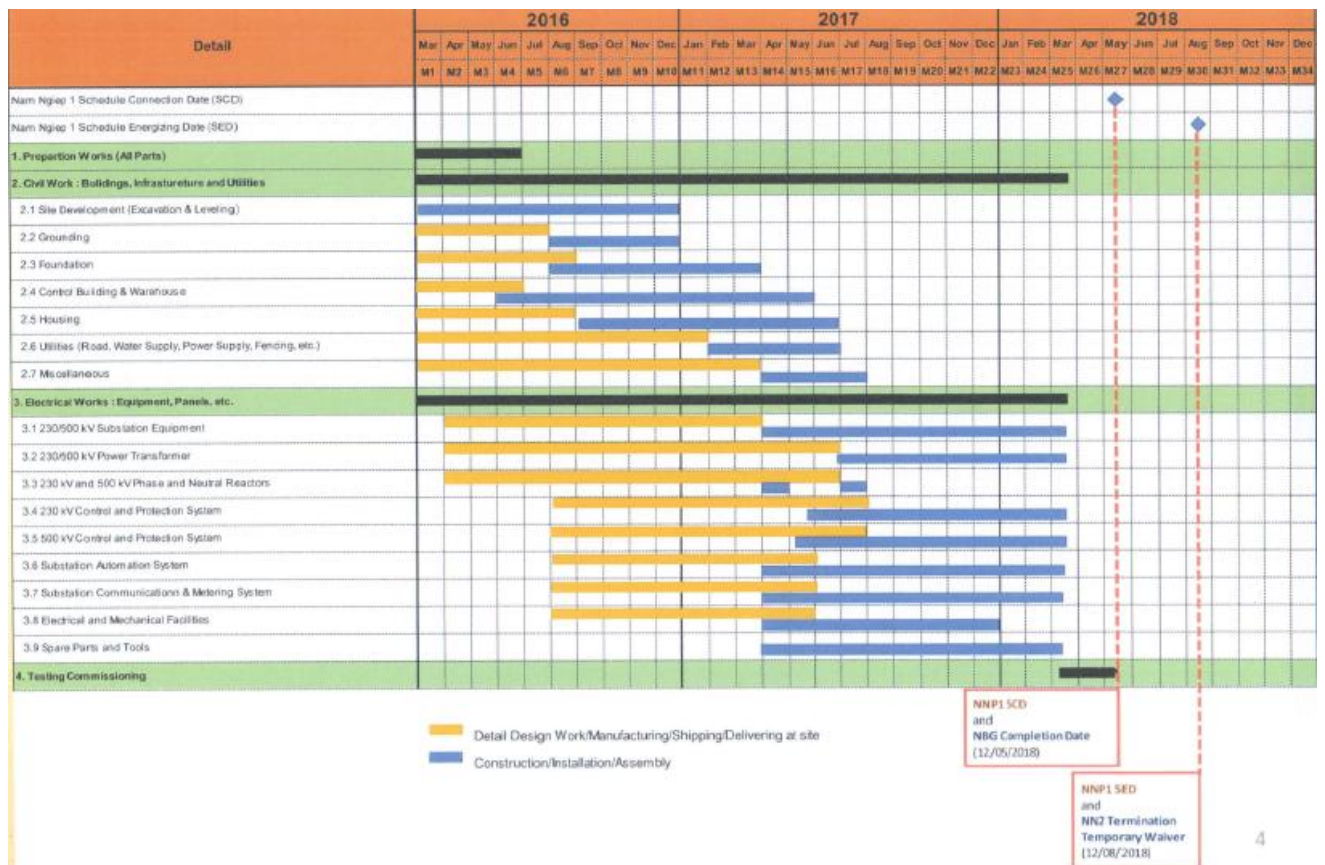


Figure 6: Timeline of Development Scheme



Major milestones for the The improvement of voltage and construction of the 230/500 kV Nabong Substation

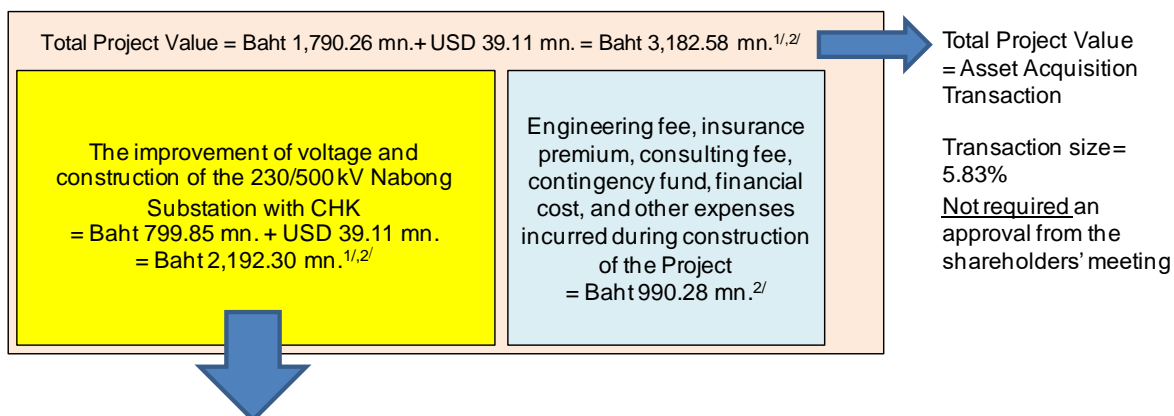
Date	Scope of works/Milestone
March 2016 – March 2018 (24.5 months)	Construction period
March 2018 – May 2018 (2 months)	Test on the entire operation of the 230/500 kV Nabong Substation
May 12, 2016 ^{1/}	Completion date for the upgrade of the power transmission and construction of the 230/500 kV Nabong Substation Nam Ngiep 1 schedule connection date
August 12, 2016 ^{2/}	Termination of temporary waiver for NN2

Remark:

- 1/ Based on the notification letter from EGAT to NN2 dated September 7, 2016, the upgrading of the Nabong Substation to 500kV is scheduled to be completed by May 12, 2016.
- 2/ Under the PPA with EGAT dated March 26, 2006, NN2 has been temporarily allowed to transmit at 230 kV to the interconnection facilities. The temporary waiver will be automatically terminated on the date that EGAT is contractually committed to energizing its interconnection with another project in Lao PDR. Based on the notification letter from EGAT to NN2 dated September 7, 2015, the temporary waiver for 230 kV transmissions at the Nabong Substation will be terminated on August 12, 2018.

(Please see further details in the Information Memorandum on the Connected Transaction of the Company Part 1, Clause 3, attached to the notice to this shareholders' meeting.)

1.5 Category and Size of the Transaction



The improvement of voltage and construction of the 230/500 kV Nabong Substation with CHK
 = Connected Transaction

Transaction size = 17.45% (included transaction in the past 6 months = 17.76%)

Request for an approval from the 2016 AGM

Remark: 1/ Calculated at the weighted average interbank foreign exchange rate, published by the Bank of Thailand on March 2, 2016, at USD/Baht 35.60.

2/ Rounding.

Asset Acquisition Transaction

(This asset acquisition transaction is information for shareholders only. It does not require the approval of the 2016 Annual General Meeting of Shareholders due to its small transaction size.)

The improvement of voltage and construction of the Nabong Substation, NN2 was required to use all investment in the total amount not exceeding Baht 1,790.26 Million + USD 39.11 Million = approximately Baht 3,182.58 Million (calculated at the weighted average interbank foreign exchange rate at USD/Baht 35.60, published by the Bank of Thailand on March 2, 2016) to cover (a) the value of the improvement of voltage and construction (**the transaction with CHK which is considered as a connected transaction**), and (b) engineering fee, insurance premium, consulting fee, contingency fund, financial cost, and other expenses incurred during construction of the Project (**transactions with other companies (not with CHK) which are considered as non-connected transactions**).

The total project value is considered as an asset acquisition transaction under the Notification of the Capital Market Supervisory Board No. ThorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets, dated August 31, 2008, and their amendments, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004), dated October 29, 2004, and their amendments, (the "Notifications on Acquisition or Disposition"). In this regard, assets to be acquired by the Company in this case include the Nabong Substation at an upgraded voltage of 500 kV, with the total project value of approximately Baht 3,182.58 Million. The transaction size based on total value of consideration criteria is 5.83 percent of the Company's total consolidated assets as at December 31, 2015.

There is no asset acquisition transaction in the past 6 months, therefore the transaction size of asset acquisition from the improvement of voltage and construction of the Nabong Substation is 5.83 percent of the Company's total consolidated assets as at December 31, 2015 (Baht 3,182.58 million / Baht 54,566.54 million). Therefore, it is under the scope of power of management to consider approving execution of the asset acquisition transaction due to the transaction does not fall into transaction type 1 to 4 under the Notifications on Acquisition or Disposition. As a consequence, disclosure of the information memorandum to the SET or an approval of the shareholders' meeting is not required. The Company's management can consider the justifications and optimum benefits of the Company in support of its consideration and approval of execution of the transaction on improvement of voltage and construction of the 230/500 kV Nabong Substation.

Connected Transaction

(This Connected Transaction is required an approval of the 2016 Annual General Meeting of Shareholders under Agenda No. 9.)

The execution of the Agreement for the improvement of voltage and construction of the 230/500 kV Nabong Substation is considered the Connected Transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re. Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re. Disclosure of information and acts of listed Companies concerning the Connected Transaction B.E. 2546 (the "Notification on the Connected Transaction"), with a transaction size of 17.45 percent of Net Tangible Assets of the Company as at December 31, 2015. Details of the calculation are as follows:

Total Assets ^{1/}	Baht million	54,566.54
Deducted Intangible Assets ^{1/}	Baht million	5,193.42
Deducted Total Liabilities ^{1/}	Baht million	22,754.36
Deducted Minority Interests ^{1/}	Baht million	14,057.74
Net Tangible Assets (NTA)	Baht million	12,561.02
Total Value of Consideration ^{2/3/}	Baht million	2,192.30
Value of the Connected Transaction (percentage of NTA)	Percent	17.45

Remark: 1/ Based on the Company's consolidated financial statement for the year ended on December 31, 2015.

2/ Total consideration is converted to Thai Baht of around Baht 2,192.30 million.

2/ Please see detail in Part 1 Clause 1.6 of this report.

When combined the above connected transaction with the connected transaction between NN2 and CHK in the past 6 months for road repair in the area of the Nam Ngum 2 Hydroelectric Power Project due to a rock slide incident with the transaction size around 0.31% of NTA), total transaction size becomes 17.76 percent of Net Tangible Assets of the Company as at December 31, 2015, which is larger than 3 percent of Net Tangible Assets of the Company, which is considered as significant connected transactions. Thus, entering into the Connected Transaction requires an approval from the shareholders' meeting with the vote of not less than 3/4 of the total number of shares from shareholders who attend the meeting and are eligible to vote, excluding shareholders having the conflict of interest. Also, the Company is required to appoint an independent financial advisor to render the shareholders an opinion on the rationality and appropriateness of the price and conditions of the Connected Transaction for their consideration before making a decision.

1.6 Total Value of Consideration and Criteria for Determining the Value of Consideration

Total value of consideration, which NN2 agrees to pay to CHK for the Connected Transaction, is an aggregate amount of not exceeding Baht 2,192.30⁷ million (*The EPC price consists of Thai Baht of not exceeding Baht 799,850,000 + USD of not exceeding USD 39,113,320 (exclusive of VAT)*).

NN2 has engaged Pöyry Energy Ltd. ("Independent Expert" or "Pöyry") to be the Independent Expert to verify the appropriateness of the EPC Costs and reasonableness of this transaction. Pöyry is an international consulting and engineering company, who was an independent engineer appointed by Lao PDR to oversee the construction of Nam Ngum 2 Hydroelectric Power Project and Xayaburi Hydroelectric Power Project. Pöyry compared the EPC Costs with other comparable projects and found that the proposed price by CHK is lower than the costs estimated by EGAT for the construction of 230/500 kV substation by Baht 121.70 million or by 5.26%. The Board of Directors' meeting of the Company is of the opinion that the proposed price by CHK is appropriate.

1.7 Source of Funds

Source of fund for the improvement of voltage and construction of the Nabong Substation will be from additional loans of NN2 in Baht-dominated and USD-dominated to support expenses of the Project as well as refinancing of the existing loans in order to accommodate the debt serviceability of the Project from such additional loans for improvement of voltage and construction of the Nabong Substation, as follows:

1.7.1 Long-term loans of NN2

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

⁷ Please see Footnote 1.

1.7.2 Refinancing of the existing loans and creation of additional debts

NN2 will refinance the total remaining existing loans and borrow additional loans in Baht for not exceeding Baht 2,100 million and in USD not exceeding USD 44 million, including an increase in bank guarantee by USD 2.5 million, to cover expenses for the improvement of voltage and construction of the Nabong Substation as well as relevant financial cost and additional obligations pursuant to the Power Purchase Agreement between NN2 and EGAT.

1.7.3 Debt to equity ratio

Pursuant to NN2's loan agreement, NN2 is required to maintain the long-term loans to paid-up capital ratio at the rate not exceeding 2.5 times, by calculating from the remaining long-term loans divided by the paid-up capital. In this regard, before and after refinancing, NN2 continues to maintain the long-term loans to paid-up capital ratio below loan covenants in the credit facility agreement.

(Unit: Baht million)

	Before Borrowing Additional Loans (based on NN2's financial statements as at December 31, 2015)	After refinancing
Long-term loan in Baht	11,171	13,271
Long-term loan in USD (converted into Baht million)	5,039 ^{1/}	6,515 ^{2/}
Total long-term loans	16,210	19,786
Paid-up capital	8,809	8,809
Total long-term loans / paid-up capital ratio (times)	1.84	2.25

Remarks:

- 1/ Loan in USD amounted to USD 139 million, at the selling rate of the Bank of Thailand as at December 31, 2015 equal to USD/Baht 36.2538.
- 2/ Loan in USD amounted to USD 183 million, at the weighted average interbank foreign exchange rate of the Bank of Thailand as at March 2, 2016 equal to USD/Baht 35.60.

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

(Unit: Baht million)

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

1.7.4 Liquidity and investment adequacy

The improvement of voltage and construction of the Nabong Substation by borrowing additional loans and refinancing of the existing loans does not affect NN2's liquidity since:

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

In regard to the Company's liquidity, the improvement of voltage and construction of the Nabong Substation by borrowing additional loans and refinancing do not affect the Company's liquidity. For investments in the Company's both projects in progress, namely, the Bang Pa-in Cogeneration Project No. 2 (BIC-2) and the Xayaburi Hydroelectric Power Project, requiring additional investment in respect of basic capital by approximately Baht 5,056 million from 2016 until completion of the projects, the Company will use working capital from its business operations and/or loans and/or debenture issuance and/or capital increase.

1.8 Condition Precedent

The Execution of the Agreement to engage CHK according to the Connected Transaction shall be accomplished upon the approval by the Company's 2016 Annual General Meeting of Shareholders, and the Company's giving notice of approval to SEAN and NN2.

1.9 Details of Connected Persons and/or the Shareholders Having Conflict of Interest

Details of connected persons and/or the shareholders having conflict of interest are as follows:

Name	Relationship			
	Position/Connection with CKP and NN2	Position/Connection with CK	Shareholding in CKP	Shareholding in CK
1. CH. Kamchang PCL	Major shareholder of the Company		2,229,275,478 shares ^{1/} (30.25%)	
2. CH. Kamchang (Lao) Co., Ltd.	A subsidiary of CK, who is the major shareholder of the Company, and the counter-party of this Transaction		-None-	
3. South East Asia Energy Co., Ltd.	A subsidiary of the Company, and the Company hold 369,977,999 shares or 56% of SEAN paid-up capital ^{3/}		-None-	
4. Nam Ngum 2 Power Co., Ltd.	A subsidiary of SEAN where SEAN hold 660,675,000 shares or 75% ^{2/} of NN2 paid-up capital		-None-	
5. Mr. Plew Trivisvavet	<u>The Company</u> Director and Chairman of Executive Committee, and father of Mr. Thanawat Trivisvavet and Dr. Supamas Trivisvavet <u>NN2</u> Director and Chairman of Executive Committee	Director and Chairman of Executive Committee	-None-	12,631,497 shares ^{4/} (0.75%)
6. Mr. Narong Sangsuriya	<u>The Company</u> : Director <u>NN2</u> : Director	Director and Senior Executive Vice President	-None-	512,500 shares ^{4/} (0.03%)
7. Mr. Prasert Marittanaporn	<u>The Company</u> Director and Executive Director <u>NN2</u> : Director	Director and Senior Executive Vice President	-None-	-None-
8. Dr. Supamas Trivisvavet	<u>The Company</u> Director, Executive Director and daughter of Mr. Plew Trivisvavet and sister of Mr. Thanawat Trivisvavet,	Director, Managing Director and Daughter of Mr. Plew Trivisvavet (Director and Chairman of Executive Committee)	-None-	1,700,000 shares ^{4/} (0.10%)
9. Mr. Thanawat Trivisvavet	<u>The Company</u> Director, Managing Director and son of Mr. Plew Trivisvavet, and brother of Dr. Supamas Trivisvavet <u>NN2</u> : Director	Son of Mr. Plew Trivisvavet (Director and Chairman of Executive Committee), and brother of Dr. Supamas Trivisvavet (Director and Managing Director)	-None-	-None-
10. Mr. Aswin Kongsiri	-None-	Chairman of the Board of Directors	678,410 shares ^{1/} (0.01%)	-None-
11. Mr. Watchara Sanghattawattana	-None-	Executive Vice President – Engineering	391,000 shares ^{1/} (0.01%)	-None-
12. Mrs. Rinrada Tungtongkid	-None-	Executive Vice President – Accounting and Finance	26,800 shares ^{1/} (0.00%)	-None-
13. Mr. Wibul Angkhaphiphatthanachai	-None-	Executive Vice President – Internal Audit Office	20,000 shares ^{1/} (0.00%)	-None-
14. Mr. Prasert Trivisvavet	-None-	Close relative of Mr. Plew Trivisvavet	5,175,000 shares ^{1/} (0.07%)	3,154,285 shares ^{4/} (0.19%)
15. Mrs. Saikasem Trivisvavet	-None-	Wife of Mr. Plew Trivisvavet (Director and Chairman of Executive Committee)	2,000,000 shares ^{1/} (0.03%)	-None-

Name	Relationship			
	Position/Connection with CKP and NN2	Position/Connection with CK	Shareholding in CKP	Shareholding in CK
16. Mr. Nattavut Trivisvavet	-None-	Son of Mr. Plew Trivisvavet (Director and Chairman of Executive Committee), and brother of Dr. Supamas Trivisvavet (Director and Managing Director)	150,000 shares ^{1/} (0.00%)	2,514,285 shares ^{4/} (0.15%)
17. Miss Sawanya Trivisvavet	-None-	Daughter of Mr. Sittidej Trivisvavet (Executive Vice President – Administrative Group)	863,582 shares ^{1/} (0.01%)	622,525 shares ^{4/} (0.04%)
18. Mr. Sompol Trivisvavet	-None-	Son of Mr. Sittidej Trivisvavet (Executive Vice President – Administrative Group)	18,000 shares ^{1/} (0.00%)	-None-
19. Mrs. Korakoch Trivisvavet	-None-	Close relative of Mr. Sittidej Trivisvavet (Executive Vice President – Administrative Group)	670,000 shares ^{1/} (0.009%)	226,250 shares ^{4/} (0.01%)
20. Miss Chansai Santaannop	-None-	Daughter of Mr. Ratn Santaannop (Director and Senior Executive)	670,000 shares ^{1/} (0.01%)	10,000 shares ^{4/} (0.00%)
21. Miss Woralak Tejatussanasoontorn	-None-	Daughter of Mr. Vitoon Tejatussanasoontorn (Director and Audit Committee Chairman)	339,202 shares ^{1/} (0.00%)	-None-
22. Mr. Peeraphan Tantisuvanitchkul	-None-	Close relative of Mr. Phongsarit Tantisuvanitchkul (Executive Vice President – Operation Group)	1,868,000 shares ^{1/} (0.03%)	-None-
23. Mr. Tawal Kongdee	-None-	Son-in-law of Mr. Narong Sangsuriya (Director and Senior Executive)	50,000 shares ^{1/} (0.00%)	-None-
24. Miss Chintana Marittanaporn	Close relative of Mr. Prasert Marittanaporn (Director/ Executive Director)	Close relative of Mr. Prasert Marittanaporn (Director and Senior Executive)	10,150 shares ^{1/} (0.00%)	-None-

Remark: 1/ Information from the latest shareholders' book of the Company, closing on March 23, 2016 (XM).
2/ Information from the shareholders' book of NN2 as of March 2, 2016.
3/ Information from the shareholders' book of SEAN as of March 2, 2016.
4/ Information from the latest shareholders' book of CK, closing on September 10, 2015 (XD).

Due to the transaction is considered as the Connected Transaction with the transaction size of exceeding 3 percent of NTA, the Company is required to obtain a resolution of the shareholders' meeting approving the Connected Transaction with the votes of not less than three-fourths of all votes of the shareholders who attend the meeting and are eligible to voting, excluding shareholders with the conflict of interest.

List of shareholders with the conflict of interest who are not eligible to vote on this Agenda is shown in Clause 5 of the information memorandum on the Connected Transaction of the Company, which is enclosed to the notice to this shareholders' meeting.

- 2. The information of CK Power Public Company Limited** is as stated in Clause 9 of the information memorandum on the Connected Transaction of the Company, which is enclosed to the notice to this shareholders' meeting.
- 3. The information of CH. Karnchang Public Company Limited** is as stated in the Attachment 1 of this report.
- 4. The information of CH. Karnchang (Lao) Company Limited** is as stated in the Attachment 2 of this report.

5. **The information of Nam Ngum 2 Power Company Limited** is as stated in the Attachment 3 of this report.
6. **Summary of Relevant Agreement** is as stated in Clause 3 of the information memorandum on the Connected Transaction of the Company, which is enclosed to the notice to this shareholders' meeting.

Part 2: Opinion of the Independent Financial Advisor Concerning the Connected Transaction**1. Purpose and Necessity to Enter into the Transaction**

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 Project, 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 plant is sold to the Electricity Generating Authority of Thailand (EGAT) pursuant to the Power Purchase Agreement (PPA) for a period of 25 years from the Commercial Operation Date.

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

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

NN2 then considered proposing engagement of CHK, a subsidiary of CK and contractor for construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project, having expertise and experience in construction of various types of power projects, to carry out such improvement of voltage and construction of the Nabong Substation, with the scheduled construction completion by May 2018, with the Total EPC Price on a lump sum turnkey contract basis not exceeding Baht 2,192.30⁸ million (*the EPC price consists of Thai Baht of not exceeding Baht 799,850,000 + USD of not exceeding USD 39,113,320 (exclusive of VAT)*).

2. Comparison of Advantages and Disadvantages of the transaction**2.1. Advantages and benefit of the transaction****2.1.1. Reduce risks of cost overrun and delay of construction due to the Agreement (EPC Contract) is on a fixed cost lump sum turnkey basis**

The Agreement is on a fixed cost lump sum turnkey basis with definite construction completion period, conditions for payment in accordance with the work progress, and penalty at the rate of not exceeding 10 percent of the total contract price, will help assure NN2 that the improvement of voltage and construction of the Nabong Substation will be completed within the time and fixed budget, as risks relating to construction, i.e., delay of project completion risk and cost overrun risk, etc., will be lower.

2.1.2. CHK has experience in construction of the Nam Ngum 2 Hydroelectric Power Project and continuity in upgrading and construction of the same project

CHK was contractor for construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project. The improvement of voltage and construction of the Nabong Substation from 230kV to 500 kV is considered upgrading of the Nam Ngum 2 Hydroelectric Power Project. CHK has familiar with the design, construction, and specifications of the Nam Ngum 2

⁸ Please see Footnote 1.

Hydroelectric Power Project, and should be able to carry on the improvement of voltage and construction of the Nabong Substation more efficient than other contractors.

2.1.3. CK and CHK have experience in construction of large infrastructure projects

CK and its subsidiaries are group of leading general contractors in Thailand. CK Group is capable to carry out sophisticated construction requiring advanced construction technology. CK Group has extensive experience in construction of large scale infrastructure projects, such as design and construction of hydroelectric power projects, tap water production projects, expressways, and subways.

CHK is the contractor for construction of the Nam Ngum 2 Hydroelectric Power Project and the Xayaburi Hydroelectric Power Project as well as have expertise and experience in construction of various types of power projects of the Company and subsidiaries such as solar power projects and cogeneration power projects.

From their experiences, CK and CHK have capabilities to handle large scale infrastructure projects and experiences in construction of hydroelectric power projects of the Company and subsidiaries. It is convinced that CHK should be able to efficiently carry on the Project as plan and deliver the Project by the schedule.

2.1.4. Financial strength of CK

The maintenance and construction of the Nabong Substation with the total value of around Baht 2,192.30⁹ million (exclusive of VAT) is considered a sizable investment. The contractor of the Project should have a strong financial status and sufficient financial liquidity in order to smoothly operate the Project. The contractor may sometimes have to make advance payments. Therefore, if the contractor does not have good credit status and sufficient financial liquidity, the construction of the Project may be interrupted.

According to the term and conditions the Agreement, CHK has to arrange performance bond issued by a financial institution with the value of 7.50% of total contract value. In addition, at the completion of the construction of the Nabong Substation, NN2 shall return the performance bond to CHK, and CHK shall arrange maintenance bond issued by a financial institution with the value of 5.00% of total contract value.

As of September 30, 2015, CHK has total assets of Baht 31,199.84 million and total shareholders' equity of Baht 1,117.68 million. However, even though CHK was operated at Baht 220.75 million loss in the first 3 quarters of 2015, CHK has a strong parent company, namely CK. As of December 31, 2015, CK, the parent company of CHK, has total assets of Baht 93,065.90 million, cash and cash equivalent of Baht 4,666.96 million, and D/E ratio (according to covenants of CK's debenture¹⁰) at 1.66 times¹¹, which is still lower than the allowed threshold of 3.00 times¹². Hence, CK has sufficient liquidity and borrowing capability to support this transaction.

2.1.5. Insignificant effects to financial liquidity of NN2 and the Company

Source of fund for the improvement of voltage and construction of the Nabong Substation will be from additional loans of NN2 as well as refinancing of the existing loans. (*Please see more details in Part 1 Clause 1.7 of this report*) Entering into this transaction shall not significantly affect the liquidity of NN2. After entering into this transaction, total long-term loans to paid-up capital ratio of NN2 will slightly increase from 1.84 times to 2.25 times, which is not exceeding 2.50 times covenant under the loan agreements of NN2.

In regard to the Company's liquidity after entering into this transaction will slightly increase from 0.72 times to 0.83 times after borrowing of additional loans of NN2. In addition, Lao PDR will compensate to NN2 in the form as mutually agreed upon on the principle of no gain and no loss for NN2 from such additional investment.

⁹ Total value of the Agreement shall not exceed Baht 799,850,000 + USD 39,113,320 (exclusive of VAT) = Totaling of Baht 2,192.30 million. (Remark: Using the weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016, derived from www.bot.or.th)

¹⁰ D/E ratio (according to covenants of the Debenture = Interest bearing debts or debts under discount minus cash and cash equivalent, short-term investment, and interest bearing account receivables of construction contracts from government agencies or state enterprises which issued work acceptance divided by total shareholders' equity. (Source: Form 56-1 of CK)

¹¹ Source: Management Discussion and Analysis for the year ended December 31, 2015 dated February 26, 2016 as disclosed to the SET website.

¹² Please see Footnote 10.

2.2. Disadvantages and Risks of the Transaction

2.2.1. NN2 has no opportunity to compare CHK's proposal with other contractors'

The Agreement with CHK would be done without an open bidding. Therefore, NN2 has no opportunity to compare CHK's proposal with those of other contractors. However, the proposed price by CHK is close to the estimated EPC costs by the Independent Expert (Pöyry).

3. Comparison of Entering into the Transaction with the Connected Person and other Non-Connected Persons

3.1. Advantages/Benefits of Entering into the Transaction with the Connected Person

The execution of the Transaction with the connected person will benefit the Company in the following aspects:

- (1) CHK was the contractor for construction of the Nam Ngum 2 Hydroelectric Power Project and familiar with the Nam Ngum 2 Hydroelectric Power Project. To carry on the improvement of voltage and construction of the Nabong Substation by CHK shall have continuity in upgrading and construction of the same project,
- (2) CK, a parent company of CHK, is a large construction company in Thailand with experience, expertise and familiarity with construction of complicated large projects requiring high engineering technology such as the construction of large infrastructure projects i.e. expressway, subway project, and power generation projects.
- (3) Negotiations and agreements can be concluded quickly. Given CK as the Company's major shareholder with common directors, the Company, including NN2 and CHK, will be able to conclude their negotiations, conditions and details quickly and in line with the timeframe specified in the plan.

3.2. Disadvantages/Risks of Entering into the Transaction with The Connected Person

3.2.1. Additional expenses for the appointment of the Independent Financial Advisor and the arrangement of shareholders' meeting

To enter into the Transaction, considered significant connected transactions, it is requires the Company to arrange the shareholders' meeting and to appoint the Independent Financial Advisor to render an opinion on the Connected Transaction which are additional expenses for the Company to propose the Connected Transaction for approval, compared to the execution of the transaction with non-connected person.

4. Conclusion of opinion of the Independent Financial Advisor on the rationality of the Transaction

NN2 shall enter into the Engagement Agreement (Lump Sum Turnkey) with CHK for improvement of voltage and construction of the Nabong Substation from 230 kV to 500 kV. The completion of the Project is scheduled to be by May 2018 in accordance to the conditions under PPA with EGAT.

To enter into the Connected Transaction will benefit the Company as follows (1) reduce risks of cost overrun and delay of construction due to the Agreement is Lump Sum Turnkey Contract; (2) CHK has an experience in the construction of Nam Ngum 2 Hydroelectric Power Project and shall have continuity in upgrading and construction of the same project; (3) CK and CHK have intensive experiences in construction of large infrastructure projects; (4) CK has financial strength; (5) insignificant effects to financial liquidity of NN2 and the Company; and (6) faster in negotiation and conclusion with a construction contractor due to CHK is familiar with the design, construction, and specifications of Nam Ngum 2 Hydroelectric Power Project.

In the meantime, to enter into the Connected Transaction shall have disadvantages and risks as follows (1) the Company does not have an opportunity to compare the proposal from CHK with other contractors; and (2) to incur additional costs from appointment of an independent financial advisor due to transaction with CHK is considered as a connected transaction.

Subsequent to the consideration of the purpose and necessity of entering into the transactions together with advantages, disadvantages, benefits and risks, which may arise, the Independent Financial Advisor deems that the businesses of Company and NN2 will benefit under limited disadvantages and risks. **Thus, the Connected Transaction is reasonable.**

Part 3: Opinion of the Independent Financial Advisor on the Appropriateness of the price and conditions of the Connected Transaction

The Independent Financial Advisor has considered the appropriateness of price and conditions of the Engagement Agreement with CH. Karnchang (Lao) Company Limited (“CHK”) for improvement of voltage and construction of the 230/500 kV Nabong Substation based on the information and assumptions provided by the Company, NN2, CHK, and CK, the interviews of executives and related staffs of the Company, the Opinion Letter on EPC Cost prepared by Pöyry Energy Ltd. (“Pöyry”)¹³, the Independent Expert, as well as the information disclosed to the public, the information disclosed on the websites of the SEC (www.sec.or.th) and the SET (www.set.or.th).

However, the opinion of the Independent Financial Advisor is based on the assumption that all of the aforesaid information and documents are complete and accurate, as well as the consideration of current situation and the information, which can be informed in the present time. Changes can significant impact on the business operation and the decision making of the shareholders concerning the appropriateness of the Connected Transaction. CapAd has considered the appropriateness of the Transaction by comparing with the Opinion Letter on EPC Cost by the Independent Expert.

Subsequent to the study of the related information and document of the Company, NN2, CHK, and CK as well as other related information, the Independent Financial Advisor summarizes the opinion on the appropriateness of the price and condition of the Connected Transaction as follows:

1. Appropriateness of the Price

1.1. Price Proposal for improvement of voltage and construction of the 230/500 kV Nabong Substation by CHK

1.1.1. EPC Price Proposal by CHK

Total value of improvement of voltage and construction of the 230/500 kV Nabong Substation shall not exceed Baht 799,850,000 + USD 39,113,320 (exclusive of VAT) = Totaling of Baht 2,192.30¹⁴ million. Details of the price proposal proposed by CHK on February 10, 2016 are as follows:

EPC Price Proposal by CHK (Civil Works + Equipment)	Baht Portion (Baht mn.)	USD Portion (USD mn.)	Total Construction Costs of the Project ^{1/}	
	(1)	(2)	(1) + (2) in Baht mn.	(1) + (2) in USD mn.
Part 1: Civil Works Costs				
Preparation works ^{2/}	215.89	0.44	231.55	6.50
Buildings, infrastructure, and utilities ^{3/}	329.21	6.99	578.01	16.24
Total Civil Works Costs	545.10	7.43	809.57	22.74
Part 2: Electrical Equipment Costs	254.75	31.68	1,382.72	38.84
Total construction costs of the Project	799.85	39.11	2,192.30^{4/}	61.58

Remark: 1/ The weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016 (www.bot.or.th)

2/ Comprising of the preparation of the site, installation of the temporary facilities, mobilization and de-mobilization, as well as site maintenance for the construction period.

3/ Comprising of construction of permanent civil works, which covers excavation works for land preparation, foundations for equipment and cable trenches, construction of four control buildings, warehouses, operation houses, guesthouses and guardhouses, roads and parking areas and fencing, as well as water supply and sewage water system including a water treatment plant.

4/ Rounding.

1.1.2. Scope of Works proposed by CHK

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

- 1) Upgrade and construction of the 230/500 kV Nabong Substation
- 2) Installation of machinery and equipment of the 230/500 kV Nabong Substation, as follows:
 - Installation of three sets of 230/500 kV transformer, 750 MVA;
 - Installation of two sets of 500 kV reactors, 110 MVAR;
 - Installation of two sets of 230 kV reactors, 40 MVAR;

¹³ Please see Footnote 2.

¹⁴ Please see Footnote 1.

- Installation of two sets of 230 kV electrical equipment, communication and prevention systems, in order to accept electricity from the Nam Ngiep 1 Hydroelectric Power Project, including improvement of areas for other future projects;
 - Installation of two sets of 500 kV electrical equipment, communication and prevention systems, in order to transmit electricity from the Nam Ngum 2 Hydroelectric Power Project, the Nam Ngiep 1 Hydroelectric Power Project, and other future projects, to the delivery point at the Thailand – Lao PDR's border;
 - Purchase of spare parts and special tools for maintenance to ensure the availability for electricity distribution; and
 - Construction of three new control buildings, staff camp, guesthouses and large-sized warehouse.
- 3) Testing and commissioning of the 230/500 kV Nabong Substation
 - 4) Procure equipment, tools, spare parts and personals for construction works

For the evaluation of the price proposal for improvement of voltage and construction of the 230/500 kV Nabong Substation by CHK where the scope of works under the Agreement was based on the technical data, which requires specific know-how and expertise, CapAd has compared the price proposal with the cost estimation by Pöyry, the Independent Expert, who has experience and expertise in cost estimation of infrastructure projects, especially the engineer consulting services for power generation projects.

1.2. Opinion Letter on EPC Cost by Pöyry

The opinion letter on EPC cost prepared by Pöyry, the Independent Expert, dated February 19, 2016, can be summarized as follows:

1.2.1. Objective

The objective of the opinion letter on EPC cost prepared by Pöyry is to:

- Evaluate the EPC price proposal prepared and submitted by Ch. Karnchang (Lao) Company Limited
- Opine on the completeness of the Scope of Services
- Assess the suitability, completeness and adequacy of the substation equipment
- Assessment of the Construction Schedule

Basis of the opinion letter on EPC cost are the documents provided by NN2PC, which are:

- Draft EPC contract documents : Scope of works and specifications
- Draft EPC contract documents : Scope of works and technical specifications
- Part I Tender Documents, Annex 2 Technical Tender, T.14 Data Sheets
- Price Proposal for EPC 230/500 kV Nabong Substation Project, dated May 26, 2014 and February 10, 2016, including bill of quantity (price breakdown), vendor list and tentative construction schedule

1.2.2. Project Location

The Nabong Substation is located northeast of Vientian City, Nabong province, Lao PDR. The whole substation is located in an area of 420,000 sq.m. (42 hectares). The substation is connected at one end to the Nam Ngum 2 Hydroelectric Power Plant Project and at the other end is connected to 500 kV double circuits transmission line extending to the Udon Thani 3 substation in Thailand.

1.2.3. Scope of Services

1.2.3.1. Scope of Civil Works

- (a) Main civil works: scope of services for the main civil works are as follows;
 - Excavation work for land preparation and slope protection
 - Foundation of the Equipment
 - Access road to all buildings
 - Control building and relay room for 3 buildings
 - Warehouse
 - Operation house for 10 families
 - Guest house with 2 rooms
 - Water supply system enough for about 30 people
 - Power supply and telephone system
 - Drainage system

- Fencing
 - Guardhouse
 - Cable trench, etc.
- (b) Site installation: The scope of works includes construction, installation and maintenance of the temporary facilities required during the construction period. These facilities include:
- Power generation facility for site and temporary camp
 - Water supply system for site and temporary camp
 - Temporary building such as temporary camp, office facilities, accommodation facilities, canteen, housekeeping facilities, emergency medical facility, and sewerage system and waste water treatment plant
 - Workshops for maintenance and repair of plant and equipment
 - Warehouses for storage of construction materials and equipment
 - Provision of all required construction plant and equipment
 - Diesel/petrol/lubricants supply and related storage facilities
 - Storage areas (open air) for construction materials
 - Testing facility for construction materials
 - Temporary site roads
- (c) Design works, site investigation, etc.: Detailed design, geological investigation, geotechnical and rock mechanical laboratory testing, topographic survey and others.
- (d) Coordination: Coordination between the civil works and equipment supply

1.2.3.2. Main Equipment

In order to accommodate the additional hydropower projects connecting to the Nabong Substation, three units of power transformers and two circuits of 500 kV transmission line interconnection breakers and a half bus arrangement both 230 kV and 500 kV are required.

Three units of 750 MVA 230/500 kV transformers will be installed; additional space area is provided for one (1) more 230/500 kV transformer, if required. Two units of 40 MVAR connected to 230 kV bus will be provided for voltage regulating purposes.

The conventional air insulated substation with the rigid type aluminum tube bus bar is used for making connections among various equipment in order to secure a high safety clearance and ease of maintenance.

The Control and Protection System equipment will comply with a high short circuit capability 50 kA both 500 kV and 230 kV. The transmission lines will be protected by two primary pilot relaying systems, a tele-protection signaling device will be provided for transfer trip scheme via an optical fiber cable and power line carrier, a fault recording system will be furnished to detect the sequence of events and provide a diagnosis of all the events occurring during the disturbance state.

The bus bar protection and breaker failure scheme will also be provided with a direct transfer trip scheme. All protective relays that interface with EGAT's system will be products from the same manufacturer, and has to comply with EGAT's acceptance main relay list.

Data exchange between the 230/500 kV Nabong Substation and the dispatch center in Thailand will be through Gateway/IP-RTU, which will be equipped with two ports for EGAT NCC, two ports for BNCC and two ports for EGAT NEC. The communication protocol will be IEC 61850-104. The communication systems between the Nabong Substation and EGAT Udon Thani 3 substation and the Nam Ngiep 1 project will each comprise the equipment as specified in Schedule 15 of the power purchase agreement of Nam Ngiep 1.

1.2.4. Assessment of the Substation Equipment

The proposed main electrical equipment for the 230 kV and 500kV switchyard, such as power circuit breakers, voltage transformers isolators, is mainly manufactured in Europe. Current transformers are manufactured in China, but the manufacturer is a major international company, Alstom¹⁵, and the main 230/500 kV transformers are manufactured in China by Alstom, which is a French multinational company with the products including heavy machinery and equipment. Pöyry viewed that the proposed equipment is feasible for this Project.

The software of proposed Substation Automation System (SAS) originates from USA and the hardware from Taiwan. The proposed main protection systems for 230 kV and 500 kV equipment are

¹⁵ Alstom is a manufacturer of heavy machinery and equipment. Its head office is located in France. However, on November 2, 2015, Alstom sold its power and grid division to General Electric ("GE").

After the merger, the power and grid business of Alstom was transferred to GE, becoming GE Power. Currently, Alstom focuses on rail transportation business.

manufactured by SEL or Alstom originates from UK or USA. Pöyry viewed that the proposed system is feasible for this Project

1.2.5. Assessment of Construction Schedule

The tentative construction time of not exceeding 26 months covers the detail design, civil works, procurement of equipment (including manufacturing, shipping and delivery), installation, testing and commissioning. The completion of the Project must be within May 2018. Pöyry viewed that the tentative construction schedule is considered feasible.

1.2.6. Estimation Approaches by Pöyry

The assessment of the EPC price proposal is based on a comparative assessment with prices and cost estimates prepared and available for similar substations in this region (Thailand and the Lao PDR). The basis for the comparative price assessment is:

- (1) Cost estimate for a 500 kV substation prepared by EGAT¹⁶,
- (2) Original cost estimate prepared by Team Consulting Engineering and Management Company Limited ("TEAM")¹⁷, and
- (3) Cost estimate for a 230/500 kV substation prepared by Pöyry as part of a hydropower project in Lao PDR (price basis 2015). This cost estimate is based on budgetary prices received from leading equipment suppliers.

1.2.7. Evaluation of the EPC price by Pöyry

1.2.7.1. Total Project Civil Works and Equipment Costs

Pöyry compared the total costs of the Project with the cost estimation for 500 kV substations in South East Asia prepared by EGAT, and available to the consultant. Those estimates includes all costs, also civil works and equipment costs have been applied to the Project, the expected total cost is approximately USD 65 million. (*Equivalent to Baht 2,314 million, using the weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016 (www.bot.or.th)*)

The total costs for the Nabong Substation per the EPC Price Proposal by CHK dated February 10, 2016 amounts to USD 61.5 million, which is 5% lower than the EGAT cost estimate. Thus, Pöyry viewed that current total costs of the Project should not be significantly different from the EGAT cost estimate. (Most of the estimation of project cost is based on historical data and quotation from machinery suppliers.)

Summary of the EPC Price Proposal by CHK and the estimate cost Pöyry is as follows:

Total Construction Cost of the Project (Total EPC Price) (Civil Works + Equipment)	Price Proposal by CHK			Estimated Price by Pöyry in reference to EGAT (Baht mn.)	Price Proposal by CHK is higher (lower) than the estimated price by Pöyry (Baht mn.)	Price Proposal by CHK is higher (lower) than the estimated price by Pöyry (%)
	Baht Portion	USD Portion	Total Construction Costs of the Project ^{1/}			
	(Baht mn.)	(USD mn.)	(Baht mn.)			
	(1)	(2)	(3) = (1) + (2)	(4)	(5) = (3) - (4)	(5) / (4)
Total Construction Costs of the Project	799.85	39.11	2,192.30^{1/}	2,314.00 ^{1/, 2/}	(121.70)	(5.26)

Remark: 1/ The weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016 (www.bot.or.th)
2/ Estimated total construction costs of the Project is USD 65 million. (approximately Baht 2,314 million)

1.2.7.2. Cost Breakdown 1: Civil Works

Based on the EPC Price Proposal by CHK dated February 10, 2016, summary of the price proposal for civil works is as follows:

Civil Works Only	Price Proposal by CHK			Estimated Price by Pöyry Total cost of the Project (Baht mn.)
	Baht Portion (Baht mn.)	USD Portion (USD mn.)	Total ^{1/} (Baht mn.)	
	(1)	(2)	(1) + (2)	
Preparation works	215.89	0.44	231.55	Considered Reasonable
Buildings, infrastructure, and utilities	329.21	6.99	578.01	Considered Acceptable
Total Civil Works Costs	545.10	7.43	809.57	

Remark: 1/ The weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016 (www.bot.or.th)

¹⁶ Please see Footnote 4.

¹⁷ Please see Footnote 3.

Preparation works cover preparation of the site, installation of the temporary facilities, mobilization and de-mobilization, as well as site maintenance for the construction period. Total costs of preparation works amount to Baht 215.89 million + USD 0.44 million = Baht 231.55 million.

Pöyry views that total costs of preparation works is about 10% of the total EPC price, which is in the usual range given the large portion of equipment supply. Thus, this price is considered reasonable for the installation of the site and maintenance of the site for a construction period.

CapAd views that the proposal price for the civil works by CHK amounting to Baht 231.55 million is accounted for 10.6% of total EPC Price, which is around Baht 2,192.30 million. Therefore, the proposal price for the civil works is in the usual range estimated by Pöyry.

Building, infrastructure, and utilities amount to Baht 329.21 million + USD 6.99 million = Totaling of Baht 578.01 million. Pöyry believes that the total costs of building, infrastructure and utilities are considered acceptable for construction of permanent civil works, which covers excavation works for land preparation, foundations for equipment and cable trenches, construction of four control buildings, warehouses, operation houses, guesthouses and guardhouses, roads and parking areas and fencing, as well as water supply and sewage water system including a water treatment plant.

1.2.7.3. Cost Breakdown 2: Equipment Costs

Pöyry compared the EPC Price Proposal by CHK dated February 10, 2015 with the estimated costs (Equipment Costs Only) by TEAM¹⁸. Summary of the comparison is as follows:

Equipment Costs Only	Price Proposal by CHK			Estimated Price by Pöyry in reference to TEAM (Baht mn.)	Price Proposal by CHK is higher (lower) than the estimated price by Pöyry (Baht mn.) (5) = (3) - (4)	Price Proposal by CHK is higher (lower) than the estimated price by Pöyry (%) (5) / (4)
	Baht Portion	USD Portion	Total ¹⁷			
	(Baht mn.) (1)	(USD mn.) (2)	(Baht mn.) (3) = (1) + (2)			
Electrical Equipment Costs	254.75	31.68	1,382.72	1,574.00	(191.28)	(12.15)

Remark: 1/ The weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016 (www.bot.or.th)

The EPC Price provided by CHK dated February 10, 2015 for the equipment is about 12% lower than the estimated costs provided by TEAM since 2014. Pöyry views that the total cost of equipment of Baht 1,382.72 million (equivalent to USD 38.8 million) is reasonable. In addition, Pöyry believes that the current price of the equipment should not be significantly different for the estimated costs by TEAM. (Most of the estimation of project cost is based on historical data and latest quotation from machinery suppliers.)

Summary of comparison of the EPC Price Proposal by CHK and the estimated costs by Pöyry is as follows:

Details	Price Proposal by CHK	Estimated Costs by Pöyry (based on EGAT)	Estimated Costs by Pöyry	Estimated Costs by Pöyry (based on TEAM)	Price Proposal of CHK is higher (lower) than the Estimate Costs by Pöyry	
	(Baht mn.)	(Baht mn.)	(Baht mn.)	(Baht mn.)	(Baht mn.)	(%)
Civil Work Costs ^{1/}	809.57 ^{2/}		Considered Reasonable ^{5/}			
Electrical Equipment Costs	1,382.72 ^{2/}			1,574.00	(191.28)	(12.15)
Total construction costs of the Project	2,192.30^{3/}	2,314.00^{2/,4/}			(121.70)	(5.26)

Remark:

1/ Consisted of (a) preparation works and (b) building, infrastructure, and utilities.

2/ The weighted average interbank foreign exchange rate of USD/Baht 35.60 as of March 2, 2016. (source: www.bot.or.th)

3/ Rounded.

4/ Estimated total construction costs of the Project is USD 65 million. (approximately Baht 2,314 million)

5/ Pöyry views that (a) total costs of preparation works about 10% of the total EPC price, which is in the usual range given the large portion of equipment supply, is considered reasonable; and (b) the total costs of building, infrastructure, and utilities are considered acceptable.

From above table (a) the electrical equipment costs proposed by CHK is lower than the estimated costs of electrical equipment by Pöyry in reference to the estimated costs by TEAM¹⁹ of

¹⁸ Please see Footnote 3.

¹⁹ Please see Footnote 3.

Baht 191.28 million or lower by 12.15%, and (b) total construction costs for the improvement of voltage and construction of the 230/500 kV Nabong Substation ("Total EPC Price") proposed by CHK is lower than the estimated costs by Pöyry in reference to the estimated costs by EGAT²⁰ of Baht 121.70 million or lower by 5.26%.

CapAd views that the estimated costs by Pöyry is reasonable due to the estimated costs referred to the estimation of independent experts, namely EGAT, TEAM, and Pöyry²¹. The estimation was based on historical data and quotation from machinery suppliers of which should not be significantly different from the current costs. Therefore, the total consideration, which NN2 will pay to CHK, of approximately Baht 2,192.30 million (exclusive of VAT) is lower than the estimated costs of the Project prepared by Pöyry, the Independent Expert, by Baht 121.70 million or 5.26%. Conclusively, CapAd is of the opinion that the total value of consideration for improvement of voltage and construction of the Nabong Substation payable to CHK is **appropriate**.

2. Appropriateness of the term of payment

Total cost of the improvement and construction of the 230/500 kV Nabong Substation is Baht 799.85 million + USD 39.11 million (exclusive of VAT) = Baht 2,192.30²² million (exclusive of VAT). The payment of consideration shall be paid monthly subject to the details and conditions as specified in the Agreement. NN2 shall make a payment within 30 days after receiving an invoice. The monthly payment will be adjusted from comparison of the actual works and scheduled works where the volatility shall not exceed or lower than 3%. In addition, NN2 will make advance payment of not exceeding 10% of the total contract value.

CapAd views that the term of payments is a general business condition, and the payment is based on the progress of works. Therefore, the term of payment is **appropriate**.

3. Conclusion of the opinion of the Independent Financial Advisor concerning appropriateness of price and condition of the Connected Transaction

Conclusively, CapAd is of the opinion that the consideration that NN2 will pay to CHK amounting to Baht 799.85 million + USD 39.11 million (exclusive of VAT) = Baht 2,192.30²³ million (exclusive of VAT) is **appropriate** due to the consideration to be paid to CHK is lower than the estimated costs by the Independent Expert. In addition, the term of payment is a general business condition. Therefore, the term of payment is **appropriate**.

²⁰ Please see Footnote 4.

²¹ Please see Footnote 2, 3, and 4.

²² Please see Footnote 1.

²³ Please see Footnote 1.

Part 4: Conclusion of Opinion of the Independent Financial Advisor on the Connected Transaction

Please see the conclusion of the IFA opinion in the **Executive Summary** on Page 4 of this report.

However, the shareholders should consider the information in the notice to the shareholders' meeting and its enclosures before making the decision. The final decision shall be at own discretion of the shareholders.

CapAd as the Independent Financial Advisor hereby certifies that the opinions have prudently been provided in compliance with the professional standards and principles, with due regard to the shareholders' benefits.

Yours sincerely,

Capital Advantage Company Limited

- *Patchara Netsuwan* -

(Mr. Patchara Netsuwan)
Managing Director

Attachment 1

Business Overview and Operating Results of CH. Karnchang Public Company Limited

1. General Information

Company Name	:	CH. Karnchang Public Company Limited (“CK”)
Main Business	:	General contract construction for government agencies, state enterprises and private sector
Head Office	:	587 Viriyathavorn Building, Sutthisarnvinitchai Road, Dindaeng, Bangkok 10400
Telephone	:	0 2277 0460, 0 2275 0026
Fax	:	0 2275 7029
Website	:	http://www.ch-karnchang.co.th/
Registered Capital	:	Baht 1,693,899,970 Divided into 1,693,899,970 of ordinary shares at par value of Baht 1.00
Paid-up Capital	:	Baht 1,693,896,872 Divided into 1,693,896,872 of ordinary shares at par value of Baht 1.00

2. Nature of Business

2.1 Background

CH. Karnchang Public Company Limited (“CK”) was established on November 27, 1972 with the initial registered capital of Baht 1,400,000 to engage in general construction business. Initially, the scope of work covered construction of building and general civil works. Its major clients are government agencies. Later in 1981, CK entered into a joint venture with Tokyu Construction Co., Ltd., one of Japanese top ten contractors, to expand construction business and long term prosperity.

CK became a public company on October 10, 1994, increased its registered capital to Baht 700 million, and listed in the Stock Exchange of Thailand on August 3, 1995. Later on April 19, 1996, CK increased its registered capital to Baht 1,050 million. From that point of time, CK was growing rapidly and improving the construction technology development through its joint venture with foreign companies, e.g., Bilfinger AG from Germany and Thames Water International Limited from England. This enabled CK to become one of a few construction contractors which is able to carry out sophisticated construction requiring advanced construction technology such as large scale infrastructure projects. Moreover, CK was able to operate the projects on a design and construction basis or turnkey, concessions on Build-Transfer-Operate (BTO), Build-Operate-Transfer (BOT), Build-Own-Operate (BOO), and Acquire-Operate-Transfer (AOT) basis. For example, the concession project for tap water production and distribution for the Provincial Waterworks Authority in Nakhon Pathom, Samutsakorn, and Patumthani Province; the MRT Initial System Project – Chaloom Ratchamongkhon Line, etc.

In 2004, CK set up SouthEast Asia Energy Limited (“SEAN”) to serve as a developer of Nam Ngum 2 Hydroelectric Power Project in Lao People’s Democratic Republic (“Lao PDR”). In 2006, CK commenced the construction of 615 MW Nam Ngum 2 Hydroelectric Power Project with a project value of Baht 22,000 million for the production and distribution of electricity to the Electricity Generating Authority of Thailand (EGAT). Apart from the investment in hydroelectric power projects, CK further invested in varieties of energy business such as natural gas power project, cogeneration power project, and solar power projects. CK established Bang Pa-in Cogeneration Limited (“BIC”) in 2009, Xayaburi Power Co., Ltd. (“XPCL”) in 2010, Bangkhenchai Co., Ltd. (“BKC”) in 2011, and Nakhon Ratchasima Solar Co., Ltd. (“NRS”) and Chiangrai Solar Co., Ltd. (“CRS”) in 2011. CK set up CK Power Limited (“CKP”) as a holding company with its core business in SouthEast Asia Energy Limited, the major shareholder of the Nam Ngum 2 Hydroelectric Power Project. CKP’s objective is to invest in good energy business which is under the development of CK Group. CKP transformed to be a public company under the name CK Power Public Company Limited (“CKP”) on February 6, 2013 and was listed on the Stock Exchange of Thailand on July 18, 2013. In June 2013, CK increased registered capital in the amount of Baht 41,311,536 to support stock dividend paid to shareholders, resulting registered capital to increase to Baht 1,693,899,970 with paid up capital of Baht 1,693,896,872.

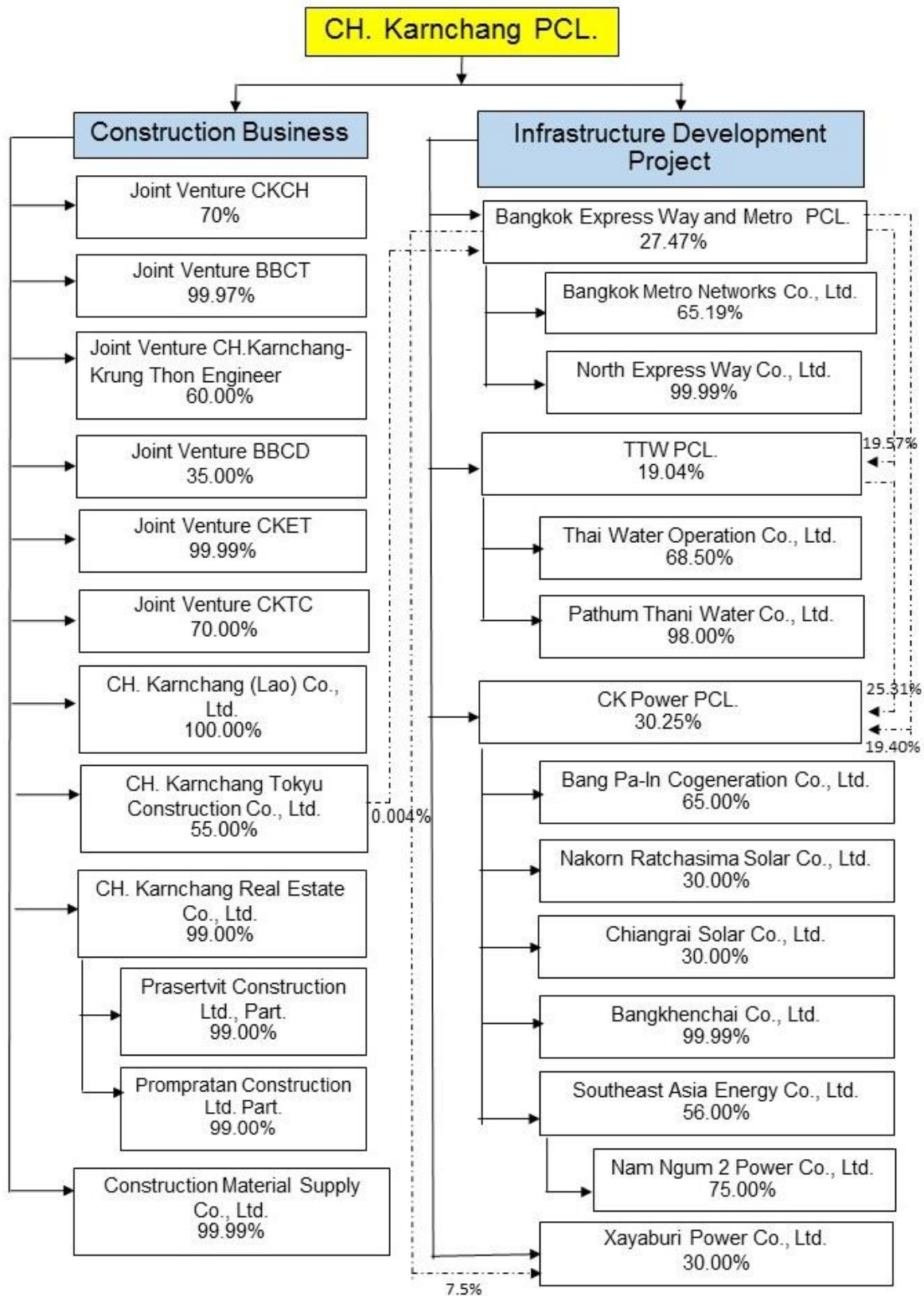
CK’s Group Structure

CK’s business can be divided into 2 types:

1. Contractor business
2. Infrastructure project development business

The flow chart of group structure is in the following page.

CK's Group Structure



Source: 2015 financial statements ended December 31, 2015 of BEM, CK, CKP, TTW and CK

2.2 Business and Operation

CK's primary business is a construction contractor on works from government agencies, state enterprises, and private entities in the form of main contractor or sub-contractor through bidding, tender, and joint venture or consortium with foreign contractor companies. In addition, CK expands the scope of business to develop basic infrastructure projects in the regional level. Currently CK invests in transportation system, mass transportation system, water supply system, and power supply system e.g. MRT Initial System Project which operated by Bangkok Express Way and Metro Public Company Limited ("BEM"), water production projects which operated by TTW Public Company Limited ("TTW") and Patum Thani Water Co., Ltd.

3. Board of Directors

List of Board of directors of CK as of March 2, 2016 is as follows:

	Names	Position
1.	Mr. Aswin Kongsiri	Chairman of the Company and Independent Director
2.	Mr. Plew Trivisvavet	Chairman of the Executive Board
3.	Ms. Supamas Trivisvavet	President
4.	Mr. Vitoon Tejatussanasoontorn	Chairman of Audit Committee and Independent Director
5.	Mr. Thawansak Sukhawan	Audit Committee and Independent Director
6.	Mr. Pavich Tongroach	Audit Committee and Independent Director
7.	Mr. Narong Sangsuriya	Director
8.	Mr. Kamthorn Trivisvavet	Director
9.	Mr. Ratn Santaannop	Director
10.	Mr. Prasert Marittanaporn	Director
11.	Mr. Anukool Tuntimas	Director

Remark: The authorization of CK is the signatures of Ms. Supamas Trivisvavet (President), Mr. Plew Trivisvavet, Mr. Kamthorn Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn 2 of 5 directors co-sign or 1 of 5 directors co-sign with any of the following directors; Mr. Ratn Santaannop, Mr. Sombat Kitjalaksana, or Mr. Anukool Tuntimas total 2 directors and affix the company's seal.

4. Shareholder Structure

As at September 10, 2015 (lastest book closing date), CK had registered capital of Baht 1,693,899,970 (divided into 1,693,899,970 ordinary shares at Baht 1.00 each, of which Baht 1,693,896,872 were paid up (divided into 1,693,896,872 ordinary shares at Baht 1.00 each). Top 10 shareholders are as follows:

Name	Number of shares	% Shareholding
1. Trivisvavet group	654,372,316	38.63
1.1 Mrs. Sopida Trivisvavet	15,383,225	0.91
1.2 Mr. Plew Trivisvavet	12,631,497	0.75
1.3 Mrs. Saikasem Trivisvavet	5,749,142	0.34
1.4 Mr. Prasert Trivisvavet	3,154,285	0.19
1.5 Mr. Kamthorn Trivisvavet	62,775	0.0037
1.6 Mahasiri Siam Co., Ltd. ^{1/}	340,412,365	20.10
1.7 CH.Karnchang Holding Co., Ltd. ^{2/}	175,496,503	10.36
1.8 CK Office Tower Co., Ltd. ^{3/}	93,348,212	5.51
1.9 Bangpa-in Land Co., Ltd. ^{4/}	8,134,312	0.48
2. Bangkok Bank PCL.	38,950,000	2.30
3. Thai NVDR Co., Ltd.	35,624,024	2.10
4. State Street Bank Europe Limited ^{5/}	28,322,715	1.67
5. Thai Value Focus Dividend Fund	16,150,100	0.95
6. K Equity LTF	14,936,822	0.88
7. The Government Pension Fund	14,872,867	0.88
8. SCB Open-end Long Term Fund Dividend 70/30	14,605,400	0.86
9. The Viriyah Insurance PCL.	14,045,200	0.83
10. Chase Nominees Limited	13,930,900	0.82
Total top 10 shareholders	845,810,344	49.93
Other shareholders	848,086,528	50.07
Total	1,693,896,872	100.00

Source: Shareholder list on the book closing XD on September 10, 2015 from Thailand Securities Depository Co., Ltd.

Remark:

1/ Directors and shareholders of Mahasiri Siam Co., Ltd. are as follows:

Directors: Mr. Prasert Trivisvavet, Mr. Thep Trivisvavet, Mr. Yim Trivisvavet, Mr. Plew Trivisvavet, and Mr. Kamthorn Trivisvavet

Shareholders:

Name	Number of shares	% Shareholding
1. Mr. Thavorn Trivisvavet	2,411,473	26.80
2. Mr. Prasert Trivisvavet	2,281,895	25.35
3. Mr. Plew Trivisvavet	1,993,633	22.15
4. Mr. Thep Trivisvavet	937,837	10.42

Name	Number of shares	% Shareholding
5. Mr. Kamthorn Trivisvavet	753,948	8.38
6. Ms. Ruangkhao Promphat	621,213	6.90
7. Mrs. Saikasem Trivisvavet	1	0.00
Total	9,000,000	100.00

2/ Directors and shareholders of CH. Karnchang Holding Co., Ltd.

Director: Mr. Plew Trivisvavet, Mr. Prasert Trivisvavet, Mr. Thep Trivisvavet, Mr. Yim Trivisvavet, and Mr. Kamthorn Trivisvavet

Shareholders:

Name	Number of shares	% of Shareholding
1. Mahasiri Siam Co., Ltd.	2,100,000	25.00
2. Mr. Nuttapong Kummee	1,050,000	12.50
3. Namphol Construction Co., Ltd.	1,050,000	12.50
4. Cholavet Civil Co., Ltd	1,050,000	12.50
5. Tawornwong Co., Ltd.	1,050,000	12.50
6. Vetprasert Co., Ltd.	1,050,000	12.50
7. Ekkamthorn Co., Ltd.	1,050,000	12.50
Total	8,400,000	100.00

3/ Directors and shareholders of CK. Office Tower Co., Ltd.

Directors: Mr. Plew Trivisvavet, Mr. Prasert Trivisvavet, Mr. Thep Trivisvavet, Mr. Yim Trivisvavet, Mr. Kamthorn Trivisvavet, and Mr. Prasert Thongkittikul

Shareholders:

Name	Number of shares	% Shareholding
1. Mahasiri Siam Co., Ltd.	750,000	25.00
2. Mr. Kamthorn Trivisvavet	375,000	12.50
3. Mr. Thavorn Trivisvavet	375,000	12.50
4. Mr. Thep Trivisvavet	375,000	12.50
5. Mr. Prasert Trivisvavet	375,000	12.50
6. Mr. Plew Trivisvavet	375,000	12.50
7. Mr. Yim Trivisvavet	375,000	12.50
Total	3,000,000	100.00

4/ Directors and shareholders of Bangpa-in Land Co., Ltd.

Director: Mr. Plew Trivisvavet, Mr. Prasert Trivisvavet, Mr. Yim Trivisvavet, Mr. Thep Trivisvavet, Mr. Kamthorn Trivisvavet, Mr. Vorawut Anurakwongsri, and Ms. Supamas Trivisvavet

Shareholders:

Name	Number of shares	%Shareholding
1. Mahasiri Siam Co., Ltd.	600,000	25.00
2. CK Office Tower Co., Ltd.	600,000	25.00
3. Mr. Thavorn Trivisvavet	200,000	8.33
4. Mr. Prasert Trivisvavet	200,000	8.33
5. Ms. Jiraporn Yordsaeng	200,000	8.33
6. Mr. Plew Trivisvavet	200,000	8.33
7. Mr. Thep Trivisvavet	200,000	8.33
8. Mr. Kamthorn Trivisvavet	200,000	8.33
Total	2,400,000	100.00

(Source of remark 1 – 4: www.corpus.bol.co.th)

5/ The foreign-registered company trades securities in the Stock Exchange of Thailand without disclosure that it holds securities for its own benefits or for others. CK does not have the authority to request any disclosure from such shareholder.

5. Summary of Financial Positions and Operation Results

- Statement of Financial Positions as of December 31, 2013, 2014, and 2015

Consolidated Statement of Financial Positions (Unit: Baht thousand)	2013	2014	2015
Current Assets			
Cash and cash equivalents	3,913,216	5,265,068	4,666,962
Current Investments	1,479,750	683,659	70,947
Trade and other receivables	4,288,094	5,336,692	6,173,560
Short-term loans to related parties and interest receivable	1,201	31,209	283,913
Unbilled receivables	15,397,850	13,275,865	13,146,933
Construction in progress and and construction supplies	2,496,178	8,562,297	12,786,884
Advanced payment to subcontractors	12,621,816	10,315,917	7,233,238
Other current assets	937,497	508,528	677,940
Total Current Assets	41,135,602	43,979,135	45,040,379
Non-current assets			
Restricted bank deposits	33,087	24,182	16,893

Consolidated Statement of Financial Positions (Unit: Baht thousand)	2013	2014	2015
Long-term loans to related company and interest receivable	21,272	22,411	12,384
Investments in associated companies	7,270,773	7,375,512	17,259,131
Other long-term investments	11,906,400	13,829,918	8,007,596
Long-term trade and other receivables	3,152,387	7,624,344	14,406,046
Investment properties	383,536	398,994	383,974
Property, plant and equipment	7,517,860	6,961,836	7,329,633
Intangible assets	96,025	85,921	75,978
Advances for future projects	265,895	277,685	282,307
Withholding tax deducted at source	121,539	76,478	108,149
Deferred tax assets	62,231	185,517	116,251
Other non-current assets	67,619	30,306	27,176
Total non-current assets	30,898,624	36,893,105	48,025,518
Total Assets	72,034,226	80,872,240	93,065,896
Current liabilities			
Bank overdrafts and short-term loans from financial institutions	4,373,916	4,516,035	8,191,277
Trade and other payables	6,846,109	5,904,480	6,602,049
Current portion of hire purchase creditors	342,187	226,313	193,918
Current portion of long-term loans	6,995,774	5,327,627	5,099,472
Current portion of debentures	1,983,800	3,000,000	2,000,000
Advances received from employers and construction revenue received in advance	7,971,504	8,308,850	5,883,109
Retention for construction	596,382	891,332	1,145,622
Income tax payable	3,135	77,861	1,301
Unbilled output tax	347,786	702,944	1,231,232
Derivative financial liabilities	-	511,227	57,647
Other current liabilities	90,524	137,636	149,723
Total current liabilities	29,551,117	29,604,305	30,555,349
Non-current liabilities			
Other long-term liabilities	-	-	769,741
Hire purchase creditors – net of current portion	750,494	295,282	109,119
Long-term loans, net of current portion	10,903,841	14,047,380	16,769,087
Debentures, net of current portion	11,981,983	14,979,666	21,478,214
Provision for long-term employee benefits	346,341	447,096	568,444
Deferred tax liabilities	1,659,858	2,027,826	1,960,275
Total non-current liabilities	25,642,515	31,797,250	41,654,880
Total Liabilities	55,193,633	61,401,555	72,210,229
Share capital			
Par value (Baht 1 per share)			
Registered capital			
1,693,899,970 ordinary shares (December 31, 2013: 1,652,585,336 ordinary shares) (December 31, 2014: 1,693,897,970 ordinary shares)	1,652,585	1,693,900	1,693,900
Issued and fully paid up			
1,693,896,872 ordinary shares (December 31, 2013: 1,652,585,336 ordinary shares) (December 31, 2014: 1,693,897,872 ordinary shares)	1,652,585	1,693,897	1,693,897
Share premium	4,869,410	4,869,410	4,869,410
Retained earnings			
Appropriated			
Statutory reserve	170,759	174,890	174,890
Unappropriated	7,011,426	8,587,174	9,781,926
Other components of shareholders' equity	2,846,539	3,799,348	3,937,167
Equity attributable to owners of the company	16,550,720	19,124,719	20,457,290
Non-controlling interests of the subsidiaries	289,873	345,965	398,377
Total Shareholders' Equity	16,840,593	19,470,684	20,855,667
Total Liabilities And Shareholders' Equity	72,034,226	80,872,239	93,065,896

- Comprehensive income statement for the year ended December 31, 2013, 2014 and 2015

Consolidated Comprehensive Income Statement (Unit: Baht thousand)	2013	2014	2015
Revenue from construction services	32,570,454	32,857,869	34,814,594
Sales of construction materials	56,519	7,194	32,348
Project management income	50,196	5,153	4,082
Rental income	104,313	63,687	48,597
Transportation income	6,247	17,141	12,361
Other income			
Interest income	580,360	74,948	56,593
Dividend income	619,443	711,710	900,899

Consolidated Comprehensive Income Statement (Unit: Baht thousand)	2013	2014	2015
Gain on sales of investment in associated companies and other long-term investment	3,293,596	1,268,571	2,010,994
Gain on exchange	233,235	35,559	-
Gain on fair value measurement of investment in an associate at the transition date	3,821,640	-	-
Gain from a reduction of interest in investment in an associate as deemed disposal	397,739	-	-
Others	276,231	401,527	147,285
Total revenues	42,009,972	35,443,360	38,027,755
Cost of construction services, sales of construction material and services	29,233,084	29,827,416	31,985,794
Administrative expense	1,504,979	1,475,251	1,758,512
Total expenses	30,738,064	31,302,666	33,744,306
Profit before share of profit (loss) from investments in associated companies, finance cost and income tax expenses	11,271,908	4,140,693	4,283,448
Share of profit (loss) from investments in associated companies	(488,589)	26,768	(19,360)
Profit before income tax expenses	10,783,319	4,167,462	4,264,089
Finance cost	(1,538,097)	(1,467,957)	(1,544,669)
Profit before income tax expenses	9,245,222	2,699,504	2,719,420
Income tax expenses	(1,533,253)	(342,433)	(459,012)
Profit for the year	7,711,969	2,357,071	2,260,407
Profit attributable to			
Equity holders of the company	7,673,854	2,296,257	2,192,645
Non-controlling interests of the subsidiaries	38,116	60,814	67,762
Earnings per share (Baht)	4.64	1.36	1.29

– Cash flow statement for the year ended December 2013, 2014 and 2015

Consolidate Cash Flow Statement (Unit: Baht Thousand)	2013	2014	2015
Net cash flow from (used in) Operating activities	(8,409,474)	(4,930,741)	(9,982,974)
Net cash flow from (used in) Investing activities	849,283	1,315,838	(1,246,675)
Net cash flow from (used in) Financing activities	7,444,237	4,954,885	10,614,370
Effect of exchange rate on cash and cash equivalents	56,152	11,871	17,173
Net (decrease) in cash and cash equivalents	(59,801)	1,351,852	(598,105)
Cash and cash equivalents at the beginning of the year	3,973,017	3,913,216	5,265,068
Cash and cash equivalents at the end of the year	3,913,216	5,265,068	4,666,962

Source: The financial statements of CK and its subsidiaries for the year ended December 31, 2013, 2014 and 2015 audited by EY Office Ltd. which is an auditor in the approved list of the SEC.

– Financial ratios for the year ended December 31, 2013, 2014 and 2015

Financial Ratio	2013	2014	2015
Gross Profit Margin (%)	10.54	9.26	8.22
Net Profit Margin (%)	18.27	6.48	5.77
Current Ratio (times)	1.39	1.49	1.47
Return on Equity (ROE) (%)	45.57	11.79	10.51
Return on Assets (ROA) (%)	10.65	2.84	2.36
Debt to Equity Ratio (D/E Ratio) (times)	3.28	3.15	3.46

Financial positions and operating results analysis of CK and its subsidiaries

Operating results

Major revenues

In 2013, CK, its subsidiaries, and its jointly controlled entities had main revenues which are revenues from construction services, sales of construction materials, and project management income totaling of Baht 32,677 million or 78% of total revenues, increasing by 57% from 2012.

In 2014, CK and its subsidiaries recorded total main revenues of Baht 32,870 million which represented 93% of total revenues, increasing by 0.59% from 2013, as a result of the substantial progress in construction of (a) the Xayaburi Hydroelectric Power Project in Lao PDR, (b) the MRT Green Line Project, Contract 1 and Contract 2, (c) the MRT Blue Line Extension Project: Contract 2 and Contract 5, and (d) Sirat - Outerring Road Expressway Project.

In 2015, CK had revenues from construction services, sales of construction materials and project management of Baht 34,851.02 million, representing 91.65% of total revenues, a rise of 6.03% or Baht 1,980.80 million from the prior year. The increase was a result of construction progress of the

remaining construction work under existing contracts and the newly acquired construction projects, especially Si Rat - Outer Ring Road Expressway Project, MRT Purple-line Project, Contract 4, construction of the 2nd Cogeneration Power Project, and construction of the 2nd Tap Water Production Plant for production capacity expansion in Samut Sakhon and Nakhon Pathom areas.

Other income

In 2013, CK had other income of Baht 9,222 million, increasing by 669% from 2012, because CK sold the investment in TTW PCL. ("TTW") in the first quarter and realized gain from sale of investment of Baht 2,203 million. As a result of this transaction, CK's stake in TTW was decreased, and CK reclassified investment in TTW from investment in associated company to marketable securities and changed the presentation method of the value of investments from the equity method to fair value method. CK recorded gain on fair value measurement of investment at the transaction date of Baht 3,822 million. In the second quarter, CK sold the investment in Bangkok Metro PCL. ("BMCL") and realized gain from sale of investment of Baht 1,090 million. In addition, CK realized gain from the decline in investment in associates in CK Power PCL. ("CKP") of Baht 398 million as the shareholding of CK in CKP declined from 38% to 31.8%. Moreover, there was profit sharing from jointly controlled entities and dividend income in 2013 amounted to Baht 619 million, increasing by 271% from 2012, because the operating performance of its subsidiaries was better than last year. Most of dividend income came from BECL and TTW.

In 2014, other income of CK was Baht 2,492 million, decreasing by Baht 6,730 million from 2013, because in 2014 CK sold its investment in 1,025 million shares of BMCL, having gain from sale of such investments of Baht 1,016 million and from sale of 29 million of CKP's shares, having gain from sale of such investment of Baht 253 million. Total gain from sale of investment was Baht 1,269 million lower than 2013. Other income in 2014 was substantially decrease from 2013 due to less gain from sale of investment, no gain on fair value measurement of investment in an associate, and no gain from a reduction of percentage holding in an associate.

In 2015 CK had other income of Baht 3,176.73 million, a surge by Baht 603.59 million or 23.46 % from last year. The increase mainly came from the sales of investment in Xayaburi Power Co., Ltd.

Gross profit

In 2013, CK had Baht 3,444 million gross profit, increasing from Baht 2,367 million in 2012.

In 2014, gross profit declined by Baht 400 million from 2013 to Baht 3,043 million due to the construction of MRT Purple Line, Contract 1, was completed.

In 2015, CK reported gross profit amounting to Baht 2,865 million or 8.22% of revenue, declining slightly when comparing to the same period of 2014.

The decrease in gross profit was owing to the completion of the past projects with higher gross margin. The gross margin of current projects on hand was lower than projects in the past resulting in lower gross profit in the subsequent years. However, CK has certain criteria to bid the high potential project with suitable return.

Selling and administrative expenses

In 2013, CK reported selling and administrative expenses of Baht 1,505 million, 4% reduction from 2012, because CK was able to control selling and administrative expenses efficiently.

In 2014, selling and administrative expenses continued decreasing to Baht 1,475 million, reduction of Baht 30 million, due to the reduction in administrative expenses of jointly controlled entities.

In 2015, selling and administrative expenses was Baht 1,758 million, increasing by Baht 283 million or 19% of revenue. Main expense items included foreign exchange loss, employee related expense and donation expenses.

Financial cost

In 2013, CK had financial cost of Baht 1,538 million, increasing from Baht 1,421 million in 2012, as a result of the increase in long-term debt.

In 2014, financial cost decreased from 2013 by Baht 70 million, or 5% reduction, to Baht 1,468 million due to the partial repayment of long-term loan and redemption of high interest rate debenture.

In 2015, CK posted financial costs of Baht 1,545 million, increasing by Baht 77 million from last year. This was attributable to the increase in long-term loan.

Income tax expense

For the income tax expense, in 2013 CK had income tax expense of Baht 1,533 million, increased significantly by 418% from 2012.

In 2014, income tax expense was Baht 342 million, declining by Baht 1,191 million or 78% drop from 2013, because profit before tax in 2014 was much lower than that of 2013.

In 2015, income tax expense was Baht 459 million increasing by Baht 117 million year-on-year mainly was tax from gain from sale of investment.

Net profit

In 2013, CK posted net profit (profit attributable to equity holders) of Baht 7,674 million, 1,214% growth from 2012.

In 2014, CK reported net profit of Baht 2,296 million, decreasing by Baht 5,378 million or 70% drop from previous year because CK had net profit from operation and profit from disposal of long-term investment in associated companies and other long-term investments.

In 2015, CK had net profit (profit attributable to equity holders) Baht 2,193 million decreasing by Baht 104 million or 5% comparing to the same period of last year because of slight decrease in gross profit margin and an increase in selling and administrative expense as well as the increase in financial cost from last year.

Financial status

Assets

At year end of 2013, CK's total assets were Baht 72,034 million, representing an increase of Baht 20,813 million or 41% from 2012 mainly due to the increase in current assets and non-current assets. Major items of increased current assets were advanced payment to subcontractor and unbilled receivable which increased by Baht 5,410 million and Baht 5,079 million, respectively. The increase in both items was due to the acceleration of the construction of (a) Xayaburi Hydroelectric Power Project in Lao PDR, (b) the MRT Green Line Project, Contract 1 and Contract 2, and (c) the MRT Blue Line Extension Project Contract 2 and Contract 5.

Increased non-current assets from the previous year included investment in associates, other long-term investment, accounts receivable, and property plant and equipment.

- Investment in associates amounting to Baht 7,271 million, increasing by Baht 2,285 million or 45.8% growth from 2012 due to subscription of the capital increase shares of BMCL.
- Other long-term investment in 2013 was Baht 11,906 million, increasing by Baht 7,490 million or 169.6% from 2012. This was resulting from the decrease in shareholding of TTW from 30.04% to 19.04%. CK reclassified the presentation method from equity method to fair value method, thus incurring the unrealized gain on change in value of investment in ordinary shares of BECL and TTW. (CK held BECL and TTW at 16.5% and 19%, respectively.)
- Long-term trade receivables – non-related parties in 2013 amounting to Baht 3,152 million, representing an increase by Baht 3,012 million or 2,138% from 2012, due to construction fee receivables under the Agreement for Project Management and for Supply and Installation of M&E Systems in the MRT Purple Line Project, Bang Yai – Bang Sue (Klong Bang Phai Station - Tao Poon Station), as signed by CK in September 2013. Such construction fee receivables would become due and collectible in full on the date specified in the Commissioning Certificate. CK will receive the payment of construction fee on a monthly basis according to BMCL's receipt of consideration from MRTA.
- Property, plant, and equipment in 2013 amounting to Baht 7,518 million, increasing by Baht 2,818 million or 60% growth from last year, mainly due to the investments in assets for construction of various projects.

In 2014, total assets were Baht 80,872 million, increasing by Baht 8,838 million from 2013. Major reason was the acceleration of the construction of Xayaburi Hydroelectric Power Project in Lao PDR. Construction in progress, construction supplies, and long-term trade receivables therefore increased substantially. Construction in progress and construction supplies increased by Baht 6,066 million, increased from 2,496 million in 2013 to Baht 8,562 million in 2014. While long-term trade receivables in 2014 were Baht 7,624 million, up by Baht 4,472 million or 142% growth as compared with 2013. Such receivables were construction fee receivable under the Agreement for Project Management, as well as for Supply and Installation of M&E Systems in the MRT Purple Line Project Contract 4 would become due and collectible in full on the date specified in the Commissioning Certificate which CK shall receive service fee on monthly basis in accordance with payment term that BMCL made with MRTA.

In 2015, CK had total assets of Baht 93,066 million, an increase of Baht 12,194 million or 15.1% growth. The increase was mainly due to increases in construction in progress, investments in associated companies and long-term trade receivables for the construction of the elevated train project in which due date for collection in full amount would be specified in the certificate.

Liabilities

In 2013, CK's total liabilities were Baht 55,194 million, increasing by Baht 12,482 million or 29% growth from 2012. Major increased liabilities items were short-term loan from banks (Letter of Credit) and current portion of long-term loan.

In 2014, total liabilities were Baht 61,402 million, went up by Baht 6,208 million or 11% growth from previous year, mainly due to the increase in long-term loan drawdown for operation and new debentures issuance.

In 2015, the Company and its subsidiaries had total liabilities of Baht 72,210.23 million, an increase of Baht 10,808.67 million or 17.60% from the end of prior year. The increase mainly came from the drawdown of bank loans and issuance of new debentures to fund construction acceleration and preparation of future project.

Shareholders' equity

The shareholder's equity at the end of 2013 was Baht 16,841 million, increasing by Baht 8,332 million or 98% growth from last year, due to higher retained earnings from profitable operation with net profit of Baht 7,712 million.

At the end of 2014, CK's shareholders' equity was Baht 19,471 million, increasing by Baht 2,630 million or 16%, as a result of Baht 1,576 million increased in inappropriate retained earnings.

In 2015 total shareholders' equity was Baht 20,856 million, increasing by Baht 1,385 million or 7.1% resulting from profit from operation of the Company and its subsidiaries.

Liquidity

In 2013, CK had net cash used in operating activities of Baht 8,409 million as a result of the acceleration the construction progress in Xayaburi Hydroelectric Power Project in Lao People's Democratic Republic and MRT Green Line Project Contract 1 and Contract 2. For the investing activities in 2013, CK had net cash flow from investing activities amounted to Baht 849 million because CK made long term loan repayment to BMCL and Joint Venture CKET. For the financing activities in 2013, CK had net cash flow from financing activities of Baht 7,444 million from the drawdown of long-term loan from banks and debenture issuance. Combining net cash from 3 activities, there was net cash decrease of Baht 60 million adding to the beginning cash of Baht 3,973 million, resulting in the ending cash balance of Baht 3,913 million.

In 2014, there was net cash used in operating activities of Baht 4,931 million because the construction of progress in various projects causing considerable increase in inventories and construction supplies as well as long-term trade receivables. In term of investing activities, there was net cash flow from investing activities of Baht 1,316 million from sale of investment in associates – 1,025 million shares of BMCL and 29 million shares of CKP. In term of financing activities, there was net cash flow from financing activities of Baht 4,955 million from long-term loan drawdown to support the operation and new debenture issuance. Combining net cash from 3 activities, there was net cash increase of Baht 1,352 million adding to the beginning cash of Baht 3,913 million, resulting in the ending cash balance of Baht 5,265 million.

In 2015, CK had net cash used in operating activities of Baht 9,983 million mainly from construction acceleration of various projects resulting in an increase of long-term trade receivables and construction in progress. Net cash used in investing activities was Baht 1,247 million, most of which came from an additional investments in associated companies and other long-term investments. Net cash flow from financing activities was Baht 10,614 million, mainly came from the drawdown of bank loans and issuance of new debentures. As a result, net cash decreased by Baht 598 million added to the beginning balance of Baht 5,265 million thus, total ending cash balance was Baht 4,666 million

Financial Ratio Analysis

The profit generation capability in 2013 was improved as the net profit margin increased from 2.64% in 2012 to 18.27% in 2013. Return on equity also increased significantly from 6.86% in 2012 to 45.57% in 2013 as a result of the increase in net profit.

In 2014, both gross profit margin and net profit margin declined from 2013 to 9.26% and 6.48%, respectively. Such decrease was due to the increase in construction cost and the decrease in gain from sale of investment in associates causing the decrease in return on equity to 11.79% in 2014.

In 2015, CK's gross profit margin was 8.22%, slightly decreased when compared with 2014 and it had net profit margin 5.77% lower than the same period of last year because of higher selling and administrative expense.

6. Industry Overview

The first half of 2016 is an important timing for the Cabinet to push forward the transport infrastructure investment in 2015 - 2016 in order to make public investment as a machine to bolster the economic of the country in 2016. The newly approved infrastructure projects that are going to start the construction in the first half of 2016 are Double Track Railway Chachengsao – Klongsipkao - Kaengkoi Project, Double Track Railway Jira - Khon Kaen Project, Renovation Projects of Tak Airport and Yala Airport, Center of Track Container Transportation Project at Laem Chabang Port, and Development of Wharfs at Laem Chabang Sea Port Project. In addition, the Cabinet is also accelerating the approval of the investment in new infrastructure projects including MRT Pink Line: Kae Rai - Min Buri, MRT Yellow Line: Ladprao – Samrong, MRT Orange Line: Thailand Cultural Center – Min Buri, and Development of Suvarnabhumi Airport Phase 2 Project. In the case that the aforementioned projects are approved by the Cabinet within 2015, the investment is likely to start in 2016. However, currently such projects are in the Environmental Impact Assessment process and the final stage of project review.

Therefore, K-Research expected that the investment in transport infrastructure in the first half of 2016 for the ongoing projects and new projects will reach Baht 142 - 148.5 billion, increasing 25%-30% YoY.

Source: "Transport Infrastructure Investment Being Expedited to Bolster Economy" by K-Research Issue No. 2564 dated September 8, 2015

Attachment 2
Business Overview and Operating Results of
CH. Karnchang (Lao) Company Limited

1. General Information

Company Name	: CH. Karnchang (Lao) Company Limited (“CHK”)
Main Business	: Contractor of Nam Ngum 2 Hydroelectric Power Project and Xayaburi Hydroelectric Power Project
Head Office	: Ban Xieng Yuen, Chantabouly, Vientien, Lao People’s Democratic Republic (“Lao PDR”)
Registered Capital	: US\$ 1,000,000 divided into 1,000,000 ordinary shares at par value of Baht US\$ 1.00
Paid-up Capital	: US\$ 1,000,000 divided into 1,000,000 ordinary shares at par value of Baht US\$ 1.00

2. Nature of Business

CH. Karnchang (Lao) Co., Ltd. was set up on August 15, 2005 with the initial registered capital of US\$ 1,000,000 to apply for an investment permit and be a contractor of Nam Ngum 2 Power Project. Later CHK also applied for a permit to invest and be a contractor of Xayaburi Power Project. Both projects are hydroelectric power projects which obtained concessions from Lao PDR’s government.

3. Board of Directors

As of January 21, 2015, CHK had 1 director as follows:

Name	Position
1. Mr. Ratana Sataanop	Director

Remark: The authorized director is Mr. Ratana Sataanop affix the company’s seal.

4. Shareholder Structure

As of December 31, 2015, CHK had registered and paid up capital of US\$ 1,000,000, divided into 1,000,000 ordinary shares at US\$ 1.00 each. The shareholders detail is as follows:

Shareholder name	No. of Shares	% Holding
CH. Karnchang PCL.	1,000,000	100.00
Total	1,000,000	100.00

5. Summary of Financial Positions and Operation Results

The key financial figures of CHK for the year 2012, 2013, and 2014 and for 9-month ended September 30, 2015 are as follows:

Statement of Financial Position (Unit: Baht million)	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Sep. 30, 2015
Current assets	12,574,484	19,733,524	23,674,939	27,474,790
Non-current assets	2,836,509	4,149,099	4,040,513	3,725,052
Total assets	15,410,993	23,882,623	27,715,452	31,199,842
Current liabilities	11,453,077	16,514,663	21,547,446	27,576,094
Non-current liabilities	3,480,732	5,940,435	4,829,575	2,506,069
Total liabilities	14,933,809	22,455,098	26,377,021	30,082,163
Registered and paid up capital	39,636	39,636	39,636	39,636
Retained earnings	437,548	1,387,889	1,298,794	1,078,043
Total equity	477,184	1,427,525	1,338,430	1,117,679
Total revenue	5,960,685	15,319,679	10,024,864	6,506,513
Total expenses	5,366,330	13,654,349	9,407,732	6,058,955
Earnings before financial costs	594,355	1,665,330	617,132	447,558
Financial cost	(568,987)	(694,835)	(706,227)	(668,309)
Net profit for the year	25,367	970,494	(89,093)	(220,751)

Attachment 3

Business Overview and Operating Results of Nam Ngum 2 Power Company Limited

1. General Information

Company Name	: Nam Ngum 2 Company Limited (“NN2”)
Main Business	: Hydroelectric Power Project
Head Office	: 215 Lane Xang Avenue, Ban Xieng Yuen, Chantabouly, Vientien, Lao People’s Democratic Republic (“Lao PDR”)
Registered Capital	: Baht 8,809,000 divided into 880,900,000 ordinary shares at par value of Baht Baht 10.00
Paid-up Capital	: Baht 8,809,000 divided into 880,900,000 ordinary shares at par value of Baht Baht 10.00

2. Nature of Business

Nam Ngum 2 Power Co., Ltd. was set up on May 21, 2008 in Lao PDR to operate Nam Ngum 2 Hydroelectric Power Project with the installed capacity of 615 Megawatt (MW) consisting of 3 turbines with 205 MW each. Total annual generating energy output is 2,218 GWh.

Nam Ngum 2 hydroelectric power project obtained concession from Government of Lao PDR. It is a large electric dam in Lao PDR. It was located in the north with 90 kilometers away from Vientian and it is in the upper tide with 35 kilometers away from Nam Ngum 1 Power project. NN2 has been transferred the benefits and all obligations under major agreements of the project i.e., Concession Agreement, Power Purchase Agreement, and Engineering Procurement Construction Contract from Southeast Asia Energy Co., Ltd. The transfer process was completed in January 2008. The construction of Nam Ngum 2 Hydroelectric Power Project was completed in December 2010, and the initial operation date to produce and sale electricity was started on March 26, 2011. The electricity was sold to Electricity Generating Authority of Thailand (EGAT) under long-term power purchase agreement for 27 years from the commercial operation date.

3. Board of Directors

List of NN2’s 13 directors as of March 2, 2016 is as follows:

Name	Position
1. Dr. Virabongsa Ramangkura	Chairman of the Board
2. Mr. Plew Trivisavavet	Director
3. Mr. Narong Sangsuriya	Director
4. Mr. Prasert Marittanaporn	Director
5. Mr. Vorapoj Uchupaiboonwong	Director
6. Mr. Thanawat Trivisvavet	Managing Director
7. Mr. Peerawat Pumthong	Director
8. Mr. Somnuk Jindasap	Director
9. Mr. Supong Chayutsahakij	Director
10. Mr. Van Hoang Dau	Director
11. Mr. Milton William Shlapak	Director
12. Dr. Bounleua Sinxayvolavong	Director
13. Mr. Bounsalong Southidara	Director

Remark: The authorization of NN2 is the signatures of (1) 2 of the following 4 directors namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Vorapoj Uchupaiboonwong, and Mr. Prasert Marittanaporn jointly sign and affix the company’s seal; or (2) either Mr. Plew Trivisvavet or Mr. Narong Sangsuriya or Mr. Vorapoj Uchupaiboonwong and Mr. Prasert Marittanaporn and any one of the other directors, a total of 2 directors, jointly sign and affix the company’s seal.

4. Shareholder Structure

As of December 31, 2015, NN2 had registered and paid up capital of Baht 8,809,000,000, divided into 880,900,000 ordinary shares at Baht 10.00 each. The shareholders detail is as follows:

Shareholder name	No. of Shares	% Holding
1. Southeast Asia Energy Co., Ltd.	660,675,000	75.00
2. Electricite du Laos	220,225,000	25.00
Total	880,900,000	100.00

5. Summary of Financial Positions and Operation Results

The key financial figures of NN2 for the year 2012, 2013, and 2014 and for 9-month ended September 30, 2015 are as follows:

Statement of Financial Position (Unit: Baht million)	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Sep. 30, 2015
Current assets	1,719,992	2,176,358	2,728,413	2,386,191
Non-current assets	29,182,908	28,235,975	27,008,603	26,239,055
Total assets	30,902,901	30,412,333	29,737,016	28,625,246
Current liabilities	1,569,940	1,608,433	1,676,696	2,034,189
Non-current liabilities	18,767,531	17,690,765	16,166,199	14,892,370
Total liabilities	20,337,471	19,299,199	17,842,895	16,926,559
Registered and paid up capital	8,809,000	8,809,000	8,809,000	8,809,000
Retained earnings	1,680,905	2,491,539	3,277,762	3,536,329
Total equity	10,565,430	11,113,134	11,894,121	11,698,687
Total revenue	4,028,509	4,127,103	3,982,102	2,701,554
Total expenses	(1,874,594)	(1,878,022)	(1,917,866)	(1,409,476)
Earnings before financial costs	2,153,915	2,249,080	2,064,236	1,292,078
Financial cost	(1,261,245)	(1,130,131)	(987,316)	(681,151)
Net profit for the year	892,670	1,118,949	1,076,920	610,927